

**Hydaway Digital Corp.  
(Formerly Hydaway Ventures Corp.)  
Management’s Discussion and Analysis  
For the year ended February 28, 2025**

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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 28, 2025 prepared as of June 26, 2025, should be read in conjunction with the audited consolidated financial statements for the year ended February 28, 2025 and the related notes thereto of Hydaway Digital Corp. (formerly 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”) 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’s common shares are listed on the TSX Venture Exchange (“TSX.V”) under the trading symbol “HIDE”.

**QUALIFYING TRANSACTION**

On May 20, 2025, the Company completed its acquisition of DMT Digital Corp. (“DMT”), a company incorporated in British Columbia, which transaction constituted the Company’s “qualifying transaction” (the “Qualifying Transaction”) pursuant to Policy 2.4 – Capital Pool Companies of the TSX.V. Pursuant to the amalgamation agreement dated August 30, 2024, as amended on October 16, 2024, December 13, 2024 and March 19, 2025 (the “Amalgamation Agreement”) among the Company, 1491386 B.C. Ltd. (“Hydaway Sub”), and DMT, the Company acquired 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 amalgamated and continued as DMT Digital Corp. (“Amalco”), a wholly-owned subsidiary of the Company.

The Company changed its name to “Hydaway Digital Corp.” Trading in the common shares of the Company (the “Common Shares”) on the TSX.V under the Company’s new name and new trading symbol “HIDE” began at the opening of markets on May 23, 2025.

Pursuant to the Amalgamation Agreement, each shareholder of DMT (each, a “DMT Shareholder” and collectively, the “DMT Shareholders”) received one Common Share for every one DMT Share held, and the DMT Shareholders received an aggregate of 15,250,000 Common Shares. The Common Shares issued to each DMT Shareholder were subject to voluntary restrictions on resale, of which 20% of the Common Shares will be released on the date that is one month following the closing of the Acquisition (the “Closing”) and an additional 20% of the Common Shares will be released every month thereafter, unless such DMT Shareholder held less than 5,000 Common Shares immediately following the Closing.

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In consideration of DMT, the holders of the common share purchase warrants (the “DMT Warrants”) of DMT (the “DMT Warranholders”) received Common Share purchase warrants of the Company (“Warrants”) exercisable to acquire such number of Common Shares as is equal to the number of DMT Shares issuable under each such DMT Warrant previously held by such DMT Warranholder 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, and the DMT Warranholders received an aggregate of 9,750,000 Warrants, with each Warrant exercisable at a price of \$0.40 per Common Share until June 20, 2025.

2,000,001 Common Shares and 275,000 of the Company’s stock options are held in escrow under a CPC Escrow Agreement and released as to 25% on the issuance of the Final Exchange Bulletin (“Initial CPC Escrow Release”) and an additional 25% each on the dates 6 months, 12 months and 18 months following the Initial CPC Escrow Release. An aggregate of 1,973,500 Common Shares and 1,750,000 Warrants are subject to the escrow requirements under a Value Security Escrow Agreement and are released as to 10% on the issuance of the Final Exchange Bulletin (the “Initial Value Escrow Release”) and an additional 15% each on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Value Escrow Release.

The Company completed a concurrent private placement (the “Concurrent Private Placement”) of 5,130,000 Common Shares at a price of \$0.10 per Common Share for aggregate gross proceeds of \$513,000. In connection with the Concurrent Private Placement, the Company paid an aggregate of \$5,520 in finders fees.

**SELECTED ANNUAL INFORMATION**

	<b>February 28, 2025</b>	February 29, 2024	February 28, 2023
	\$	\$	\$
<b>Total assets</b>	<b>74,539</b>	158,885	210,594
<b>Working capital</b>	<b>38,588</b>	133,058	200,793
<b>Net loss</b>	<b>(119,470)</b>	(67,735)	(70,594)
<b>Net loss per share<sup>(1)</sup></b>	<b>(0.05)</b>	(0.03)	(0.04)

<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 28, 2025, February 29, 2024 and February 28, 2023.

The higher 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.

The net loss during the year ended February 28, 2025 was higher because of increased business activities and the costs incurred to complete the proposed Qualifying Transaction during that year.

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**RESULTS OF OPERATIONS**

The Company recorded a net loss of \$119,470 (\$0.05 per share) for the year ended February 28, 2025 (February 29, 2024 – \$67,735 and \$0.03 per share). The Company had no revenue, paid no dividends and had no long-term liabilities during the year ended February 28, 2025.

Variances of note in the operational expenses are:

Filing fees of \$19,552 (2024 - \$6,375) includes stock transfer and regulatory fees. The transfer agent and filing fees were higher during the current fiscal year, due to the costs incurred with respect to the proposed Qualifying Transaction.

Office expenses of \$14,486 (2024 - \$8,269) were higher during the current fiscal year because of increased business activities.

Professional fees of \$82,998 (2024 - \$51,630) consist mainly of accounting and legal fees. The professional fees during the year ended February 28, 2025 were higher, due to the costs incurred with respect to the proposed Qualifying Transaction.

**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 eight most recently completed quarters.

	THREE MONTHS ENDED			
	February 28, 2025 \$	November 30, 2024 \$	August 31, 2024 \$	May 31, 2024 \$
Total assets	74,539	81,215	132,942	139,208
Working capital	38,588	70,010	113,561	114,208
Net loss	(31,422)	(43,551)	(25,647)	(18,850)
Net loss per share <sup>(1)</sup>	(0.01)	(0.02)	(0.01)	(0.01)
	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)

<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.

The net losses for each of the eight quarters are mostly attributed to the operating costs incurred in order to identify and evaluate assets with a view to completing a Qualifying Transaction.

**FOURTH QUARTER**

*Three months ended February 28, 2025 compared to three months ended February 29, 2024:*

The Company had a net loss for the three months ended February 28, 2025 of \$31,422 compared to a net loss of \$17,777 for the same period in 2024. The net loss for 2025 was higher, due to the higher professional fees incurred in order to complete the proposed Qualifying Transaction.

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**FINANCING ACTIVITIES**

During the year ended February 28, 2025, the Company issued 250,000 common shares pursuant to the exercise of Agent's warrants for total gross proceeds of \$25,000. \$13,445 was transferred from reserves to share capital as a result.

**LIQUIDITY AND CAPITAL RESOURCES**

As at February 28, 2025, the Company had cash of \$63,616 and a working capital of \$38,588. During the year ended February 28, 2025, net cash used in operating activities was \$107,350 and cash provided by financing activity was \$25,000 which consisted of proceeds from exercise of warrants.

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 consolidated 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 28, 2025, the Company had accumulated losses of \$288,231 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 successful results from its operating activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. 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 28, 2025 (2024 - \$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 28, 2025, the Company incurred \$nil in key management compensation (February 29, 2024 - \$nil).

**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).

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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 consolidated statements of financial position as at February 28, 2025 were as follows:

	Carrying amount	Fair value measurement using		
		Level 1	Level 2	Level 3
Cash	\$ 63,616	\$ 63,616	\$ -	\$ -

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	\$ -	\$ -

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.

*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 28, 2025, the Company's maximum credit risk is \$63,616.

*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 28, 2025, the Company has contractual obligations of \$35,951 due within the next twelve months.

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**SIGNIFICANT JUDGMENTS AND ESTIMATES**

The preparation of the Company's consolidated 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**

Certain new standards, interpretations, and amendments to existing standards have been issued by the IASB or IFRC that are mandatory for accounting years beginning after January 1, 2024, or later years. New accounting pronouncements that are not applicable or are not consequential to the Company have been excluded in the preparation of these consolidated financial statements.

A number of new standards, and amendments to standards and interpretations, are not effective for the year ended February 28, 2025, and have not been early adopted in preparing these consolidated financial statements. These new and amended standards are not expected to have a material impact on the Company's consolidated financial statements. The following accounting standards and amendments are effective for future periods:

- i. Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The amendments to IAS 12 clarify how companies account for deferred taxes on transactions such as leases and decommission obligations, with a focus on reducing diversity in practice. The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and deferred tax liability for temporary differences arising on initial recognition of a lease and a decommission provision.

- ii. Amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty."

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The definition of a change in accounting estimates was deleted; however, the IASB retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not a correct of an error; and
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

iii. IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies’ financial performance for better investment decisions.

- Three defined categories for income and expenses (operating, investing and financing) to improve the structure of the income statement, and require all companies to provide new defined subtotals, including operating profit.
- Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement.
- Enhanced guidance on how to organise information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027.

**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 25,130,001 common shares issued and outstanding and the following options outstanding:

Type of security	Number	Exercise Price	Expiry date
Stock options	275,000	\$ 0.10	August 23, 2027

**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 consolidated financial statements for the year ended February 28, 2025 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).

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**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 is a development stage company which has a limited operating history and has not generated revenues to sustain its operations. The Company's near-term focus remains in actively developing its services and building sales, marketing and support capabilities. As a result of these and other factors, the Company may not be able to achieve profitability on an ongoing basis. The Company is subject to many risks common to development stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, lack of revenues, technology, and market acceptance issues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the Company's early stage of operations.

**OTHER INFORMATION**

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