

**Hydaway Ventures Corp.**  
**Management's Discussion and Analysis**  
**For the year ended February 29, 2024**

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**INTRODUCTION**

The following management's discussion and analysis of financial condition and results of operations ("MD&A") for the year ended February 29, 2024 prepared as of June 13, 2024, should be read in conjunction with the audited financial statements for the year ended February 29, 2024 and the related notes thereto of Hydaway Ventures Corp. ("the Company" or "Hydaway"). 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 IFRS Accounting Standards ("IFRS") and related interpretations of the IFRS Interpretations Committee ("IFRIC's") as issued by the International Accounting Standards Board ("IASB"). 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".

**SELECTED ANNUAL INFORMATION**

	<b>February 29, 2024</b>	February 28, 2023	February 28, 2022
	\$	\$	\$
<b>Total assets</b>	<b>158,885</b>	210,594	79,369
<b>Working capital</b>	<b>133,058</b>	200,793	69,568
<b>Net loss</b>	<b>(67,735)</b>	(70,594)	(22,836)
<b>Net loss per share<sup>(1)</sup></b>	<b>(0.03)</b>	(0.04)	(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.

The Company had no revenue, paid no dividends and had no long-term liabilities during the years ended February 29, 2024 and February 28, 2023 and 2022.

The increase in total assets and working capital during the year ended February 28, 2023 was due to the completion of the Company's IPO and the issuance of 2,500,000 common shares for gross proceeds of \$250,000.

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The net loss during the year ended February 28, 2023 was higher because of increased business activities, completion of IPO and listing of the Company's common shares on the TSX.V during that year.

**RESULTS OF OPERATIONS**

The Company recorded a net loss of \$67,735 (\$0.03 per share) for the year ended February 29, 2024 (2023 – \$70,594 and \$0.04 per share). The Company had no revenue, paid no dividends and had no long-term liabilities during the year ended February 29, 2024.

Variances of note in the operational expenses are:

Office expenses of \$8,269 (2023 - \$5,599) were higher during the current fiscal year, because the Company paid office rent for twelve months during the current year compared to six in 2023.

Professional fees of \$51,630 (2023 - \$36,720) consist mainly of accounting and legal fees. The professional fees during the year ended February 29, 2024 were higher, as the Company accrued higher audit fees based on the actual audit invoice received for the year-end audit.

The Company recorded a share-based compensation expense of \$nil (2023 - \$20,849) as a result of no stock options granted during the current fiscal year versus 275,000 stock options granted during the 2023 fiscal year.

**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 five most recently completed quarters.

	THREE MONTHS ENDED			
	February 29, 2024 \$	November 30, 2023 \$	August 31, 2023 \$	May 31, 2023 \$
Total assets	158,885	159,835	171,724	204,609
Working capital	133,058	150,835	163,724	190,583
Net loss	(17,777)	(12,889)	(26,859)	(10,210)
Net loss per share <sup>(1)</sup>	(0.01)	(0.01)	(0.01)	(0.00)
	THREE MONTHS ENDED			
	February 28, 2023	November 30, 2022	August 31, 2022	May 31, 2022
Total assets	210,594	229,280	238,756	69,558
Working capital	200,793	208,873	224,169	54,564
Net loss	(8,080)	(21,728)	(25,782)	(15,004)
Net loss per share <sup>(1)</sup>	(0.00)	(0.00)	(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 seven 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.

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**FOURTH QUARTER**

*Three months ended February 29, 2024 compared to three months ended February 28, 2023:*

The Company had a net loss for the three months ended February 28, 2024 of \$17,777 compared to a net loss of \$8,080 for the same period in 2023. The net loss for 2024 was higher, as the Company the Company accrued higher audit fees based on the actual audit invoice received for the year-end audit.

**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.

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

**LIQUIDITY AND CAPITAL RESOURCES**

As at February 29, 2024, the Company had cash of \$145,966 and a working capital of \$133,058. During the year ended February 29, 2024, net cash used in operating activities was \$52,765.

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 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. At February 29, 2024, the Company had accumulated losses of \$168,761 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.

**CAPITAL EXPENDITURES**

The Company incurred \$nil in capital expenditures during the year ended February 29, 2024 (2023 - \$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 year ended February 29, 2024, the Company incurred \$nil in key management compensation (2023 - \$20,849).

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**FINANCIAL INSTRUMENTS**

IFRS 7, Financial Instruments: Disclosures, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**Fair Value of Financial Instruments**

The Company's financial assets include cash and are classified as Level 1. The fair value of accounts payable and accrued liabilities approximates its carrying value due to the short term to maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at February 29, 2024 were as follows:

	Carrying amount	Fair value measurement using		
		Level 1	Level 2	Level 3
Cash	\$ 145,966	\$ 145,966	\$ -	\$ -

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at February 28, 2023 were as follows:

	Carrying amount	Fair value measurement using		
		Level 1	Level 2	Level 3
Cash	\$ 198,731	\$ 198,731	\$ -	\$ -

**Financial Risk Management Objectives and Policies**

The risks associated with the Company's financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

**Currency Risk**

The Company's assets, liabilities and expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

**Credit Risk**

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk, the Company places these instruments with a high-quality financial institution. As at February 29, 2024, the Company's maximum credit risk is \$145,966.

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*Interest Rate Risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term. The Company has not entered into any derivative instruments to manage interest rate fluctuations.

*Liquidity Risk*

In the management of liquidity risk, the Company intends to maintain an adequate amount of working capital to continue its operation and achieve its business objectives. Management closely monitors the Company's liquidity position and intends to complete future equity financings. As at February 29, 2024, the Company has contractual obligations of \$25,827 due within the next twelve months.

**SIGNIFICANT 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:

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

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**DISCLOSURE CONTROLS AND PROCEDURES**

Disclosure controls and procedures are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized, and reported within the time periods specified by securities regulations and that the information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. 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 financial statements for the year ended February 29, 2024 and this accompanying MD&A (together, the "Annual 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 refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca).

**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.sedarplus.ca](http://www.sedarplus.ca).