

HAW CAPITAL 2 CORP.

Management Discussion and Analysis

For the Years Ended December 31, 2023 and 2022

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This MD&A was prepared by the management of Haw Capital 2 Corp. (the “Corporation”) and was approved by the board of directors on April 19, 2024, all amounts are in Canadian dollars unless otherwise stated.

The following management’s discussion and analysis (“MD&A”) should be read in conjunction with the Corporation’s financial statements and notes thereto for the year ended December 31, 2023.

Additional information relating to the Corporation is available on SEDAR at www.sedar.com

FORWARD LOOKING STATEMENTS

Certain statements contained in this document constitute “forward-looking statements”. When used in this document, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “propose”, “anticipate”, “believe”, used by any of the Corporation’s management, are intended to identify forward-looking statements. Such statements reflect the Corporation’s forecasts, estimates and expectations, as they relate to the Corporation’s current views based on their experience and expertise with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Corporation’s actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. There can be no assurance that it will be completed as proposed or at all. The Corporation does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments unless required by law.

DESCRIPTION OF BUSINESS

The Corporation was incorporated under the Alberta Business Corporations Act on July 30, 2019, and is classified as a Capital Pool Company (“CPC”) as defined by Policy 2.4 of the TSX Venture Exchange (the “Exchange”) corporate finance manual. On January 8, 2021, The Corporation closed its Initial Public Offering (the “Offering”). Consequently, the Corporation’s common shares became listed, and commenced trading on the Exchange on January 8, 2021 under the trading symbol “HAW.P”. The principal business of the Corporation is to identify and evaluate assets or businesses with a view to complete a qualifying transaction (“QT”). The Corporation has not commenced commercial operations and has no assets other than cash. The Corporation’s ability to continue operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition, or business, or an interest therein. Such an acquisition or business will be subject to the approval of the Exchange and in case of a non-arm’s length transaction approval of the majority of the Corporation’s minority shareholders.

Where a QT has been identified, the ability of the Corporation to complete the transaction may require additional funding. There is no assurance that the Corporation will be successful in obtaining any additional funding.

The registered head office of the Corporation is located at Suite 4500 – 855 2nd Street, SW, Calgary, Alberta, T2P 4K7.

OPERATIONAL HIGHLIGHTS

There has not been any significant events during the year ended December 31, 2023.

On January 8, 2023, the Corporation’s 400,000 Agent Warrants expired out of the money.

HAW CAPITAL 2 CORP.
Management Discussion and Analysis
For the Years Ended December 31, 2023 and 2022

SELECTED FINANCIAL INFORMATION

The following table summarizes the Corporation's key financial results for the Years Ended December 31, 2023 and 2022:

Selected Annual Information	December 31, 2023	December 31, 2022
Net working capital	\$ 556,841	\$ 581,398
Total assets	569,227	599,706
Total shareholders' equity	556,841	581,398
Revenues	16,800	6,279
Expenses	(41,357)	(77,317)
Net loss for the year	(24,557)	(71,038)
Loss per share – basic and diluted	\$ (0.01)	\$ (0.02)

The Corporation does not have any operations and will not conduct any business other than the identification and evaluation of business assets for potential acquisition.

During the year ended December 31, 2023, the Corporation recorded a net loss and comprehensive loss of \$24,557 (2022 - \$71,038); consisting of revenues of \$16,800 (2022 - \$6,279) from interest income. Expenses totalled \$41,357 (2022 - \$77,317) in general and administrative expenses. General and administrative expenses included \$23,302 (2022 - \$62,306) in professional fees, \$17,843 (2022 - \$14,179) in regulatory and filing fees and \$212 (2022 - \$832) in administrative and other fees.

Selected Quarterly information	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	3 months ending Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022
In (000's)	\$	\$	\$	\$	\$	\$	\$	\$
Working capital	556,841	567,531	565,558	573,267	581,398	596,356	594,793	610,016
Total assets	569,227	567,639	587,025	596,192	599,706	608,918	608,822	645,400
Shareholders' equity	556,841	567,531	565,558	573,267	581,398	596,356	594,793	610,016
Revenues	4,795	4,098	4,081	3,826	2,998	2011	848	422
Expenses	(15,485)	(2,124)	(11,790)	(11,958)	(17,955)	(449)	(16,071)	(42,842)
Net income (loss) for the period	(10,690)	1,974	(7,709)	(8,132)	(14,957)	1,562	(15,223)	(42,420)
Income (Loss) per share:								
Basic & diluted	(0.002)	0.00	(0.002)	(0.002)	(0.005)	0.00	(0.005)	(0.01)

FINANCIAL CONDITION INCLUDING CASH FLOWS, LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2023, the Corporation had a net working capital balance of \$556,841 (2022 - \$581,398) and a cash balance of \$567,702 (2022 - \$598,481).

Based on current information, the Corporation anticipates that its working capital is sufficient to meet its expected ongoing obligations. However, there is no assurance that the Corporation will be able to obtain adequate financing in the future. Further equity and debt financing may be required.

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OUTSTANDING SHARE DATA

As at December 31, 2023, and the date of this MDA, The Corporation had an unlimited number of common shares authorized and 14,000,000 shares issued and outstanding, and 1,400,000 stock options outstanding.

Stock options

On January 8, 2021, the Corporation granted stock options (the “**Options**”) to directors and officers with an exercise price of \$0.10 per common share. The Options vested immediately and will expire on January 8, 2031. The Options have a remaining useful life of 7.02 years. The fair value of each Option granted is \$0.0891 per common share.

Agent warrants

On January 8, 2021, the Company granted warrants to the Agent (the “**Warrants**”). The Warrants entitle the agent to purchase up to 400,000 warrants at an exercise price of \$0.10 per common share. The Warrants vested immediately and expired on January 8, 2023.

Escrowed shares

Upon closing of the Offering, the 10,000,000 issued common shares outstanding at the time of the Offering became subject to a CPC escrow agreement. Under the amended CPC escrow agreement dated July 27, 2021, 25% of the escrowed common shares will be released from escrow upon the issuance of the Final Exchange Bulletin (the “Initial Release”) and an additional 25% will be released on the dates that are 6 months, 12 months and 18 months following the Initial Release.

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements as at December 31, 2023.

RELATED PARTY TRANSACTIONS

There were no other transactions with related parties other than expense reimbursements to directors and officers and no remuneration was paid to key management personnel during the years ended December 31, 2023 and 2022.

MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT ESTIMATES

The Corporation’s material accounting polices and significant estimates are disclosed in the audited financial statements for the year ended December 31, 2023.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital Management

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern, in order to provide returns for the shareholders and benefits for other stakeholders. The Corporation includes equity, comprised of issued common shares, in the definition of capital. The Corporation's primary objective, with respect to its capital management, is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue this objective, the Corporation may attempt to raise additional funds through the issuance of equity and by securing strategic partners. The Corporation is not subject to externally imposed capital requirements.

Risk Disclosures

- **Credit Risk**

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Corporation's cash on hand. The carrying amount of cash on deposit represents the maximum credit exposure to the Corporation. The Corporation manages credit exposure related to cash by selecting financial institution counterparties with high credit ratings.

- **Liquidity Risk**

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Corporation has accounts payable and accrued liabilities as at December 31, 2023, was \$12,386 (2022 - \$18,308) and does not have significant exposure to liquidity risk.

- **Market Risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Corporation does not have significant exposure to these risks.

OTHER INFORMATION

The policies of the TSX Venture Exchange prohibit Capital Pool Companies from carrying on formal investor relations activities. Corporate communications and investor inquiries are handled by the Directors of the Corporation. Additional information about the Corporation is available on SEDAR at www.sedar.com.