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**HYDAWAY VENTURES CORP.**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE AND SIX MONTHS ENDED AUGUST 31, 2023 AND 2022**  
**(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)**

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### **NOTICE TO READER**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**HYDAWAY VENTURES CORP.**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
**AS AT AUGUST 31, 2023 AND FEBRUARY 28, 2023**  
(Unaudited – Expressed in Canadian dollars)

	August 31, 2023	February 28, 2023
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 162,603	\$ 198,731
Amounts receivable	6,327	4,724
Prepaid expenses	2,794	7,139
<b>TOTAL ASSETS</b>	<b>\$ 171,724</b>	<b>\$ 210,594</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 8,000	\$ 9,801
<b>EQUITY</b>		
SHARE CAPITAL (Note 4)	267,525	267,525
RESERVES (Note 4)	34,294	34,294
DEFICIT	(138,095)	(101,026)
<b>TOTAL EQUITY</b>	<b>163,724</b>	<b>200,793</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 171,724</b>	<b>\$ 210,594</b>

NATURE OF BUSINESS AND GOING CONCERN (Note 1)

Approved on behalf of the Board:

“Michael Leo”  
Director

“Gregory Bronson”  
Director

The accompanying notes are an integral part of these condensed interim financial statements.

**HYDAWAY VENTURES CORP.**  
**CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS**  
**FOR THE THREE AND SIX MONTHS ENDED AUGUST 31, 2023 AND 2022**  
(Unaudited – Expressed in Canadian dollars)

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>August 31,</b>		<b>August 31,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>EXPENSES</b>				
Filing fees	\$ 2,183	\$ 733	\$ 3,730	\$ 6,366
Office expenses	2,742	831	5,135	898
Professional fees	21,934	3,369	28,204	12,673
Share based compensation ( <i>Note 4</i> )	-	20,849	-	20,849
<b>NET LOSS FOR THE PERIOD</b>	<b>\$ (26,859)</b>	<b>\$ (25,782)</b>	<b>\$ (37,069)</b>	<b>\$ (40,786)</b>
<b>LOSS PER SHARE – BASIC AND DILUTED</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>
<b>WEIGHTED AVERAGE NUMBER OF COMMON</b>				
<b>SHARES OUTSTANDING – BASIC AND</b>				
<b>DILUTED</b>	<b>2,500,000</b>	<b>2,244,566</b>	<b>2,500,000</b>	<b>2,122,284</b>

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**HYDAWAY VENTURES CORP.**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED AUGUST 31, 2023 AND 2022**  
(Unaudited – Expressed in Canadian dollars)

	<b>2023</b>	<b>2022</b>
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (37,069)	\$ (40,786)
Items not involving cash:		
Share based compensation	-	20,849
Changes in operating assets and liabilities:		
Amounts receivable	(1,603)	(2,707)
Prepaid expenses	4,345	(3,100)
Accounts payable and accrued liabilities	(1,801)	(1,646)
<b>Cash used in operating activities</b>	<b>(36,128)</b>	<b>(27,390)</b>
<b>INVESTING ACTIVITIES</b>		
	-	-
<b>FINANCING ACTIVITY</b>		
Issuance of common shares, net of share issue costs	-	180,970
<b>Cash provided by financing activity</b>	<b>-</b>	<b>180,970</b>
<b>CHANGE IN CASH</b>	<b>(36,128)</b>	<b>153,580</b>
<b>CASH, BEGINNING OF PERIOD</b>	<b>198,731</b>	<b>78,744</b>
<b>CASH, END OF PERIOD</b>	<b>\$ 162,603</b>	<b>\$ 232,324</b>

The accompanying notes are an integral part of these condensed interim financial statements.

**HYDAWAY VENTURES CORP.**  
**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED AUGUST 31, 2023 AND THE YEAR ENDED FEBRUARY 28, 2023**  
(Unaudited – Expressed in Canadian dollars)

	Common shares		Reserves	Deficit	Total equity
	Number of shares	Amount			
Balance at February 28, 2022	2,000,001	\$ 100,000	\$ -	\$ (30,432)	\$ 69,568
Initial public offering share issuance	2,500,000	250,000	-	-	250,000
Share issuance costs – cash	-	(69,030)	-	-	(69,030)
Share issuance costs – warrants	-	(13,445)	13,445	-	-
Share-based compensation	-	-	20,849	-	20,849
Net loss for the period	-	-	-	(40,786)	(40,786)
Balance at August 31, 2022	4,500,001	267,525	34,294	(71,218)	230,601
Net loss for the period	-	-	-	(29,808)	(29,808)
Balance at February 28, 2023	4,500,001	267,525	34,294	(101,026)	200,793
Net loss for the period	-	-	-	(37,069)	(37,069)
Balance at August 31, 2023	4,500,001	\$ 267,525	\$ 34,294	\$ (138,095)	\$ 163,724

The accompanying notes are an integral part of these condensed interim financial statements.

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**HYDAWAY VENTURES CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE AND SIX MONTHS ENDED AUGUST 31, 2023 AND 2022**  
(Unaudited – Expressed in Canadian dollars)

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**1. NATURE OF BUSINESS AND GOING CONCERN**

Hydaway Ventures Corp. (“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 gross 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”.

These condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. As at August 31, 2023, the Company has not generated any revenues or cash flows from operations and has an accumulated deficit of \$138,095. 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. These financial statements do not reflect adjustments that may be necessary if the going concern assumption was not appropriate. Such adjustments could be material.

**2. BASIS OF PREPARATION**

**Statement of Compliance**

These condensed interim financial statements have been prepared in conformity with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company’s audited financial statements for the year ended February 28, 2023. They do not include all the information required for complete annual financial statements in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) and therefore should be read together with the audited financial statements for the year ended February 28, 2023.

**Approval of the Financial Statements**

The condensed interim financial statements of the Company as at August 31, 2023 were authorized for issuance by the Board of Directors on October 13, 2023.

**Basis of Measurement**

These condensed interim financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

The functional and presentation currency of the Company is the Canadian dollar.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Significant Accounting Estimates and Judgements**

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.

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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
- b) Adoption of New Accounting Standards

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.

4. SHARE CAPITAL

- a) Authorized: Unlimited number of common shares without par value.
- b) Escrow Shares

As at August 31, 2023, 2,000,001 common shares were held in escrow (February 28, 2023 – 2,000,001) to be released pro-rata to the shareholders as to 25% on the closing date of the QT with the remaining escrow shares being released in three equal tranches of 25% every six months for a period of 18 months. These escrow shares may not be transferred, assigned or otherwise dealt without the consent of the regulatory authorities.

- c) Outstanding as at August 31, 2023: 4,500,001 common shares (February 28, 2023 – 4,500,001).

On August 23, 2022, the Company completed its IPO and issued 2,500,000 shares of the Company at a price of \$0.10 per share for gross 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.

The fair value of the Agent's warrants issued was determined to be \$13,445 and estimated on the date of issue using the Black-Scholes option valuation model with the following weighted average assumptions: dividend yield of \$nil, risk-free interest rate of 3.65%, expected life of 2 years and expected volatility of 100%.

Legal and listing fees of \$28,280 were paid in connection with the IPO.

- d) Stock Options

On May 3, 2022, the Company adopted a stock option plan (the "Stock Option Plan"), which provides that, subject to the requirements of the TSX.V, the aggregate number of securities reserved for issuance will be 10% of the number of the Company's common shares issued and outstanding at the time such options are granted. Options may be granted under the Stock Option Plan to the directors, officers, employees, management or consultants of the Company and its affiliates, if any, as the Board of Directors may from time to time designate. The Stock Option Plan provides that the number of common shares that may be reserved for issuance to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued common shares, if the individual is a director, officer, employee or consultant, or 2% of the issued common shares, if the individual is engaged in providing investor relations services, on a yearly basis. All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 90 days from date of termination other than for cause; or (iii) one year from the date of death or disability.

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During the year ended February 28, 2023, the Company granted 275,000 options to officers and directors of the Company. The stock options have an exercise price of \$0.10 per share and expire on August 23, 2027. The options vested immediately upon grant. The weighted average fair value of the options granted during the year ended February 28, 2023 was \$0.08. The fair value of these options on the date of grant was determined using the Black-Scholes option pricing model and the following assumptions: dividend yield of \$nil, risk free interest rate of 3.40%, expected life of 5 years and expected volatility of 100%.

The expected volatility assumption was based on the estimated volatility of comparable companies trading on the TSX.V.

During the three and six months ended August 31, 2023, the Company recorded share-based compensation expense of \$nil and \$nil (2022 - \$20,849 and \$20,849). The changes in the stock options for the year ended February 28, 2023 and the six months ended August 31, 2023 are as follows:

	Number of options	Weighted average exercise price (per share)
Balance, February 28, 2022	-	-
Granted	275,000	\$0.10
Balance and exercisable, February 28, 2023 and August 31, 2023	275,000	\$0.10

The balance of options outstanding as at August 31, 2023 was as follows:

Expiry date	Exercise price	Remaining life (years)	Options Outstanding	Unvested	Vested
August 23, 2027	\$0.10	3.98	275,000	-	275,000

e) Agent's Warrants

On August 23, 2022, the Company issued 250,000 Agent's warrants in connection with the IPO offering. The Agent's warrants have an exercise price of \$0.10 per share and expire on August 23, 2024.

The changes in the Agent's warrants for the year ended February 28, 2023 and the six months ended August 31, 2023 are as follows:

	Number of Agent's warrants	Weighted average exercise price (per share)
Balance, February 28, 2022	-	-
Issued	250,000	\$0.10
Balance, February 28, 2023 and August 31, 2023	250,000	\$0.10

The balance of Agent's warrants outstanding as at August 31, 2023 was as follows:

Expiry date	Exercise price	Remaining life (years)	Warrants Outstanding
August 23, 2024	\$0.10	0.98	250,000

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5. RELATED PARTY BALANCES AND 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, 2023, the Company incurred \$nil and \$nil in key management compensation (2022 - \$nil and \$nil).