

## Hydaway Ventures Amends Amalgamation Agreement for the Acquisition of DMT

October 18, 2024 – Vancouver, British Columbia. **Hydaway Ventures Corp.** (the “**Company**”) (TSX-V: HIDE.P) is pleased to announce that, further to its news release dated September 4, 2024, it has entered into an amendment agreement (the “**Amendment**”) to that amalgamation agreement dated August 30, 2024 (the “**Amalgamation Agreement**”) with 1491386 B.C. Ltd., a wholly-owned subsidiary of the Company (“**Hydaway Sub**”), and DMT Digital Corp., a company incorporated in British Columbia (“**DMT**”), whereby the Company will acquire all of the issued and outstanding common shares of DMT (the “**DMT Shares**”) by means of a “three-cornered amalgamation” (the “**Acquisition**”) whereby Hydaway Sub and DMT will amalgamate and continue as one company, as a wholly-owned subsidiary of the Company.

The Amendment limits the Voluntary Resale Restrictions (as defined herein) to shareholders of DMT (the “**DMT Shareholders**”) who hold at least 5,000 common shares of the Company (“**Common Shares**”) immediately following the closing of the Acquisition (“**Closing**”).

The Company is a “capital pool company”, and the Acquisition is intended to serve as the Company’s proposed “qualifying transaction” (the “**Qualifying Transaction**”), pursuant to Policy 2.4 of the TSX Venture Exchange (the “**Exchange**”). Upon completion of the Qualifying Transaction, the Company anticipates it will be a Tier 2 industrial issuer on the Exchange.

Trading in the listed securities of the Company will remain halted pursuant to Section 2.3(b) of Policy 2.4 of the Exchange.

### About DMT

DMT is a computer rendering service provider, whose head office is based in Kelowna, British. Computer rendering is the process of generating an image or animation using a computer program, often referred to as a rendering engine, which involves using mathematical calculations and algorithms to create digital models or objects, scenes and environments that can be manipulated and viewed from different angles and perspectives. Lighting, materials, textures and other techniques are used in computer rendering to make the images and animations look realistic and visually appealing.

From its incorporation on January 24, 2022 until May 2023, DMT developed a consulting service to assist exploration and development companies with obtaining access to in situ natural gas reserves and/or natural gas in pipelines. In July 2022, DMT established a technology design and testing centre (the “**DMT Centre**”) in Kelowna, British Columbia to assess, validate and design potential technology “add-ons” to remote and semi-remote extractive operations in the exploration and development stage.

Since May 2023, DMT has been engaged in the computer rendering service provider business, and the computer and other systems in the DMT Centre were repurposed to power DMT’s operations.

The board of directors of DMT consists of Karl Kottmeier and Kirk Gamley. The management of DMT consists of Karl Kottmeier, the Chief Executive Officer of DMT, and Natasha Tsai, the Chief Financial Officer of DMT.

The following sets forth the unaudited financial information of DMT for its three-month period ended July 31, 2024 and financial years ended April 30, 2024 and 2023:

	As at and for the three-month period ended July 31, 2024 (unaudited)	As at and for the financial year ended April 30, 2024 (unaudited)	As at and for the financial year ended April 30, 2023 (unaudited)
Total Assets	\$533,678	\$618,347	\$826,558
Total Liabilities	\$6,989	\$27,333	\$478
Revenues	-	-	-
Expenses	\$68,311	\$258,775	\$245,209
Net Income (Loss)	\$(64,325)	\$(235,066)	\$(226,992)

## Terms of the Qualifying Transaction

Pursuant to the Amalgamation Agreement, as amended by the Amendment:

- In consideration of DMT, each DMT Shareholder immediately prior to Closing will receive one (1) Common Share for every one (1) DMT Share held, and the Company expects that the DMT Shareholders will receive an aggregate of 15,250,000 Common Shares, assuming there are 15,250,000 DMT Shares issued and outstanding immediately prior to the Closing.
- In addition to the escrow and resale restrictions pursuant to the policies of the Exchange and applicable securities laws, the Common Shares issued to each DMT Shareholder will be subject to voluntary restrictions on resale (the “**Voluntary Resale Restrictions**”), of which 20% of the Common Shares will be released on the date that is one (1) month following the Closing and an additional 20% of the Common Shares will be released every month thereafter, unless such DMT Shareholder holds less than 5,000 Common Shares immediately following the Closing.
- In consideration of DMT, each warrant holder of DMT (a “**DMT Warrantholder**”) will receive Common Share purchase warrants (“**Warrants**”) exercisable to acquire such number of Common Shares as is equal to the number of DMT Shares issuable under each such DMT Share purchase warrant (a “**DMT Warrant**”) previously held by such DMT Warrantholder at an exercise price per Common Share equal to the exercise price of such DMT Warrant per DMT Share until the expiry time of such DMT Warrant. The Company expects that the DMT Warrantholders will receive an aggregate of 19,750,000 Warrants, assuming the currently issued and outstanding 19,750,000 DMT Warrants remain issued and outstanding immediately prior to the Closing. Of the 19,750,000 DMT Warrants currently issued and outstanding, 10,000,000 DMT Warrants are exercisable at a price of \$0.20 per DMT Share until January 24, 2025 and 9,750,000 DMT Warrants are exercisable at a price of \$0.40 per DMT Share until June 20, 2025.
- The Company will complete a concurrent private placement (the “**Concurrent Private Placement**”) of a minimum of 5,000,000 Common Shares and a maximum of 10,000,000 at a price of \$0.10 per Common Share for aggregate gross proceeds of a minimum of \$500,000 and a maximum of \$1,000,000, or as otherwise agreed to be the parties, concurrently with or prior to the Closing. The net proceeds of the Concurrent Private Placement will be used for the continued development and expansion of the Company’s computer rendering business following the Acquisition and general working capital purposes. Subject to Exchange approval, the Company may pay a finder’s fee in cash, Common Shares and/or Common Share purchase warrants in connection with the Concurrent Private Placement.

In connection with the Acquisition, the Company proposes to appoint Karl Kottmeier, the Chief Executive Officer and a director of DMT, as the Chief Executive Officer and a director of the Company, Natasha Tsai, the Chief Financial Officer of DMT, as the Chief Financial Officer and Corporate Secretary of the Company and Christian Vassos as the Chief Technology Officer of the Company. Robin Gamley and Michael Leo are proposed to continue as directors of the Company.

The following is a summary of the background of the individuals who are expected to constitute the Principals (as such term is defined in the policies of the Exchange) of the Company upon the completion of the Qualifying Transaction. The Company does not anticipate that there will be any Insiders (as such term is defined in the policies of the Exchange) upon the completion of the Qualifying Transaction, other than the individuals set out below.

- **Karl Kottmeier (British Columbia, Canada), Proposed Chief Executive Officer, Director and Promoter of the Company:** Mr. Kottmeier is a former investment advisor and member of the venture corporate finance team at several brokerage firms. Mr. Kottmeier has over 30 years of practical experience in listing and financing junior companies on the CSE, TSX-V and TSX. Mr. Kottmeier left the brokerage industry to enter the junior resource exploration and development industry in 2003. Mr. Kottmeier has served as director and/or CEO of a number of junior resource companies and has raised over several hundred million dollars of working capital for these companies. Mr. Kottmeier received a Bachelor of Arts in History from the University of British Columbia in 1991.

- **Natasha Tsai (British Columbia, Canada), Proposed Chief Financial Officer and Corporate Secretary of the Company:** Ms. Tsai, CPA, CA, is Managing Director at Malaspina Consultants Inc. (“**Malaspina**”). Ms. Tsai has been a senior advisor to and CFO of companies in a broad range of industries. Ms. Tsai specializes in the areas of financial operations and business performance. Prior to joining Malaspina in 2012, Ms. Tsai was the CFO of a junior mining company and the corporate controller of an early-stage company in the energy sector. Ms. Tsai graduated from the University of British Columbia with a Bachelor of Commerce in 2001 and received her Chartered Accountant designation in 2007. Ms. Tsai is also a former co-chair of the Young CA Forum at the Institute of Chartered Accountants of British Columbia.
- **Christian Vassos (British Columbia, Canada), Proposed Chief Technology Officer of the Company:** Mr. Vassos has held various positions in the technology industry, including system designer, software programmer and system manager/engineer. Mr. Vassos currently serves as the manager of DMT’s rendering operations, having designed, sourced and constructed the computer system that powers DMT’s operations. Mr. Vassos has four (4) years’ experience in Linux programming, five (5) years as a Linux system administrator and ten (10) years’ experience in computer system/data architecture design and construction, crypto mining and information technology. Mr. Vassos completed the Digital Marketing program at the British Columbia Institute of Technology in 2015, the Interactive Design program at Capilano University in 2013 and the Film program at Capilano University in 2012.
- **Robin Gamley (British Columbia, Canada), Current and Proposed Director of the Company:** Mr. Gamley’s early career was as a senior manager in the restaurant and entertainment business. Mr. Gamley was an investor relations consultant for companies listed on the Exchange and the Canadian Securities Exchange through his position as Vice-President of Contact Financial Corp. from 2010 to 2023. Mr. Gamley has served as the President and a director of EMP Metals Corp. (“**EMP**”) (CSE: EMPS) since August 2018, a director of Waverunner Capital Inc. (CSE: WRUN) since April 2024 and the Chief Executive Officer, Chief Financial Officer, Corporate Secretary and a director of the Company since January 2021. Mr. Gamley previously served as the CEO of EMP from August 2018 to September 2024, CEO of Avanti Helium Corp. (“**Avanti**”) (TSXV: AVN) from August 2019 to May 2021 and the President and director of Avanti from August 2019 to June 2024. Mr. Gamley graduated in 1998 with a Bachelor of Science from the University of British Columbia.
- **Michael Leo (British Columbia, Canada), Current and Proposed Director of the Company:** Mr. Leo has been a senior manager, including of corporate sales, for Steve Nash Fitness World and Sports Club, from January 2007 to March 2020, and Club 16 Trevor Linden Fitness and She’s Fit, since October 2020, each a chain of fitness centres in British Columbia. Mr. Leo has served as the director of Avanti from July 2019 to August 2024 and a director of the Company since January 2021. Mr. Leo graduated in 2001 with a Bachelor of Human Kinetics from the University of British Columbia and earned a Masters in Human Kinetics from the University of British Columbia in 2003. In 2013, Mr. Leo obtained his British Columbia mortgage broker license from the Sauder School of Business.

The proposed Qualifying Transaction will not constitute a Non-Arm’s Length Qualifying Transaction (as that term is defined in Policy 2.4 of the Exchange).

None of the Non-Arm’s Length Parties (as that term is defined in Policy 2.4 of the Exchange) to the Company have any direct or indirect beneficial interest in DMT or the DMT Shareholders.

None of the Non-Arm’s Length Parties to the Company are Insiders (as defined in the policies of the Exchange) of DMT.

Other than as disclosed below and elsewhere in the news release, there is no relationship between or among the Non-Arm’s Length Parties (as defined in the Policies of the Exchange) to the Company and the Non-Arm’s Length Parties to the Qualifying Transaction (as defined in Policy 2.4 to the Exchange). Robin Gamley, the Chief Executive Officer, Chief Financial Officer, Corporate Secretary and a director of the Company is the brother of Kirk Gamley, a director of DMT.

The Qualifying Transaction is subject to the approval of the DMT Shareholders, the acceptance by the Exchange, the completion of the Concurrent Private Placement and the satisfaction of other customary conditions. The Qualifying Transaction is not subject to the approval of the shareholders of the Company.

The Company will apply for a waiver of the requirement to retain a sponsor in connection with the proposed Qualifying Transaction.

Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable pursuant to Exchange Requirements (as that term is defined in the policies of the Exchange), majority of the minority shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

### **About the Company**

The Company is a Capital Pool Company (as that term is defined in Policy 2.4 of the Exchange). For further information, please see the final prospectus of the Company dated June 22, 2022 filed on SEDAR+ or contact Robin Gamley, the Chief Executive Officer, Chief Financial Officer, Corporate Secretary and a director of the Company, at 604.689.7422 or [rob@contactfinancial.com](mailto:rob@contactfinancial.com).

### **Forward-Looking Statements**

The information set forth in this news release contains forward-looking statements that are based on assumptions as of the date of this news release. These statements reflect management's current estimates, beliefs, intentions, and expectations. They are not guarantees of future performance. The Company cautions that all forward-looking statements are inherently uncertain, and that actual performance may be affected by a number of material factors, many of which are beyond the Company's control. Such factors include, among other things: risks and uncertainties relating to the limited operating history of the Company and DMT, the need to comply with governmental regulations and the completion of the Qualifying Transaction, including the Acquisition and the Concurrent Private Placement. Accordingly, actual and future events, conditions and results may differ materially from the estimates, beliefs, intentions, and expectations expressed or implied in the forward-looking information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information.

Neither the Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release.