*A copy of this preliminary prospectus has been filed with the securities regulatory authority in **Ontario** but has not yet become final. Information contained in this preliminary prospectus may not be complete and may have to be amended.*

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus does not constitute a public offering of securities.

PRELIMINARY PROSPECTUS

Non-Offering Prospectus June 11, 2021

GREENWAY GREENHOUSE CANNABIS CORPORATION

No securities are being offered pursuant to this Prospectus.

This non-offering prospectus (this **"Prospectus"**) of Greenway Greenhouse Cannabis Corporation (the **"Corporation"**) is being filed with the Ontario Securities Commission for the purposes of becoming a reporting issuer pursuant to applicable securities legislation in the Province of Ontario. Upon the final receipt for this Prospectus being issued by the Ontario Securities Commission, the Corporation will become a reporting issuer in Ontario.

Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised, and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Corporation from its general corporate funds.

There is no market through which the securities of the Corporation may be sold.

An application has been filed by the Corporation to have its shares listed for trading on the Canadian Securities Exchange (the **"CSE"**).

An investment in the securities of the Corporation is subject to a number of risks. Investors should carefully consider the risk factors described under "Risk Factors" before purchasing any securities of the Corporation.

No underwriters or selling agents have been involved in the preparation of this Prospectus or performed any review or independent due diligence of its contents.

No person has been authorized to provide any information or to make any representation not contained in this Prospectus and, if provided or made, such information or representation should not be relied upon. The information contained in this Prospectus is accurate only as of the date of this Prospectus.

As at the date of this Prospectus, the Corporation does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America.

Unless otherwise noted all currency amounts in this Prospectus are stated in Canadian dollars.

TABLE OF CONTENTS

TABLE OF CONTENTS
(continued)

Page

GLOSSARY

"ACMPR" means the former *Access to Cannabis for Medical Purposes Regulations* (Canada) issued pursuant to the *Controlled Drugs and Substances Act* (Canada).

"**Acquired Property**" has the meaning ascribed thereto under the heading *"Description of the Business – History"*;

"**AGCO**" means the Alcohol and Gaming Commission of Ontario.

"**Amended and Restated Stock Option Plan**" means the 10% rolling stock option plan of the Corporation as more particularly described under "*Executive Compensation – Elements of Compensation – Stock Option Plan*."

"Audit Committee" means the Audit Committee of the Corporation in accordance with National Instrument 52-110 Audit Committees.

"**Authorized Distributor**" has the meaning ascribed thereto under the heading *"Prospectus Summary* **-** *Description of the Business*".

"**Authorized Retailer**" has the meaning ascribed thereto under the heading "*Prospectus Summary* **-** *Description of the Business*".

"**Bank Credit Facility Agreement**" has the meaning ascribed thereto under the heading *"Description of the Business – History"*.

"**Board of Directors**" or "**Board**" means the board of directors of the Corporation.

"**Cannabis Act**" means the *Cannabis Act* (Canada) and the regulations promulgated thereunder.

"**Cannabis Regulations**" means the *Cannabis Regulations* promulgated under the Cannabis Act.

"**CBD**" means cannabidiol, a non-euphoric chemical compound found in cannabis.

"**CDSA**" means the *Controlled Drugs and Substances Act* (Canada).

"**CEO**" means chief executive officer.

"**CFO**" means chief financial officer.

"**Common Shares**" means the common shares in the capital of the Corporation.

"**Corporation**" or "**Greenway**" means Greenway Greenhouse Cannabis Corporation, a corporation incorporated under and governed by the laws of the Province of Ontario.

"**CSE**" means the Canadian Securities Exchange.

"**Cultivation Licence**" has the meaning ascribed thereto under the heading *"Prospectus Summary - Description of the Business*".

"**Del Fresco Group**" includes the following companies: Sunrite Greenhouses Ltd., Via Verde Hydroponics Ltd., and Del Fresco Produce Ltd.

"**Escrow Agent**" means TSX Trust Company.

"**Escrow Agreement**" means an escrow agreement entered into among certain securityholders of the Corporation and TSX Trust Company, as escrow agent, dated ♦, 2021.

"**Financial Statements**" has the meaning set out under "*Financial Statement Presentation In This Prospectus*".

"**g**" means a gram.

"**IFRS**" means International Financial Reporting Standards.

"**kg**" means a kilogram.

"**Kingsville Facility**" has the meaning ascribed thereto under the heading *"Prospectus Summary - Description of the Business*".

"**Leamington Facility**" has the meaning ascribed thereto under the heading *"Prospectus Summary - Description of the Business*".

"**Leamington Facility Lease**" has the meaning ascribed thereto under the heading *"Description of the Business – History"*.

"**Licences**" means the Nursery Licence and the Cultivation Licence together.

"**Licensed Producer**" has the meaning ascribed thereto under the heading *"Description of Business – General*".

"**Listing Date**" means the date that the Common Shares are posted and listed for trading on the CSE.

"**Management**" means the management of the Corporation.

"**MD&A**" means Management's Discussion and Analysis included in this Prospectus.

"**Minister**" means the Federal Minister of Health (Canada).

"**Named Executive Officers**" or "**NEOs**" means the Corporation's CEO and CFO and the next most highly compensated executive officer of the Corporation whose total compensation is more than $150,000.

"**NI 52-110**" has the meaning set out under the heading "Corporate Governance – Board of Directors".

"**NI 58-101**" means National Instrument 58-101 Disclosure of Corporate Governance Practices.

"**NLC**" means the Newfoundland and Labrador Liquor Corp.

"**NP 46-201**" means National Policy 46-201 Escrow for Initial Public Offerings.

"**NP 58-201**" means National Policy 58-201 Corporate Governance Guidelines.

"**Nursery Licence**" has the meaning ascribed thereto under the heading "*Prospectus Summary - Description of the Business*".

"**OBCA**" means the *Business Corporations Act* (Ontario).

"**OCRC**" means the Ontario Cannabis Retail Corporation.

"**OCS**" means the Ontario Cannabis Store.

"**Options**" means options to purchase Common Shares.

"**Original Option Plan**" has the meaning ascribed thereto under the heading "*Description of Share Capital – Options".*

"**Principal**" means:

a) a person or company who acted as a promoter of the Corporation within two years before the prospectus;

b) a director or senior officer of the Corporation or any of its material operating subsidiaries at the time of the prospectus;

c) a 20% holder – a person or company that holds securities carrying more than 20% of the voting rights attached to the Corporation's outstanding securities immediately before and immediately after the Corporation's listing on the CSE;

d) a 10% holder – a person or company that

   a. holds securities carrying more than 10% of the voting rights attached to the Corporation's outstanding securities immediately before and immediately after the listing on the CSE; and

   b. has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the issuer or any of its material operating subsidiaries.

"**sq/ft**" means square feet.

"**SQDC**" means the Société Québécoise du cannabis.

"**Sunrite**" means Sunrite Greenhouses Ltd.

"**Sunrite Lease**" has the meaning ascribed thereto under the heading *"Description of the Business – History"*.

"**Sunrite Loan Agreement**" has the meaning ascribed thereto under the heading *"Description of the Business – History"*.

"**Sunrite Promissory Note**" has the meaning ascribed thereto under the heading *"Description of the Business – History"*.

"**Sunrite Property Acquisition Agreement**" has the meaning ascribed thereto under the heading *"Description of the Business – History"*.

"**Temporary Employee Supply Agreements**" has the meaning ascribed thereto under the heading "*Description of the Business – Employees"*.

"**THC**" means Delta-9-tetrahydrocannabinol, an intoxicating chemical compound in cannabis.

"**U.S.**" means the United States of America.

"**Via Verde**" means Via Verde Hydroponics Inc.

"**Via Verde Cash Advance**" has the meaning ascribed thereto under the heading *"Description of the Business – History"*.

GENERAL MATTERS

Unless otherwise noted or the context indicates otherwise, "*we*", "*us*", "*our*", the *"Corporation"*, or "*Greenway*" refer to Greenway Greenhouse Cannabis Corporation.

Prospective purchasers should rely only on the information contained in this Prospectus. We have not authorized any other person to provide prospective purchasers with additional or different information. If anyone provides prospective purchasers with additional or different or inconsistent information, including information or statements in media articles about the Corporation, prospective purchasers should not rely on it. The Corporation is not making an offer to sell or seeking offers to buy shares or other securities of the Corporation. Prospective purchasers should assume that the information appearing in this Prospectus is accurate only as at its date, regardless of its time of delivery. Greenway's business, financial conditions, results of operations and prospects may have changed since that date.

The Corporation presents its financial statements in Canadian dollars. Amounts in this Prospectus are stated in Canadian dollars unless otherwise indicated.

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain statements which may constitute "forward-looking information" and "forward-looking statements" within the meaning of Canadian securities law requirements (collectively, "**forward-looking statements**"). The forward-looking statements are contained principally in the sections entitled "*Prospectus Summary*", "*Our Business*", "*Management's Discussion and Analysis*" and "*Risk Factors*". These forward-looking statements are made as of the date of this Prospectus and the Corporation does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities law. Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "projects", "proposes", "potential" "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. The Corporation provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Certain forward-looking statements in this Prospectus include, but are not limited to, statements regarding:

- successfully executing its plans and intentions, including with respect to the operation of the Corporation's cultivation and processing facilities and generation of revenues and sales of its cannabis products;
- anticipated cash needs and additional financing, including the ability to obtain additional funds through the sale of equity or debt commitments or the factoring of receivables or otherwise;
- future revenue, expenses and operations;
- production and expansion plans at our facilities and the capacity thereof;
- the Corporation's expected business objectives for the next twelve months;
- the outcome of research and development on cannabis;
- expectations regarding production capacity, costs and yields;
- treatment under government regulatory and taxation regimes;
- the Corporation's continued ability to participate in the adult-use market in Canada;
- the effect of government regulations (or changes thereto) with respect to the restrictions on production, sale (including the roll-out of authorized retailers in provinces such as Ontario and recent amendments to the regulation of distribution of cannabis in Ontario), consumption, export controls, income taxes, expropriation of property, repatriation of profits, environmental legislation, land use, water use and receipt of necessary permits;
- the medical benefits, safety, efficacy, dosing and social acceptance of cannabis;
- future product offerings;
- the Corporation's ability to attract and retain skilled staff;

- the Corporation's investments in community relations, cannabis health and safety and educational programming in the locations where the Corporation operates and the further development of its social responsibility programs;
- the Corporation's competitive position and the regulatory environment in which the Corporation operates; and
- the impact of the COVID-19 pandemic on the Corporation's business, operations, capital resources and/or financial results.

Forward-looking statements are based on certain assumptions and analyses made by the Corporation in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. In making the forward-looking statements included in this Prospectus, the Corporation has made various material assumptions, including but not limited to assumptions related to: (i) the availability of financing at all or on reasonable terms; (ii) the Corporation's ability to successfully execute its plans and intentions, including with respect to construction and operation of the Corporation's cultivation facilities; (iii) general business and economic conditions, particularly in the Canadian medicinal and adult-use cannabis markets; (iv) regulation of the markets in which we operate; (v) the Corporation's ability to attract and retain skilled staff; (vi) market competition, including the products and technology offered by the Corporation's competitors; and (vii) maintenance of our current positive relationships with our suppliers, service providers and other third parties. Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and we cannot assure that actual results will be consistent with these forward-looking statements. Whether actual results, performance or achievements will conform to the Corporation's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under "*Risk Factors*", which include:

- the ongoing impact of COVID-19;
- the Corporation's ability to raise required additional capital through the sale of equity or debt instruments or the factoring of receivables or otherwise;
- the Corporation has a limited operating history;
- the Corporation may be unable to achieve revenue growth and development;
- there are factors which may prevent the Corporation from the realization of growth targets;
- the Corporation's actual financial position and results of operations may differ materially from the expectations of the Corporation's management;
- the Corporation may incur significant ongoing costs and obligations related to its investment in infrastructure, growth, research and development, regulatory compliance and operations;
- there is no assurance that the Corporation will turn a profit or generate immediate revenues;
- the adult-use cannabis market in Canada is a relatively new industry;
- the adult-use cannabis market in Canada may experience supply and demand fluctuations that could result in revenue and price decreases;
- the size of the Corporation's target market is difficult to quantify, and investors will be reliant on their own estimates on the accuracy of market data;

- the Corporation is subject to changes in laws, regulations and guidelines which could adversely affect the Corporation's future business, financial condition and results of operations;
- the Corporation's business is dependent on key supply chains which could be adversely disrupted by a number of factors including, among others, major health issues or pandemics;
- the Corporation is reliant on a single facility and adverse changes or developments affecting such facility could have a material adverse effect on the Company's business;
- the Corporation is reliant on regulatory approvals and cultivation licences for its ability to grow, process, package, store and sell cannabis and other products derived therefrom, and these regulatory approvals are subject to ongoing compliance requirements, reporting obligations and fixed terms requiring renewal;
- any failure on the Corporation's part to comply with applicable regulations could prevent it from being able to carry on its business and there may be additional costs associated with any such failure;
- under Canadian regulations, a Licensed Producer of cannabis is restricted regarding the type and form of marketing it can undertake which could materially impact sales performance;
- the Corporation's industry is experiencing rapid growth and consolidation that may cause the Corporation to lose key relationships and intensify competition;
- the Corporation may be unsuccessful in competing in the overall legal adult-use cannabis market in Canada and any other countries it intends to operate in;
- the Corporation, or the cannabis industry more generally, may receive unfavorable publicity or become subject to negative consumer or investor perception;
- the Corporation's products may not have, or may not be perceived to have, the effects intended by the end user;
- the Corporation may not be able to develop its products, which could prevent it from ever becoming profitable;
- if the Corporation is unable to develop and market new products it may not be able to keep pace with market developments;
- there has been limited study on the health effects of cannabis products and future clinical research studies may lead to conclusions that dispute or conflict with the Corporation's understanding and belief regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of such products;
- consumer preferences may change and the Corporation may be unsuccessful in retaining customer;
- trade of cannabis for non-medicinal purposes within Canada may be restricted by the Canadian Free Trade Agreement;
- the Corporation is required to comply concurrently with federal or provincial, and local laws in each jurisdiction where it operates or to which it exports its products;
- if the Corporation is unable to attract and retain key personnel, it may not be able to compete effectively in the cannabis market;
- the Corporation has entered into and in the future may seek to enter into strategic alliances including contractual relationships, joint ventures, selective acquisitions, licensing arrangements or other relationships, or expand the scope of currently existing relationships, with third parties that the Corporation believes will have a beneficial

impact, and there are risks that such strategic alliances or expansions of the Corporation's currently existing relationships may not enhance its business in the desired manner;

- the Corporation may not be able to successfully identify and execute future acquisitions or dispositions or successfully manage the impacts of such transactions on its operations;
  the cultivation of cannabis includes risks inherent in an agricultural business including the risk of crop loss, sudden changes in environmental conditions, equipment failure, product recalls and others;
- the Corporation is reliant on key inputs, such as water and utilities, and any interruption of these services could have a material adverse effect on the Corporation's finances and operation results. The Corporation is also dependent on access to skilled labour, equipment and parts;
- the Corporation is vulnerable to rising energy costs;
- the Corporation's quality control systems may not operate effectively;
- the Corporation's cannabis products may be subject to recalls for a variety of reasons, which could require it to expend significant management and capital resources;
- the Corporation faces an inherent risk of exposure to product liability;
- the Corporation's operations are subject to safety, health and environmental laws and regulations applicable to its operations and industry in the various jurisdictions in which it operates, and it may be held liable for any breaches of those laws and regulations;
- the Corporation could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses or claims against the Corporation;
- the Corporation may become subject to litigation in the ordinary course of business;
- the Corporation will be reliant on information technology systems and may be subject to damaging cyber-attacks;
- the Corporation may be exposed to liability or the threat of liability in relation to the use of customer information and other personal and confidential information;
- the Corporation may be subject to risks related to the protection and enforcement of its intellectual property rights, or intellectual property it licenses from others, and may become subject to allegations that it or its licensors are in violation of intellectual property rights of third parties;
- the Corporation may be subject to breaches of security at its facilities;
- the Corporation may incur additional indebtedness;
- management may not be able to successfully implement adequate internal controls over financial reporting;
- if the Corporation has a material weakness in its internal controls over financial reporting, investors could lose confidence in the reliability of the Corporation's financial statements, which could result in a decrease in the value of its securities;
- the Corporation has negative operating cash flow;
- the Corporation may be subject to credit risk;
- tax and accounting requirements may change in ways that are unforeseen to the Corporation and it may face difficulty or be unable to implement or comply with any such changes;
- the Corporation may not be able to renew or secure adequate insurance to protect its assets, operations and employees;

- the price of the Common Shares in public markets may experience significant fluctuations;
- if securities or industry analysts do not continue to publish research, or publish inaccurate or unfavourable research, about the Corporation's business, the Common Share price and trading volume could decline;
- the Corporation continues to sell shares for cash to fund operations, expansion, and mergers and acquisitions that will dilute the current shareholders;
- it is not anticipated that any dividends will be paid to holders of Common Shares for the foreseeable future; and
- the Corporation is subject to ongoing reporting requirements under applicable securities laws and exchange policies.

FINANCIAL STATEMENT PRESENTATION IN THIS PROSPECTUS

The audited financial statements for the Corporation for the years ended March 31, 2020 and 2021 (the **"Financial Statements"**) prepared in accordance with IFRS have been included at Schedule "A" in this Prospectus.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this Prospectus and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. Certain capitalized terms and phrases used in this Prospectus are defined in the "Glossary".

Description of Business

The Corporation was incorporated under the *Business Corporations Act* (Ontario) as "2644639 Ontario Inc." on July 9, 2018. The Corporation filed articles of amendment to change its name to "Greenway Greenhouse Cannabis Corporation" on August 1, 2018 and filed articles of amendment on ♦, 2021 to remove private company restrictions on transfer. The Corporation's registered office and head office is located at 1478 Seacliff Drive, Kingsville, Ontario N9Y 2M2. See "*Corporate Structure*".

The Corporation focuses on cultivating and propagating high-quality, high-yield, low-cost greenhouse cultivated clones and dried flower cannabis. It is a licensed producer under the Cannabis Act ("**Licensed Producer**") which holds a standard cultivation licence ("**Cultivation Licence**") and nursery licence ("**Nursery Licence**", and, collectively with the Cultivation Licence, the "**Licences**") that allow it to produce dried and fresh cannabis, cannabis plants and seeds by cultivating, propagating and harvesting cannabis.

The Corporation has completed the retrofit construction of an over 41,750 square foot greenhouse facility located at 1102 Mersea Road 5, Leamington, Ontario, N8H 3V6 (the "**Leamington Facility**") in order to cultivate and harvest dried flower cannabis for wholesale. It also has a 10,000 square foot state-of-the-art nursery located at 1478 Seacliff Drive, in Kingsville, Ontario (the "**Kingsville Facility**"). The Corporation will sell the clones propagated at the Kingsville Facility and the dried flower cultivated and processed at the Leamington Facility within Canada to provincially authorized retailers (each, an "**Authorized Retailer**"), distributors (each, an "**Authorized Distributor**") and federally licensed entities (each, a "**Licensee**") in accordance with the Cannabis Act and Cannabis Regulations. See "*Description of the Business - Overview*".

The Nursery Licence and Cultivation Licence were issued by Health Canada on July 24, 2020 and February 5, 2021, respectively. The Licences are valid for a period of three years from the date of issuance. The Corporation anticipates that Health Canada will renew all of its licences at the end of their respective terms; however, the Corporation cannot provide assurances that the Licences will be renewed or renewed on the same terms and conditions. See "*Risk Factors*".

Employees, Directors and Officers

As of the date of this Prospectus, the Corporation engages approximately 10 employees. See *"Employees".* The directors and officers of the Corporation include the following individuals:

Jamie D'Alimonte – Director, Chief Executive Officer and Co-Chair of the Board

Carl Mastronardi – Director, President and Co-Chair of the Board

Darren Peddle – Chief Financial Officer, Vice-President Finance, and Secretary-Treasurer

Martin Komsa – Director

Dennis Staudt – Director

Andrew Brown – Corporate Secretary

For more information on the Corporation's directors and executive officers see "*Directors and Executive Officers."*

Financial Information

The following selected financial information has been derived from and is qualified in its entirety by the Corporation's financial statements and notes thereto included in Schedule "A" to this Prospectus, and should be read in conjunction with such financial statements and the related notes, along with the management's discussion and analysis relating to such financial statements and also included in Schedule "A". All financial statements of the Corporation have been prepared in accordance with IFRS.

The following sets out selected summary financial information of the Corporation for the years ended March 31, 2020 and March 31, 2021:

	Year ended March 31, 2021 (audited) $	Year ended March 31, 2020 (audited) $
Revenue	-	-
Total Expenses (Operating and Other)	1,232,155	2,180,873
Net income (loss)	(1,232,155)	(2,180,873)
Current assets	4,423,131	1,657,030
Total assets	25,110,324	17,532,771
Current liabilities	1,554,512	1,964,575
Total liabilities	14,846,565	8,663,098
Shareholders' equity (deficiency)	10,263,759	8,869,673

Use of Available Funds

This is a non-offering Prospectus. The Corporation is not raising any funds in conjunction with this Prospectus and, accordingly, there are no proceeds to be raised by the Corporation pursuant to this Prospectus.

As at the date of this Prospectus, the Corporation has approximately $4,100,000 in working capital and intends to allocate the foregoing funds as follows; however, it reserves discretion to allocate to other strategic, operational or other demands as and when they arise:

Use of Available Funds	Amount
Costs related to public listing	$200,000
Enterprise resource planning ("**ERP**") software system	$200,000
General and administrative costs	$600,000
Legal and accounting fees	$200,000
Bank Debt Service Payments (12 months)	$900,000
Total Use of Funds	$2,100,000
Unallocated working capital(1)	$2,000,000
Total:	$4,100,000

Note:
(1) The cash portion of the unallocated working balance has been held in short-term, investment grade, interest-bearing securities, in government securities or in bank accounts at the discretion of management.

See "*Use of Available Funds.*"

CORPORATE STRUCTURE

Name, Address and Incorporation

The Corporation was incorporated under the *Business Corporations Act* (Ontario) as "2644639 Ontario Inc." on July 9, 2018. On August 1, 2018, the Corporation amended its articles to change its name to "Greenway Greenhouse Cannabis Corporation". On ♦, 2021, the Corporation filed articles of amendment to remove private company restrictions on share transfers.

The Corporation's registered office and head office is located at 1478 Seacliff Drive, Kingsville, Ontario N9Y 2M2.

Intercorporate Relationship

The Corporation does not have any subsidiaries.

DESCRIPTION OF THE BUSINESS

Overview

Greenway, since incorporation, has been involved in the cultivation and propagation of high-quality, high-yield, low-cost greenhouse cultivated dried cannabis and fresh clones. The Corporation is a Licensed Producer and was issued its Nursery Licence and Cultivation Licence on July 24, 2020 and February 5, 2021, respectively. The Licences allow the Corporation to produce dried and fresh cannabis, cannabis plants and seeds by cultivating, propagating and harvesting cannabis at its Leamington Facility (see "*Prospectus Summary – Description of the Business*") and to cultivate and propagate clones for wholesale at its Kingsville Facility to sell such cannabis products within Canada to provincially Authorized Retailers, Authorized Distributors and Licensees in accordance with the Cannabis Act and Cannabis Regulations.

Both Licences are valid for a period of three years from the date of issuance. The Corporation anticipates that Health Canada will renew the Licences at the end of their respective terms; however, the Corporation cannot provide assurances that the Licences will be renewed or renewed on the same terms and conditions. See "*Risk Factors*".

The primary source of revenue for the Corporation in the near future will result from selling bulk packaged dry bud cannabis. The Corporation is currently producing fresh clones for its own supply for the Leamington Facility. In the future, the Corporation may choose to sell clones as noted above, but Greenway expects that revenue from the sale of clones will likely be insignificant as compared to revenue derived from the sale of bulk packaged dried cannabis. As of the fiscal year ended March 31, 2021, there is no revenue from dry bud cannabis or clones. The first batches of dry bud cannabis were approximately 50% through their production cycles at such time. In the past three fiscal years, the only source of revenue has been rental income from the Acquired Property, and reserves for potential additional production capacity. Rental income will be an insignificant source of revenue in the future. At present, the Corporation does not anticipate engaging in any business activities outside of Canada.

The Corporation uses approximately 4% of the Leamington facility for product development of new cannabis strains, retrieved from their significant seed bank. The foot print for product development varies by season and the judgment of Management. Research and development of new strains and growing practices is completed in-house drawing on the significant knowledge of the Corporation's founders.

History

On July 9, 2018, the Company was incorporated as 2644639 Ontario Inc. and one (1) share was issued to Sunrite for $1 in proceeds. The Corporation was subsequently renamed to Greenway Greenhouse Cannabis Corporation by articles of amendment filed on August 1, 2018 .

On August 9th, 2018, the Corporation completed a private placement financing with Sunrite of 5,000,000 Common Shares at $0.05 per share for aggregate gross proceeds of $250,000.

On August 30, 2018, the Corporation entered into an agreement of purchase and sale with Sunrite providing for the acquisition from Sunrite of the greenhouse located at 620 Essex County Road 37, Leamington, Ontario, N0P 2P0 (the "**Acquired Property**") for an aggregate purchase price (the "**Purchase Price**") of $8,175,000 (the "**Sunrite Property Acquisition Agreement**"). The Purchase Price was satisfied through: a) the payment of $250,000 cash, b) the issuance of a demand non-interest bearing promissory note in the principal amount of $175,000 from the Corporation to Sunrite (the "**Sunrite Promissory Note**"), and c) the balance of $7,750,000 through the issuance of 155,000,000 Common Shares at a deemed issuance price of $0.05 per share.

On September 27, 2018, the Corporation completed a private placement financing of 2,000,000 Common Shares at $0.25 per share for aggregate gross proceeds of $500,000.

On October 25, 2018, the Corporation completed a private placement financing of 1,922,500 Common Shares at $0.50 per share for aggregate gross proceeds of $961,250.

On May 1, 2019, the Corporation entered into a lease agreement with Sunrite with respect to the Acquired Property whereby Sunrite, as tenant, agrees to pay Greenway $20,833.33 per month for use of the Acquired Property (the "**Sunrite Lease**"). The Sunrite Lease was extended to April 30, 2021 and further extended to April 30, 2022.

Also on May 1, 2019, the Corporation entered into a lease agreement with Via Verde with respect to the Leamington Facility whereby the Corporation, as tenant, agreed to pay Via Verde $20,833.33 per month for the premises for term of twenty (20) years (the "**Leamington Facility Lease**").

In 2019, the Corporation issued 1,984,887 Common Shares at an issuance price of $0.75 per share for aggregate gross proceeds of $1,488,668 pursuant to a private placement that closed in three tranches, on May 13, 2019, June 12, 2019, and August 2, 2019.

On September 1, 2019, the Leamington Facility Lease was amended to provide for a cash advance from Via Verde to the Corporation in the principal amount of $3,900,000 to be applied toward lease-hold improvements to the premises, with such advance to accrue interest at a rate of 5.5% monthly and to be repaid as to interest only until the date that the Cultivation Licence was received and thereafter to be repaid in blended payments of interest and principal amortized over a period of 10 years (the "**Via Verde Cash Advance**").

On December 18, 2019, the Corporation entered into a credit agreement with, *inter alia,* a Schedule 1 Canadian chartered bank providing for credit facilities to the Corporation in an amount not to exceed $6,100,000, which may be adjusted from time to time and which is subject to the Corporation's right to upsize the facility up to an aggregate maximum of $20,000,000 upon the terms and conditions of the agreement (the "**Bank Credit Facility Agreement**").

In 2020 the Corporation issued 1,695,793 Common Shares at an issuance price of $0.50 per share for aggregate gross proceeds of $843,023 pursuant to a private placement that closed in two tranches, on February 12, 2020, and November 20, 2020.

On July 24, 2020 the Corporation received its Nursery Licence.

On February 5, 2021 the Corporation received its Cultivation Licence.

In 2021 the Corporation issued 6,536,377 Common Shares at an issuance price of $0.50 per share for aggregate gross proceeds of $3,268,188. pursuant to a private placement that closed in two tranches, on March 31, 2021, May 5, 2021.

On March 31, 2021, the Corporation entered into a subordinated term loan agreement with Sunrite whereby Sunrite provided a loan in the principal amount of $4,900,000 to the Corporation (the "**Sunrite Loan**"), with such loan bearing interest at a rate of 5.5% per annum, paid quarterly, with principal payments to begin in April 2022 and to be amortized over ten years (the "**Sunrite Loan Agreement**"). Proceeds from the Sunrite Loan were used to pay the outstanding balance of the Via Verde Cash Advance in full and to pay the outstanding amount of the Sunrite Promissory Note in full. The Sunrite Loan is secured against the assets of the Corporation pursuant to a general security agreement dated March 31, 2021.

The terms of the Bank Credit Facility were amended on March 31, 2021 to add a potential general security agreement in favour of Sunrite under the Sunrite Loan Agreement as a permitted lien and to confirm that obligations owed by the Corporation to Sunrite pursuant to the Sunrite Loan Agreement would be subordinated and postponed to the obligations of the Corporation under the Bank Credit Facility.

On May 1, 2021, the Corporation entered into lease agreement with Sunrite with respect to the Kingsville Facility (the "**Kingsville Facility Lease**"). The term of the Kingsville Facility Lease is from May 1, 2021 to April 30, 2039. The monthly cash fee payable in rent in $25,000, inclusive of utilities, insurance and property taxes.

On May 13, 2021, Sunrite Greenhouses surrendered 52,507,547 shares to the Company which were subsequently cancelled.

The Production Facilities

In August 2020, the Corporation completed the retrofit construction of its 57,250 sq/ft Leamington Facility, which is intended to serve as the Corporation's primary cultivation facility for growing and cultivating cannabis for its dried flower wholesale operations. When fully operational, the Leamington Facility will provide the Corporation with approximately 40,310 sq/ft of cultivation and production space, 15,000 sq/ft high-tech processing space, 1,440 sq/ft devoted to research and development, and 500 sq/ft of office space. At the time of this prospectus, the Leamington Facility is completely constructed and operational.

The Corporation has also established operations at its 10,000 square foot Kingsville Facility, which is home to its advanced nursery of clones for sale to Licensed Producers and as a supply source for the dried cannabis operations to be conducted at the Leamington Facility. The Kingsville Facility is expected to provide the Corporation with approximately 10,000 sq/ft of cultivation and production space.

The Corporation has the capacity and know-how to produce 1,250 kilogram of premium dry bud cannabis each crop cycle, and expects to complete five crop cycles per fiscal year. The cloning and vegetative states of the crop cycle will take place in the Nursery for 4-5 weeks. Once the plants are transferred to the Greenhouse they will enter flowering and be harvested after 9-10 weeks. The first crop was fully harvested in May of 2021.

Products

Under the Cannabis Act, a federal licensee, if authorized by its licence, may sell the following cannabis products: dried and fresh cannabis, cannabis oils, cannabis plants and seeds, cannabis extracts, cannabis edibles and topicals.

The Corporation has not and does not intend to engage in any U.S. marijuana-related activities as defined in Canadian Securities Administrators Staff Notice 51-352 (Revised) dated February 8, 2018 as part of its current stock exchange listing on the CSE.

The Corporation currently carries over 200 strains of cannabis within its genetics portfolio. The Corporation is able to acquire or develop additional genetics to this profile based on market demands. The Corporation is in the process of developing more tailored genetics for the greenhouse space and for production processes.

<u>Dried Cannabis</u>

The Corporation is currently licensed to grow and sell dried cannabis. The Corporation sells dried cannabis products domestically in Canada. Products will sell in bulk packaging to any other Licensee, whether it be for medical or recreational purposes. The Corporation intends to sell some internally developed strains, such as Sun County Kush and Lemon Pound Cake.

The Corporation is a wholesaler and its customers may choose to repackage the Corporation's cannabis under their own brands and strain-names, therefore the Corporation expends minimal working capital on brand/strain promotion and announcement.

Production

The Corporation uses its nursery at the Kingsville Facility to store and maintain mother plants, seed genetics, clones and vegetative plants. The crop cycle begins with taking clippings off of mother plants, planting and growing them up to two weeks to produce finished clones. Afterwards, the clones are planted in larger growing mediums and grown up to an additional three weeks to become finished vegetated plants. The vegetated plants are transferred to the Leamington Facility and prepared to enter the flowering stage. The duration of flowering is expected to be approximately nine weeks. The entire licensed greenhouse area at the Leamington Facility is used for flowering. After harvest, the cannabis material is transferred to the attached processing warehouse to be hang dried, hand bucked, machine trimmed, cured and bulk packaged.

Intellectual Property

The Corporation's intellectual property consists largely of brands as well as cannabis genetics, trade secrets and know-how. The Corporation protects its brands through trademark registration and maintains strict confidentiality and other protective measures in respect of its other intellectual property.

The Corporation has applied for a trademark for the use of "Sun County" for all cannabis products. The majority of the Corporation's intellectual property consists of know-how from decades of mass-scale, hydroponic cultivation via the majority shareholders.

Competitive Conditions

The market for cannabis in Canada is tightly controlled by and subject to strict regulation, including pursuant to the Cannabis Act and Cannabis Regulations. The Corporation continues to face competition from both the illicit market as well as other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than the Corporation. Increased competition by larger and better financed competitors could materially and adversely affect the Corporation's business, financial condition, results of operations and prospects.

As of the date of this Prospectus, Health Canada has granted cultivation, processing or cannabis sales licences to a total of 677 licence holders. The Corporation holds two of those licences. More information on the current list of licence holders can be found on Health Canada's website (https://www.canada.ca/en/health-canada/services/drugs-medication/cannabis/industry-licensees-applicants/licensed-cultivators-processors-sellers.html).

The Corporation believes that it will face competition from the following sources:

(i) Licensed Producers

As of the date of this Prospectus, Health Canada has granted cultivation, processing or sales licences to a total of 677 licence holders, with many more in the application phase. The Corporation believes it will face competition from other Licensed Producers and that the supply of cannabis potentially exceeds the demand for cannabis. The price of cannabis and cannabis products may also continue to drop. The Corporation believes that it can reduce the impact of competition by focusing on producing premium clones and premium quality dried flower with a high THC content at a lower price point than its competitors. Additionally, the Corporation believes that the stringent application and compliance requirements that must be met under the Cannabis Act and Cannabis Regulations to become a Licensed Producer may prove too onerous or expensive for some of those unlicensed applicants and is, in the Corporation's view a barrier to entry into the industry.

(ii) Cannabis Retailers

The Cannabis Act authorizes the provinces and territories to oversee the distribution of cannabis. Various provinces have distribution models which include exclusive distribution through provincially-owned retail stores or a mixed distribution model which will allow for regulated privately-owned retail stores to operate alongside provincially owned retail stores. The Corporation believes that retail competition will be from existing licence holders and new market participants. Currently the Corporation does not have retail operations.

(iii) Homegrown Cannabis Producers

The Cannabis Act allows for adults to legally grow up to four cannabis plants for personal use. The Corporation believes that competition from homegrown cannabis will be minimal and that it will not have a significant impact on market demand for premium cannabis flower.

(iv) The Illicit or "Grey" Cannabis Market

There is an illicit or "Grey" cannabis market, and its size and significance can only be speculated. The grey market of cultivators are not Licensees and operate illegally outside the confines of regulatory requirements. As a result, cultivators in the grey market are able to use pesticides on their crops. This provides a competitive advantage to these cultivators. However, the government is recently taking increasing efforts to raid and shutdown such cultivation facilities.

See *"Risk Factors"* for further details.

Specialized Skill and Knowledge

The Corporation is managed and majority owned by the same owners of the Del Fresco Group of companies, which includes: Sunrite Greenhouses Ltd., Via Verde Hydroponics Ltd., and Del Fresco Produce Ltd. The Del Fresco Group has successfully been in business for decades in the aggressively competitive hydroponic produce sector. The owners have a great deal of knowledge to draw on as well as a pool of human resources in the Del Fresco Group that are skilled in cultivation. The Del Fresco Group has a positive reputation for high quality product, risk mitigation expertise and cultivation innovation. These specialized skills and knowledge give the Corporation a competitive advantage to produce high quality cannabis products at a competitive cost.

Employees

As of the fiscal year ended March 31, 2021, the Corporation had nine active employees.

In addition, the Corporation contracts out general labour and administrative services from companies in the Del Fresco Group. All general labour for production is contracted from related parties (Sunrite and/or Via Verde) at a flat rate for time utilized. Administrative support in the form of marketing and accounting services are contracted on a cost basis from Del Fresco Produce Ltd. for time utilized. These arrangements are set out in temporary employee supply agreements between the Corporation and each of the relevant members of the Del Fresco Group (the "**Temporary Employee Supply Agreements**"). The above-noted employee count is exclusive of the contracted employees per these agreements.

REGULATORY FRAMEWORK

Summary of the Cannabis Act and Cannabis Regulations

On April 13, 2017, the Government of Canada released Bill C-45, *An Act respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and other Acts*, which proposed the enactment of the *Cannabis Act* (Canada) to regulate the production, distribution and sale of cannabis for unqualified adult use. The Cannabis Act came into force on October 17, 2018.

On July 11, 2018, the Federal Government published regulations in the Canada Gazette, Part II, to support the coming into force of the Cannabis Act, including the Cannabis Regulations, the new Industrial Hemp Regulations ("**IHR**"), along with proposed amendments to the *Narcotic Control Regulations* and certain regulations under the *Food and Drugs Act* (Canada). The Cannabis Regulations, among other things, set out regulations relating to the following matters: (1) licences, permits and authorizations; (2) security clearances and physical security measures; (3) good production practices; (4) cannabis products; (5) packaging and labelling; (6) cannabis for medical purposes; (7) drugs containing cannabis; (8) combination products and devices; (9) importation and exportation for medical or scientific purposes; (10) document retention; (11) reporting and disclosure, and (12) access to cannabis for medical purposes.

Adult-Use Cannabis

The Corporation participates in the Canadian adult-use recreational market for cannabis. The Cannabis Act provides a licensing and permitting scheme for the cultivation, processing, importation, exportation, testing, packaging, labelling, sending, delivery, transportation, sale, possession and disposal of cannabis for adult recreational use, implemented by the Cannabis Regulations. The Cannabis Act and the Cannabis Regulations maintain a separate regime for access to cannabis for medical purposes.

Below are additional highlights of the Cannabis Act:

- Places restrictions on the amounts of cannabis that individuals can possess and distribute, and on public consumption and use, and prohibits the sale of cannabis unless authorized by the Cannabis Act.
- Permits individuals who are 18 years of age or older to cultivate, propagate, and harvest up to and including four cannabis plants in their dwelling-house, propagated from a seed or plant material authorized by the Cannabis Act.

- Restricts (but does not strictly prohibit) the promotion and display of cannabis, cannabis accessories and services related to cannabinoids to consumers, including restrictions on branding and a prohibition on false or misleading promotion and on sponsorships.
- Permits the informational promotion of cannabis by entities licensed to produce, sell or distribute cannabis in specified circumstances to individuals 18 years and older.
- Introduces packaging and labelling requirements for cannabis and cannabis accessories, and prohibits the sale of cannabis or cannabis accessories that could be appealing to young persons.
- Provides the designated minister with the power to recall any cannabis or class of cannabis on reasonable grounds that such a recall is necessary to protect public health or public safety.
- Establishes a national cannabis tracking system to monitor the movement of cannabis from where it is grown, to where it is processed, to where it is sold.
- Provides powers to inspectors for the purpose of administering and enforcing the Cannabis Act and a system for administrative monetary penalties.

Cannabis for Medical Purposes

As of October 17, 2018, the Cannabis Act and Cannabis Regulations replaced the Access to Cannabis for Medical Purposes Regulation ("**ACMPR**") as the governing regulations in respect of the production, sale and distribution of medical cannabis and related oil extracts. Further, as the Cannabis Act is now in force, cannabis is regulated under the Cannabis Act rather than the Controlled Drugs and Substances Act ("**CDSA**").

Part 14 of the Cannabis Regulations sets out the regime for medical cannabis following legalization, which is substantively the same as the ACMPR with adjustments to create consistency with rules for non-medical use, improve patient access, and reduce the risk of abuse within the medical access system. Patients who have the authorization of their healthcare provider continue to have access to cannabis, either purchased directly from a federally licensed entity authorized to sell for medical purposes, or by registering to produce a limited amount of cannabis for their own medical purposes, or designating someone to produce cannabis for them.

Licences, Permits and Authorizations

The Cannabis Regulations establish the following classes of licences:

- licence for cultivation;
- licence for processing;
- licence for analytical testing;
- licence for sales for medical purposes;
- licence for research; and
- a cannabis drug licence.

The Cannabis Regulations also create subclasses for cultivation licences (standard cultivation, microcultivation and nursery) and processing licences (standard processing and micro-processing). Different licences and each sub-class therein, carry differing rules and requirements that are intended to be proportional to the public health and safety risks posed by each licence category and each sub-class. Licences that were issued under the ACMPR are deemed to be licences issued under the Cannabis Act. Licences issued under the Cannabis Act have associated expiry dates and are subject to renewal requirements.

Security Clearances

Certain individuals associated with cannabis licensees, including individuals occupying "key positions", directors, officers, individuals who exercise, or are in a position to exercise, direct control over the corporation licensee, and other individuals identified by the Minister of Health (the "**Minister**"), must hold a valid security clearance issued by the Minister. Under the Cannabis Regulations, the Minister may refuse to grant security clearances to individuals with associations to organized crime or with past convictions for, or an association with, drug trafficking, corruption or violent offences. This was largely the approach in place under the ACMPR and other related regulations governing the licensed production of cannabis for medical purposes. Individuals who have histories of nonviolent, lower-risk criminal activity (for example, simple possession of cannabis, or small-scale cultivation of cannabis plants) are not precluded from participating in the legal cannabis industry, however, grant of security clearance to such individuals is at the discretion of the Minister and such applications are reviewed on a case-by-case basis.

Security clearances issued under the ACMPR are considered to be security clearances for the purposes of the Cannabis Act and Cannabis Regulations.

Cannabis Tracking System

Under the Cannabis Act, the Minister is authorized to establish and maintain a national cannabis tracking system. The cannabis tracking system (together with the licensing portal, collectively known as the "**Cannabis Tracking and Licensing System**") was established by ministerial order, and came into effect on October 17, 2018. The purpose of this system is to track cannabis throughout the supply chain, to help prevent cannabis from being diverted to an illicit market or activity and to help prevent illicit cannabis from being a source of supply of cannabis in the legal market. Pursuant to the Cannabis Tracking and Licensing System, a holder of a federal licence for cultivation, a licence for processing or a licence for sale for medical purposes that authorizes the possession of cannabis must report monthly to the Minister with specific information about their authorized activities with cannabis (e.g. cannabis inventory quantities), in the form and manner specified by the Minister. The ministerial order also provides for monthly reporting by provincial bodies and provincially authorized private retailers of certain information in the form and manner specified by the Minister.

A new ministerial order regarding the Cannabis Tracking and Licensing System was published in the Canada Gazette, Part II, on June 26, 2019 and in force on October 17, 2019 in order to address the unique public health and public safety risks associated with the three new classes of cannabis, being edible cannabis, cannabis extracts and cannabis topicals (collectively, the "**New Classes of Cannabis**") authorized by the Regulations Amending the Cannabis Regulations (New Classes of Cannabis) (the "**Amending Regulations**") on October 17, 2019.

The purpose of this system is to enable the submission of licence applications, amendments and renewals through an online portal and track the flow of cannabis throughout the supply chain as a means of preventing the illegal inversion and diversion of cannabis into and out of the regulated system. Under the Cannabis Tracking and Licensing System, a holder of a licence for cultivation, licence for processing, or a licence for sale for medical purposes is required to submit monthly reports to Health Canada.

Cannabis Products

The Cannabis Act and Cannabis Regulations set out the requirements for cannabis products that are permitted for sale at the retail level, including the limit on THC content, permitted ingredients, limit on pest control product residues, as well as microbial and chemical contaminants.

Prior to the passage of the Amending Regulations, the Cannabis Act only permitted the sale of dried cannabis, cannabis oil, fresh cannabis, cannabis plants and cannabis plant seeds. The Amending Regulations permit the production and sale of the New Classes of Cannabis. As is the case for dried or fresh cannabis and cannabis oil, a processing licence is required in order to produce edible cannabis, cannabis extracts and cannabis topicals, and to package and label these types of cannabis products for sale to consumers. Holders of processing licences issued prior to October 17, 2019 were required to amend their processing licence before they could begin manufacturing products belonging to New Classes of Cannabis. The Cannabis Regulations require the filing of a notice with Health Canada at least 60 days before releasing a new product to the market. As a result, December 16, 2019 was the earliest date that products in the New Classes of Cannabis could be made available for sale.

In addition, if a holder of a processing licence chooses to process edible cannabis and food products on the same site, then the production, packaging, labelling, and storage of cannabis and the production, packaging, and labelling of food products will need to be conducted in separate buildings. All cannabis production is required to occur in a separate building from any food production.

Packaging and Labeling

The Cannabis Regulations set out strict requirements pertaining to the packaging and labelling of cannabis products. These requirements are intended to promote informed consumer choice and safe consumption and allow for the safe handling and transportation of cannabis, while also reducing the appeal of cannabis to youth.

The Cannabis Regulations require all cannabis products to be packaged in a manner that is tamperproof and child-resistant. Strict limits are also imposed on the use of logos, colours, graphics, and other special characteristics of packaging. For example, all-over package coverings must be clear, and the interior surface and exterior surface of any container in which a cannabis product is packaged must be one uniform colour. Cannabis package labels must include specific information, such as (i) product source information, including brand name, the class of cannabis, lot number, storage conditions, expiry date and the name, phone number and email of the licensed processor or cultivator, (ii) mandatory warnings, including rotating health warning messages on Health Canada's list of standard health warnings; (iii) a keep out of reach of children warning and the Health Canada standardized cannabis symbol; and (iv) information specifying THC and CBD content.

A cannabis product's brand name may only be displayed once on the principal display panel or, if there are separate principal display panels for English and French, only once on each principal display panel. It can be in any font style and any size, so long as it is equal to or smaller than the health warning message. The font must not be in metallic or fluorescent colour. In addition to the brand name, only one other brand element can be displayed. Such brand element must meet the same requirements noted above as the brand name, and if an image, it must be in a size equal to or smaller than the surface area of the standardized cannabis symbol.

Promotion

The Cannabis Act and Cannabis Regulations outline several prohibitions regarding the promotion of cannabis products. Subject to a few exceptions, all promotions of cannabis products are prohibited unless authorized by the Cannabis Act. The restriction on promotion includes promoting cannabis or a cannabis accessory, or any service related to cannabis, including: (i) by communicating information about price or distribution, (ii) by doing so in a manner in that there are reasonable grounds to believe could be appealing to young persons, (iii) by means of a testimonial or endorsement, or (iv) by evoking positive or negative emotions about a way of life such as one that includes glamour, recreation, excitement, vitality, or risk.

The Cannabis Act sets out certain limited exceptions to the general prohibition. These include: (i) promotion of price and availability is permitted at point of sale, (ii) informational or brand preference promotion distributed in accordance with the Cannabis Act, (iii) promotions to other licence holders, and (iv) by inclusion of brand elements on certain things permitted by the Cannabis Act.

While the above restrictions also apply to the New Classes of Cannabis, the Amending Regulations also prohibit certain representations and associations on products, their packages and labels and associated promotional activity, including: certain flavours in cannabis extracts (e.g. confectionary, dessert, soft drink, and energy drink); health or cosmetic benefits unless registered as a health product; energy value and nutrient content representations that go beyond those permitted in the list of ingredients and in the cannabis-specific nutrition facts table; statements reasonably likely to create the impression the edible cannabis or accessory is intended to meet particular dietary requirements; and promotion that could reasonably associate the cannabis, the cannabis accessory or the service related to cannabis with an alcoholic beverage, a tobacco product or a vaping product.

Import/Export Permits for Medical or Scientific Purposes

Part 10 of the Cannabis Regulations sets out the process by which a federally licensed entity may apply for an import or export permit for medical or scientific purposes, as set out in the Cannabis Regulations. Import and export permits will not be issued in respect of cannabis for adult recreational use. A permit must be obtained for each shipment of cannabis. An application for an import or export permit must contain specific information including the name and address of the holder, licence number and specifics of the particular shipment including intended use of the cannabis and specific shipment details. The Cannabis Regulations contain reporting requirements in respect of the import / export of cannabis in reliance on a permit issued under the Cannabis Regulations.

Provincial and Territorial Regulatory Framework for Retail of Recreational Cannabis

While the Cannabis Act provides for regulation of the commercial production of cannabis and related matters by the federal government, each province and territory of Canada may adopt its own laws governing the distribution, retail sale and consumption of cannabis and cannabis accessory products within the province or territory, permitting for example, provincial and territorial governments to set lower possession limit for individuals and higher age requirements. Currently each of the Canadian provincial and territorial jurisdictions has established a minimum age of 19, except for Québec and Alberta, where the minimum age is 21 and 18, respectively.

Each province and territory is responsible for regulating a retail distribution system for adult-use cannabis in their respective jurisdiction. All Canadian provinces and territories have implemented regulatory regimes for the distribution and retail sale of cannabis for recreational purposes within those jurisdictions, and retail models vary between jurisdictions. Provincial/territorial bodies act as intermediaries between entities licensed federally under the Cannabis Act and consumers, such bodies acting in some jurisdictions as exclusive cannabis wholesalers and distributors, and in some instances such bodies acting as exclusive retailers.

Some municipal and regional governments may also choose to impose additional requirements and regulations on the retail sale of recreational cannabis. In some provinces, municipal by-laws may restrict the number of recreational cannabis retail outlets that are permitted in a certain geographical area, or restrict the geographical locations wherein such retail outlets may be opened.

There is no assurance the Corporation will be able to efficiently navigate applicable regulatory frameworks and distribution models or conduct its intended business thereunder. See: "*Risk Factors*".

Ontario: Pursuant to the *Cannabis Control Act, 2017* (Ontario), the distribution and retail sale of recreational cannabis is managed through the Ontario Cannabis Retail Corporation ("**OCRC**"), under the oversight of the Alcohol and Gaming Commission of Ontario (the "**AGCO**"). Recreational cannabis has been sold on-line through the OCRC operated OCS platform as of October 17, 2018.

On October 17, 2018, the *Cannabis Licence Act*, 2018 (Ontario) became law and other legislation, including the *Cannabis Control Act, 2017*, the *Ontario Cannabis Retail Corporation Act, 2017* and the *Liquor Control Act* were amended to create a private retail framework for the sale of recreational cannabis in Ontario. As of April 1, 2019, recreational cannabis has been available for sale by private retailers that operate brick-and-mortar stores licensed by the AGCO.

The recreational cannabis retail regulatory regime in Ontario has the following requirements and features:

- Private retailers are required to obtain both a retail operator licence and a retail store authorization. Retail store authorizations are only to be issued to persons holding a retail operator licence. Separate retail store authorizations are to be required for each cannabis retail store, but a licensed retail operator may hold more than one retail store authorization and operate multiple stores. Private retailers may sell cannabis in person, or online, with in-store pick up and/or home delivery, where available.

- The AGCO is the government entity responsible for issuing retail store authorizations for privately run recreational cannabis stores. Until December 13, 2019, a temporary cap of 25 retail store authorizations was imposed while cannabis supply stabilizes. On July 3, 2019, the Government of Ontario announced its plans for a second allocation of 50 additional cannabis retail store authorizations. The AGCO held a lottery draw for the allocation of 42 retail store authorizations. A separate process governed the allocation of eight retail store authorizations for those who wish to operate a store on a First Nations reserve. On March 2, 2020, the restrictions on the total number of store authorizations permitted in Ontario, and their regional distribution, was revoked. The AGCO has begun accepting applications for retail store authorizations from all interested applicants. There are currently 450 stores in Ontario.

- Retail store operators are only permitted to purchase cannabis from the OCRC, which may set a minimum price for cannabis or classes of cannabis.

- Every authorized cannabis retail store in Ontario must have a licensed retail manager. Anyone who supervises employees, oversees cannabis sales, manages compliance or has signing authority to purchase cannabis, enters into contracts or hires employees is required to have a cannabis retail manager licence.

- Federally licensed producers (and their affiliates) are limited to operating one retail cannabis store in the province, which must be located at the site listed on such producer's federal licence. A broad definition of affiliate is included in the Cannabis Regulations. An affiliate relationship exists if a corporation beneficially owns or controls voting shares, or securities that may be converted to voting shares, constituting more than 25% of voting rights. If a person, or group acting together, holds 50% voting control for the election of directors or market share of the corporation, they are considered affiliates. Additionally, an affiliate relationship may be established through involvement in a trust, partnership or joint venture, among others. The definition of affiliate may have the effect of restricting the ability of federally licensed producers from effectively entering into the consumer retail market in Ontario.

- Federally licensed producers are prohibited from providing any material inducement to cannabis retailers for the purpose of increasing the sale of a particular type of cannabis.

- Municipalities and reserve band councils were permitted to opt out of the retail cannabis market by resolution. Municipalities had until January 22, 2019 to pass such by-laws, and several municipalities have formally opted-out of the retail market. Municipalities that opted out can later lift the prohibition on retail cannabis stores by subsequent resolution, which cannot be reversed at a later date.

- Municipalities may not pass bylaws providing for a further system of licensing over the retail sale of cannabis.

Manitoba: The Government of Manitoba has implemented a "hybrid model" for cannabis distribution, whereby supply is secured and tracked by the Manitoba Liquor and Lotteries Corp.; however, licensed private retail stores are also permitted to sell recreational cannabis.

Alberta: The Government of Alberta has implemented a cannabis framework providing for the purchase of cannabis products from private retailers that receive their products from a government-regulated distributor, the Alberta Gaming and Liquor Commission, similar to the distribution system currently in place for alcohol in the province. Only licensed retail outlets are permitted to sell cannabis with online sales run by the Alberta Gaming and Liquor Commission.

New Brunswick: All recreational cannabis is managed and sold through a network of tightly-controlled, stand-alone Cannabis NB stores managed by the Cannabis Management Corporation, a subsidiary of New Brunswick Liquor Corporation (the "**NBLC**") and is available for sale online through the Cannabis NB platform. The NBLC also controls the distribution and wholesale of cannabis in the province. The New Brunswick government had issued a request for proposals ("**RFP**") relating to privatization of the Cannabis NB operations. New Brunswick has discontinued the RFP process in late March 2021. Cannabis NB remains the only legal retailer of recreational cannabis in the province of New Brunswick.

Québec: All recreational cannabis is managed and sold through outlets of the Société québécoise du cannabis, a subsidiary of the Société des alcools du Québec, and its online site.

Newfoundland and Labrador: Recreational cannabis is sold through licensed private retail stores, with the crown-owned liquor corporation, the Newfoundland and Labrador Liquor Corp. (the "**NLC**"), issuing private retailer licences and overseeing the distribution to private sellers who may sell to consumers. The NLC also controls the possession, sale and delivery of cannabis, and sets prices. NLC is also the online retailer, although licences may later be issued to private interests.

Yukon: Yukon had initially limited the distribution and sale of recreational cannabis to government outlets and government-run online stores, but has since opened up its retail market to permit licensed private retailers in the territory. Cannabis retail licences are issued by the Cannabis Licensing Board. Authorized retailers must purchase cannabis from the Yukon Liquor Corporation, acting as the wholesaler and distributor in the territory.

Northwest Territories: The Northwest Territories Liquor Commission controls the importation and distribution of cannabis, whether through retail outlets or by mail order service run by the commission. Communities in the Northwest Territories are able to hold a plebiscite to prohibit cannabis, similar to the options currently available to restrict alcohol.

British Columbia: Recreational cannabis is sold through both public and licensed privately operated stores, with the provincial Liquor and Cannabis Regulation Branch handling wholesale distribution.

Saskatchewan: The Government of Saskatchewan implemented a framework in which both wholesale and retail recreational cannabis are conducted by the private sector and regulated by the Saskatchewan Liquor and Gaming Authority ("**SLGA**"). A number of retail permits have been issued to private stores. SLGA is currently accepting applications for retail permits, wholesale cannabis permits and federally licensed producer registrations. Permitted wholesalers can sell to permitted retailers and other permitted wholesalers but not to the general public. Wholesale operations must be physically located within Saskatchewan and product can only be sold and distributed within Saskatchewan. Further, only federally licensed producers registered with SLGA will be allowed to sell into the Saskatchewan market.

Nova Scotia: The Nova Scotia Liquor Corporation ("**NSLC**") is responsible for the regulation of cannabis in the province, and recreational cannabis is only sold publicly through government-operated storefronts and online sales. There is no private licensing of retail. The NSLC also controls the distribution and wholesale of cannabis in the province.

Prince Edward Island: Similar to Nova Scotia, Prince Edward Island requires cannabis to be sold publicly, through government stores and online, overseen by the Prince Edward Island Cannabis Management Corporation, who is also responsible for the distribution and wholesale of cannabis in the province. There is no private retail licensing in the province.

Nunavut: Nunavut allows for the sale of cannabis through both public and private retail and online. In Nunavut, a person can submit an application with the Nunavut Liquor and Cannabis Commission for a licence to operate a cannabis store, remote sales store, or cannabis lounge.

USE OF AVAILABLE FUNDS

Available Funds and Principal Purposes

This is a non-offering Prospectus. The Corporation is not raising any funds in conjunction with this Prospectus and, accordingly, there are no proceeds to be raised by the Corporation pursuant to this Prospectus.

As at the date of this Prospectus, the Corporation has approximately $4,100,000 in working capital and intends to allocate the foregoing funds as follows; however, it reserves discretion to allocate to other strategic, operational or other demands as and when they arise:

Use of Available Funds	Amount
Costs related to public listing	$200,000
ERP software system	$200,000
General and administrative costs	$600,000
Legal and accounting fees	$200,000
Bank Debt Service Payments (12 months)	$900,000
Total	$2,100,000
Unallocated working capital(1)	$2,000,000
Total:	$4,100,000

Note:
(1) The cash portion of the unallocated working balance has been held in short-term, investment grade, interest-bearing securities, in government securities or in bank accounts at the discretion of management.

It is anticipated that the available funds will be sufficient to achieve the Corporation's objectives over the next 12 months.

The Corporation has negative cash flow from operating activities and has historically incurred net losses. Although the Corporation anticipates it will have positive cash flow from operating activities in future periods, the Corporation cannot guarantee it will have cash flow positive status from operating activities in future periods. To the extent that the Corporation has negative operating cash flows in future periods, it may need to deploy a portion of its existing working capital to fund such negative cash flows. The Corporation will be required to raise additional funds through the issuance of additional equity securities, through loan financing, or other means, such as through partnerships with other companies and research and development reimbursements. There is no assurance that additional capital or other types of financing will be available if needed or that these financings will be on terms at least as favourable to the Corporation as those previously obtained. See "*Risk Factors*".

Business Objectives and Milestones

As of the date hereof, the Corporation anticipates the following milestones and business objectives, related approximate cost and the estimated time period in which each milestone is expected to occur.

The following are "forward-looking statements" and as such, there is no guarantee that such milestones will be achieved on the timelines indicated or at all. Forward-looking statements are based on management's current expectations and are subject to a number of risks, uncertainties, and assumptions. See "*Cautionary Note Regarding Forward-Looking Information*" and "*Risk Factors*".

Objective	Milestone	Status	Spend to Date	Estimated Remaining Spend	Anticipated or Confirmed Quarter of Complete
Implement new ERP system	Sign quote with deposit	Complete	$20,000	$ -	June 2021
	Install hardware, train employees, full implementation	Incomplete	$ -	$ 180,000	December 2021

DIVIDEND POLICY

We have not declared dividends on any of our shares in the past and we do not intend to pay any in the foreseeable future. Any future determination to pay dividends will be at the discretion of our Board of Directors and will depend on the financial condition, business environment, operating results, capital requirements, any contractual restrictions on the payment of dividends and any other factors that the Board of Directors deems relevant.

SELECTED FINANCIAL INFORMATION

The following selected financial information has been derived from and is qualified in its entirety by the Corporation's financial statements and notes thereto included in Schedule "A" to this Prospectus, and should be read in conjunction with such financial statements and the related notes, along with the management's discussion and analysis relating to such financial statements and also included in Schedule "A".

The following sets out selected summary financial information of the Corporation for the years ended March 31, 2020 and March 31, 2021:

	Year ended March 31, 2021 (audited) $	**Year ended March 31, 2020 (audited) $**
Revenue	-	-
Total Expenses (Operating and Other)	1,232,155	2,180,873
Net income (loss)	(1,232,155)	(2,180,873)
Current assets	4,423,131	1,657,030
Total assets	25,110,324	17,532,771
Current liabilities	1,554,512	1,964,575
Total liabilities	14,846,565	8,663,098
Shareholders' equity (deficiency)	10,263,759	8,869,673

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Corporation's management discussion and analysis for the years ended March 31, 2020 and March 31, 2021 is included in Schedule "A" to this Prospectus.

DESCRIPTION OF SHARE CAPITAL

Common Shares

The authorized capital of the Corporation consists of an unlimited number of Common Shares. As of the date of this Prospectus, there are 121,632,019 Common Shares issued and outstanding. Holders of Common Shares are entitled to vote at meetings of shareholders, to receive any dividends declared by the Corporation, and to receive the remaining property of the Corporation upon dissolution. See also "*Description of the Business –History*".

Warrants

As of the date of this Prospectus, there are no warrants of the Corporation issued and outstanding.

Options

The Corporation adopted a stock option plan effective August 17, 2018 (the "**Original Option Plan**"). The Board approved the Amended and Restated Stock Option Plan on June 8, 2021, which shall be put to the shareholders for approval at the next meeting of shareholders**.** See "*Options to Purchase Common Shares"* and "*Executive Compensation – Elements of Compensation Program – Stock Option Plan."* As of the date of this Prospectus, an aggregate of 10,133,000 stock options are outstanding, with each such option being exercisable for one Common Share at exercise prices ranging from $0.25 to $0.50 per share and with all such Options expiring on the date that is the third anniversary of the listing of the Corporation's Common Shares on the CSE. All stock options issued pursuant to the Original Plan will be continued on substantially the same terms under the Amended and Restated Stock Option Plan. See "*Executive Compensation – Elements of Compensation Program – Stock Option Plan*."

CONSOLIDATED CAPITALIZATION

The following table sets forth the share capital of the Corporation as at the dates shown below. The table should be read in conjunction with, and is qualified in its entirety by the Corporation's audited financial statements as at and for the years ended March 31, 2020 and March 31, 2021.

Description	**Authorized Capital**	**Outstanding as at March 31, 2021**	**Outstanding as at the date of this Prospectus**
Common Shares	Unlimited	171,681,566	121,632,019
Warrants	Unlimited	nil	nil
Stock Options	Up to 10% of the outstanding Common Shares	10,154,440	10,333,000

OPTIONS TO PURCHASE COMMON SHARES

Incentive Stock Options

The Board of Directors has adopted the Stock Option Plan under which options may be granted to the Corporation's directors, officers, employees and consultants. See "*Executive Compensation – Elements of Compensation Program – Stock Option Plan."*

As of the date of this Prospectus, the Corporation issued options pursuant to the Stock Option Plan as detailed in the following table (the "**Options**").

Optionees	Number of Individuals in Group	Number of Common Shares reserved under Option	Average exercise Price per Common Share	Expiration of Options
All current and past executive officers who are not also directors	-	-	-	-
All current and past directors	5	4,500,000	$0.33	Third anniversary of public listing of Common Shares
All employees who are not also directors or executive officers	9	3,690,000	$0.36	Third anniversary of public listing of Common Shares
All consultants who are not also directors or executive officers	9	2,143,000	$0.38	Third anniversary of public listing of Common Shares
TOTAL	23	10,333,000	$0.35	

PRIOR SALES

The following table summarizes details of the Common Shares issued by the Corporation during the 12-month period prior to the date of this Prospectus.

Date Of Issuance	Description of Transaction	Price per Security	Number of Securities
May 5, 2021	Common Shares	$0.50	2,458,000
March 31, 2021	Common Shares	$0.50	4,078,385
November 20, 2020	Common Shares	$0.50	487,750

ESCROWED SECURITIES

Pursuant to the Escrow Agreement, certain of the securities of the Corporation are subject to escrow as shown in the following table:

Class	Number of Securities Held in Escrow(1)	Percentage of Class
Common Shares	101,565,167	83.5%

Note:
(1) These Common Shares are held under the Escrow Agreement in accordance with NP 46-201 with the Escrow Agent.

NP 46-201 provides that all shares of an issuer owned or controlled by its Principals will be escrowed at the time of the issuer's initial public offering. At the time of its initial public offering, an issuer will be classified for the purposes of escrow as either an "exempt issuer", an "established issuer" or an "emerging issuer" as those terms are defined in NP 46-201. As the Corporation anticipates that its Common Shares will be listed on the CSE, it will be classified as an "emerging issuer". As an emerging issuer, the Escrow Agreement reflects the following automatic timed releases of the securities deposited in escrow with the Escrow Agent:

Date of Automatic Timed Release	Number of Escrowed Securities Released
On the Listing Date	1/10 of the escrowed securities
6 months from the Listing Date	1/6 of the remaining escrowed securities
12 months from the Listing Date	1/5 of the remaining escrowed securities
18 months from the Listing Date	1/4 of the remaining escrowed securities
24 months from the Listing Date	1/3 of the remaining escrowed securities
30 months from the Listing Date	1/2 of the remaining escrowed securities
36 months from the Listing Date	The remaining escrowed securities

Assuming there are no changes to the escrowed securities initially deposited and no additional escrowed securities are deposited, automatic timed release escrow applicable to the Corporation will result in a 10% release on the Listing Date, with the remaining escrowed securities being released in 15% tranches every six months thereafter.

The automatic timed release provisions under NP 46-201 pertaining to "established issuers" provide that 25% of each Principal's and shareholder's escrowed securities are released on the Listing Date, with an additional 25% being released in equal tranches at six month intervals over eighteen months. If, within eighteen months of the Listing Date, the Corporation meets the "established issuer" criteria as set out in NP 46-201, the escrowed securities will be eligible for accelerated release available for established issuers. In such a scenario, that number of escrowed securities that would have been eligible for release from escrow if the Corporation had been an "established issuer" on the Listing Date will be immediately released from escrow. The remaining escrowed securities would be released in accordance with the timed release provisions for established issuers, with all escrowed securities being released eighteen months from the Listing Date.

PRINCIPAL SHAREHOLDERS

As of the date of this Prospectus, to the knowledge of the directors and officers of the Corporation, no person beneficially owns or exercises control or direction over Common Shares carrying more than 10% of the votes attached to Common Shares, except for the following:

Name	Type of Ownership	Number of Common Shares Owned	Percentage of Outstanding Shares [(1)]
Sunrite Greenhouses Ltd.[(2)]	Beneficial and of record	100,000,000	82.22%

Notes:

(1) Calculated on a non-diluted basis.

(2) Sunrite Greenhouses Ltd. is wholly-owned by Jamie D'Alimonte, who is Chief Executive Officer and a Director of Greenway, as to 50% and Carl Mastronardi, who is President and a Director of Greenway, as to 50%.

MANAGEMENT

The following table sets out, for each of our directors and executive officers, the person's name, age, province or state and country of residence, position with us, principal occupation and, if a director, the date on which the person became a director. Our directors are expected to hold office until our next annual general meeting of shareholders. Our directors are elected annually and, unless re-elected, retire from office at the end of the next annual general meeting of shareholders. As a group, the directors and executive officers beneficially own, or control or direct, directly or indirectly, a total of 101,565,167 Common Shares, representing 83.5% of the Common Shares outstanding.

Directors and Executive Officers

Name and Province or State and Country of Residence	Age	Position with the Corporation	Director Since	Principal Occupation
Jamie D'Alimonte Leamington, Ontario, Canada	47	Chief Executive Officer and Director(1)(2)(4)	2018	Chief Executive Officer of the Corporation and Chief Executive Officer of the Del Fresco Group
Carl Mastronardi Leamington, Ontario, Canada	62	President and Director(1)(6)	2018	President of the Corporation and President of the Del Fresco Group
Darren Peddle Kingsville, Ontario, Canada	36	Chief Financial Officer and Director	2018	Chief Financial Officer of the Corporation and Chief Financial Officer of the Del Fresco Group
Martin Komsa Lasalle, Ontario, Canada	66	Director(2)(5)(7)	2020	Retired executive in the financial services sector
Dennis Staudt Kingsville, Ontario, Canada	67	Director(3)(4)(6)	2021	Vice President, Staudt Farms Limited
Andrew Brown Vancouver, BC, Canada	36	Corporate Secretary	N/A	President of Lions Corporate Secretarial Services Limited

Notes:

(1) Co-chairman of the board.
(2) Member of the Audit Committee.
(3) Chair of Audit Committee.
(4) Member of the Governance and Nomination Committee.
(5) Chair of the Governance and Nomination Committee.
(6) Member of the Executive Compensation Committee.
(7) Chair of the Executive Compensation Committee.

Biographies

The following are brief profiles of our executive officers and directors, including a description of each individual's principal occupation within the past five years.

Jamie D'Alimonte (47), Chief Executive Officer and Director

Mr. D'Alimonte has over 30 years of experience in agriculture, including managing multiple successful companies simultaneously. He is the Chief Executive Officer of the companies forming the Del Fresco Group, Head Grower of both Sunrite Greenhouses Ltd. and Via Verde Hydroponics Ltd., and has helped grow small family businesses into industry leaders. Mr. D'Alimonte brings years of experience and skill in large scale greenhouse grown produce to Greenway.

Carl Mastronardi (62), President

Mr. Mastronardi is a co-founder of Greenway, and has over 35 years of experience in the agricultural sector. He is also President of the companies forming the Del Frescro Group where he has been pivotal in the success of over 4 million sq/ft of greenhouse facilities.

Darren Peddle (36), Chief Financial Officer

Mr. Peddle has almost a decade of high level financial and accounting experience, and has been a CPA since 2016. Throughout his career, Mr. Peddle has served in various financial positions within the agricultural sector and is now applying his expertise to the cannabis greenhouse sector. He has helped guide Greenway through the process of becoming a licensed cannabis nursery and licensed cannabis cultivator. He has experience with notable accounting firms, including KMPG LLP and HMID LLP. Mr. Peddle has a Bachelor of Arts degree from the University of Windsor and is a Chartered Professional Accountant.

Martin Komsa (66), Director

Mr. Komsa spent 41 years in the financial services and industrial sector. He began his career as a supervisor and rose to the position of President/CEO where he was instrumental in leading Windsor Family Credit Union (WFC) to become a financial services innovator with over $5 billion in managed assets. He gained valuable experience in the area of Human Resource Management when he worked in the steel industry in charge of management & manpower training, succession planning & leadership development. Mr Komsa's vision within the financial service sector allowed WFCU to become a leader in customer service, human resource management and corporate governance. He has served on many boards and committees within the philanthropic, educational, health and public sectors where his leadership skills allowed him to be appointed to various Chair and Vice Chair positions, including the University of Windsor, Chamber of Commerce, Economic Development Commission and Credit Union Managers Association. Mr. Komsa has received numerous national and international awards recognizing his leadership and community involvement. He holds an Honours Degree in Business

Administration from Windsor University, and an Honorary Doctor of Laws Degree from the University of Windsor.

Dennis Staudt (67), Director

Mr. Staudt has over 40 years experience providing business advice to a number of private companies in Southwestern Ontario, primarily in the manufacturing and greenhouse sectors. Mr. Staudt spent the majority of his career with PricewaterhouseCoopers LLP ("**PwC**"), including 22 years as a partner in the Audit and Assurance Group. Following his retirement from PwC, Mr. Staudt served on the Board of Directors of Aphria Inc. (TSX: APH) from July 2014 to September 2018. He currently sits on the Board of Directors of HAVN Life Sciences Inc. (CSE: HAVN) (FSE: 5NP), a biotechnology company and is Vice President of Staudt Farms Limited, a family owned farming operation. Mr. Staudt is a Chartered Professional Accountant (CPA, CA)(Ontario) and a Certified Public Accountant (CPA, Illinois).

Andrew Brown (36), Corporate Secretary

Mr. Brown is President of Lions Corporate Secretarial Services Limited, a full-service corporate secretarial group that provides corporate secretarial and corporate governance services for public companies. Mr. Brown has over 10 years of experience working in the public markets and has served as Corporate Secretary for multiple publicly traded companies (TSX Venture Exchange and CSE-listed). Mr. Brown has completed his CSC and is fluent in Portuguese.

Corporate Cease Trade Orders

None of our directors or executive officers has, within the 10 years prior to the date of this Prospectus, been a director, chief executive officer or chief financial officer of any company (including us) that, while such person was acting in that capacity (or after such person ceased to act in that capacity but resulting from an event that occurred while that person was acting in such capacity) was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, in each case for a period of more than 30 consecutive days.

Corporate Bankruptcies

None of our directors, executive officers or shareholders holding a sufficient number of securities to affect materially the control of the Corporation, has, within the 10 years prior to the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or comprise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, been a director or executive officer of any company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or comprise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

No director or executive officer or shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation has:

- been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

- been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

Each of Jamie D'Alimonte (Chief Executive Officer and a Director), Carl Mastronardi (President and a Director), and Darren Peddle (Chief Financial Officer and a Director), hold the same titles with respect to each of the other companies forming the Del Fresco Group. The Del Fresco Group and the Corporation share premises for their respective operations and have a number of agreements in place to govern their relationship including the following:

1. The Sunrite Lease;

2. The Leamington Facility Lease;

3. The Kingsville Facility Lease;

4. The Sunrite Loan Agreement; and

5. The Temporary Employee Supply Agreements.

(See "*Description of the Business – History*", and "*Description of the Business -Employees*"). Consequently, there are potential inherent conflicts of interest in the aforementioned directors and officers acting as directors and officers of the Corporation. Although the officers and directors are engaged in other business activities, the Corporation anticipates they will devote a significant amount of time to the affairs of the Corporation.

The Corporation's officers and directors are now and may in the future become shareholders, officers or directors of other companies, which may be formed for the purpose of engaging in business activities similar to the Corporation's. Accordingly, additional direct conflicts of interest may arise in the future with respect to such individuals acting on behalf of us or other entities. Moreover, additional conflicts of interest may arise with respect to opportunities which come to the attention of such individuals in the performance of their duties or otherwise. Currently, the Corporation does not have a right of first refusal pertaining to opportunities that come to their attention and may relate to our business operations.

The Corporation's officers and directors are, so long as they are our officers or directors, subject to the restriction that all opportunities contemplated by our plan of operation which come to their attention, either in the performance of their duties or in any other manner, will be considered opportunities of, and be made available to the Corporation and the companies that they are affiliated with on an equal basis. A breach of this requirement will be a breach of the fiduciary duties of the officer or director. If the Corporation or the companies with which the officers and directors are affiliated both desire to take advantage of an opportunity, then said officers and directors would abstain from negotiating and voting upon the opportunity. However, all directors may still individually take advantage of opportunities if the Corporation should decline to do so. Except as set forth above, the Corporation has not adopted any other conflict of interest policy with respect to such transactions.

EXECUTIVE COMPENSATION

Introduction

The following discussion describes the significant elements of our executive compensation program, with particular emphasis on the process for determining compensation payable to the Corporation's CEO and CFO and the Corporation's next most highly-compensated executive officer whose total compensation was more than $150,000 (collectively, the **"Named Executive Officers"** or **"NEOs"**). The NEO's of the Corporation are Jamie D'Alimonte (Chief Executive Officer), and Darren Peddle (Chief Financial Officer).

Overview

Our Board of Directors makes decisions regarding all forms of compensation, including salaries, bonuses and equity incentive compensation for our CEO, CFO and other executive officers, as well as approves corporate goals and objectives relevant to their compensation.

Compensation Objectives

Our compensation practices are designed to retain, motivate and reward our executive officers for their performance and contribution to our long-term success. The Corporation seeks to compensate executive officers by combining short-term and long-term cash and equity incentives. It also seeks to reward the achievement of corporate and individual performance objectives and to align executive officers' incentives with the Corporation's performance. The Corporation seeks to tie individual goals to the area of the senior executive officer's primary responsibility. These goals may include the achievement of specific financial or business development goals. Corporate performance goals are based on our financial performance during the applicable financial year.

In order to achieve our growth objectives, attracting and retaining the right team members is critical. A key part of this is a well-thought out compensation plan that attracts high performers and compensates them for continued achievements. Greenway has established the Executive Compensation Committee, comprised of Carl Mastronardi, Martin Komsa, and Dennis Staudt. The Executive Compensation Committee meets regularly to review and recommend to the Board the appointment and compensation of, and the approval of the terms of employment of, the Chief Executive Officer and all other senior executives of the Corporation.

Many of the Corporation's team members participate in the Stock Option Plan, driving retention and ownership. Communicating clear and concrete criteria and process for merit-based increases and bonuses will also motivate the entire team to achieve individual and corporate goals.

Elements of Compensation Program

Our executive compensation consists primarily of three elements: base salary, annual bonuses and long-term equity incentives.

Base Salary

Base salaries for executive officers are established based on the scope of their responsibilities and their prior relevant experience, taking into account compensation paid by other companies in the industry for similar positions and the overall market demand for such executives at the time of hire. The Corporation does not actively benchmark its compensation to other companies, but has reviewed the public disclosure available for other comparable medical marijuana companies to assist in determining the competitiveness of base salary, bonuses, benefits and stock options paid to the executive officers of the Corporation. An executive officer's base salary is determined by reviewing the executive officer's other compensation to ensure that the executive officer's total compensation is in line with the Corporation's overall compensation philosophy.

Base salaries are reviewed annually and increased for merit reasons, based on the executive's success in meeting or exceeding individual objectives and/or for market competitiveness. Additionally, base salaries can be adjusted as warranted throughout the year to reflect promotions or other changes in the scope or breadth of an executive's role or responsibilities, as well as for market competitiveness.

Bonus Plans

Our compensation program includes eligibility for annual incentive cash bonuses. The range of potential bonuses is currently determined at the Board's sole discretion. NEO bonuses in the future may include corporate and financial performance targets, as well as personal performance objectives that are determined by the Board, which may include the implementation of new strategic initiatives, the development of innovations, teambuilding, the ability to manage the costs of the business and other factors. The mix between corporate and financial performance targets and personal performance objectives and the resulting bonus entitlements vary for each NEO.

Stock Option Plan

On June 8th, 2021 the Board adopted the Amended and Restated Stock Option Plan to be approved by the shareholders at the next meeting of shareholders scheduled for a time prior to filing of the final prospectus. The Amended and Restated Stock Option Plan replaces the Original Option Plan and Options granted pursuant to the Original Plan will be continued on substantially the same terms under the provisions of the Amended and Restated Stock Option Plan.

The Amended and Restated Stock Option Plan is a rolling 10% stock option plan with an aggregate of 10,333,000 Options currently issued and outstanding. The Board of Directors is responsible for administering the Amended and Restated Stock Option Plan.

The purpose of the Amended and Restated Stock Option Plan is to (i) provide directors, officers, consultants and key employees of the Corporation with additional incentive; (ii) encourage stock ownership by such persons; (iii) encourage such persons to remain with the Corporation; and (iv) attract new directors, employees and officers, among other purposes. As a rolling stock option plan, the Amended and Restated Stock Option Plan will require shareholder approval on an annual basis.

The Amended and Restated Stock Option Plan provides that the aggregate number of Common Shares that may be issued upon the exercise of options cannot exceed 10% of the number of Common Shares issued and outstanding from time to time. As a result, any increase in the issued and outstanding Common Shares will result in an increase in the number of Common Shares available for issuance under the Amended and Restated Stock Option Plan.

The number of Common Shares reserved for issue to any one person pursuant to the Amended and Restated Stock Option Plan may not exceed 5% of the issued and outstanding Common Shares at the date of such grant, unless the Corporation has obtained approval by a majority of the votes cast by the shareholders eligible to vote at a shareholders' meeting, excluding votes attaching to Common Shares beneficially owned by insiders and their associates. The number of Common Shares issuable to (i) any one consultant, or (ii) parties providing investor relations services, in any 12-month period, cannot exceed 2% of the issued and outstanding Common Shares.

Options granted under the Amended and Restated Stock Option Plan will have an exercise price of not less than the closing price of the Corporation's shares on the CSE on the day prior to the date of the grant, subject to any discount that may be applied pursuant to the policies of the CSE or the stock exchange the Common Shares are then listed on.

Compensation of Named Executive Officers and Directors

The following table sets forth compensation for each NEO of the Corporation and each director of the Corporation for the fiscal years ended March 31, 2020 and March 31, 2021. The Corporation currently does not have a standard arrangement pursuant to which directors are compensated. All directors are reimbursed for their respective out of pocket expenses in relation to their attendance at board of director meetings and committee meetings. Board members may be compensated for their services at the discretion of the Board.

Types of compensation excluding compensation securities							
Name and principal position	**Year**	**Salary, consulting fee, retainer or commission**	**Bonus**	**Committee or meeting fees**	**Value of perquisites**	**Value of all other compensation**	**Total Compensation**
		($)	**($)**	**($)**	**($)**	**($)**	**($)**
Jamie D'Alimonte *CEO and Director*	2021	-	-	-	-	-	-
	2020	-	-	-	-	-	-
Darren Peddle *CFO and Director*	2021	60,000	-	-	-	-	60,000
	2020	26,500	-	-	-	-	26,500
Carl Mastronardi *President and Director*	2021	-	-	-	-	-	-
	2020	-	-	-	-	-	-
Martin Komsa *Director(3)*	2021	9,667	-	-	-	5,959	15,626
	2020	1,500	-	-	-	1,625	3,125
Dennis Staudt *Director(4)*	2021	4,167	-	-	-	-	4,167
	2020	-	-	-	-	-	-
Konrad Pimiskern *Director(5)*	2021	112,500	3,585	-	-	-	116,085
	2020	187,500	18,435	-	-	7,400	213,335

Notes:

(1) Mr. D'Alimonte and Mr. Mastronardi do not receive any compensation for their director positions. Neither are receiving any compensation until fiscal 2022 in respect of their positions as either a director or an officer.

(2) Mr. Peddle received a partial salary of $60,000 annually for both fiscal 2021 and 2020 in respect of his position as CFO, which commenced mid October 2019. Mr. Peddle did not receive any compensation in respect of his position as a director.

(3) Mr. Komsa commenced his position as independent director on January 1, 2020. His initial cash retainer was $6,000 annually. On March 1st, 2021, his cash retainer was increased to $50,000 annually.

(4) Mr. Staudt commenced his position as independent director on March 1, 2021. His annual cash retainer is $50,000.

(5) Mr. Pimiskern resigned from the Board and as Senior Vice President, Corporate Development effective December 15, 2020. He did not receive compensation for his role as a director.

Stock Options and Other Compensation Securities

The following table sets forth all compensation securities granted or issued to each director and NEO of the Corporation in the most recently completed financial year for services provided or to be provided, directly or indirectly to the Corporation:

Compensation Securities							
Name and principal position	Type of Compensation Security	Number of compensation securities, number of underlying securities, and % of class	Date of issue or grant	Issue, conversion or exercise price	Closing price of security or underlying security on date of grant	Closing price of security or underlying security at year end	Expiry date
			($)	($)	($)	($)	($)
Jamie D'Alimonte *CEO and Director*	Options	- -%	N/A	N/A	N/A	N/A	N/A
Carl Mastronardi *President and Director*	Options	- -%	N/A	N/A	N/A	N/A	N/A
Darren Peddle *CFO and Director*	Options	- -%	N/A	N/A	N/A	N/A	N/A
Martin Komsa *Director*	Shares	9,750,(1) 0.008 %	Nov. 20, 2020	$0.50	N/A	N/A	N/A
	Shares	5,417(1) 0.0044 %	March 31, 2021	$0.50	N/A	N/A	N/A
Dennis Staudt *Director*	Options	500,000 4.8%	March 1, 2021	0.50	N/A	N/A	Third anniversary of public listing of Common Shares
Konrad Pimiskern *Director*(2)	Options	- -%	N/A	N/A	N/A	N/A	N/A

Notes:

(1) As part of Mr. Komsa's compensation he was issued 13,000 Common Shares annually at a deemed price of $0.50 per share commencing on January 1, 2020. The Common Shares were not issued as part of an equity compensation plan. The issuances represent compensation shares earned from January 2020 to February 2021. On March 1st, 2021, his retainer was revised to $50,000 annually with no compensation shares payable.

(2) Mr. Pimiskern resigned from the Board and as Senior Vice President, Corporate Development effective December 15, 2020. He did not receive compensation for his role as a director.

In August 2018, Mr D'Alimonte, Mr. Mastronardi, and Mr. Peddle were each issued options to purchase up to 1,000,000 Common Shares, which vested immediately, with an exercise price of $0.25 per share and expiring on the third anniversary date of the listing date of the Common Shares on a recognized stock exchange. No additional equity compensation has been granted to the NEOs.

In January 2020 (the prior fiscal year), Mr. Komsa was granted options to purchase up to 1,000,000 Common Shares, which vested in full on December 20, 2020, with an exercise price of $0.50 per share and expiring on the third anniversary date of the listing date of the Common Shares on a recognized stock exchange. Per a previous directorship agreement, Mr. Komsa earned 15,167 Common Shares for services rendered at a deemed price of $0.50 per share. The director agreement with Mr. Komsa was amended for to provide for increased cash compensation and no additional equity compensation commencing March 1, 2021.

In March 2021, Mr. Staudt was granted options to purchase up to 500,000 Common Shares, with 25% vested and the remainder to vest in equal quarterly instalments, with an exercise price of $0.50 per share and expiring on the third anniversary date of the listing date of the Common Shares on a recognized stock exchange.

No directors or NEOs exercised any of their Options in the most recently completed financial year.

Employee Agreements and Termination and Change of Control Benefits

Each of the NEOs has entered into an employment agreement with the Corporation having substantially similar terms with respect to termination and change of control benefits.

Upon termination without cause, the NEOs are entitled to receive twelve (12) months' prior written notice, or payment of a lump sum in lieu of such notice, or any combination thereof.

Each NEO may resign from his employment at any time upon providing four (4) weeks' prior written notice (the "**Resignation Notice Period**") to the Corporation (the "**Resignation Right**"). In the event the Corporation does not wish to employ the NEO until the expiry of the Resignation Notice Period, the Corporation may, at its sole discretion, waive in whole or in part its decision to continue to employ by providing payment in lieu until the expiry of the Resignation Notice Period. The Corporation will also provide the NEO with any accrued and outstanding salary and vacation pay.

In the event that there is a Change in Control (as defined below) and within 90 days of such Change of Control, either (i) the NEO is terminated without cause; or (ii) there results in a material and adverse change by the Corporation in the NEO's function, duties or responsibilities, without the NEO's written consent, which change would cause the NEO's position with the Corporation to become one of less responsibility, importance or scope from the position (including changes in title) as described in in the employment agreement, the NEO, within thirty (30) days thereafter, may give notice to terminate his employment, and as a result, the NEO shall be entitled to an amount equal to (A) six (6) months of salary if the Change of Control occurs within six (6) months after the effective date of the employment agreement, or if the Change of Control occurs thereafter, then one (1) year of salary, in each case payable in a lump sum within 15 days of such notice; and (B) to the immediate vesting of all the Options held by the NEO. In the event there is a Change in Control with no such adverse and material change as described in the preceding paragraph, the NEO's right to terminate employment shall be limited to the Resignation Right.

For the purposes of this section, a "Change in Control" shall have occurred if, during the term of the employment agreement, in any of the following cases,

i. any corporation or persons, alone or acting in concert, acquires fifty percent (50%) or more of the then outstanding voting shares of the Corporation or otherwise acquires the power to control the board of directors of the Corporation of as a result of a take-over bid, tender offer or exchange offer or similar transaction; or

ii. the shareholders of the Corporation approve a definitive agreement:

    a. to merge or consolidate the Corporation with or into another corporation or other entity in a transaction in which the holders of voting shares of the Corporation will not be the holders of voting shares in the surviving corporation which represents sufficient voting shares to elect a majority of the directors of the board of directors or otherwise be entitled to elect a majority of the directors; or

    b. to sell or otherwise dispose of all or substantially all of the Corporation's assets to any corporation, person, or other entity,

    c. and such definitive agreement is consummated.

AUDIT COMMITTEE

Audit Committee Charter, Composition and Relevant Education and Experience

The Audit Committee is governed by its charter that is attached as Schedule "B" to this Prospectus.

National Instrument 52-110 - Audit Committees (**"NI 52-110"**) requires the Corporation, as a venture issuer, to disclose annually certain information concerning the constitution of its audit committee (the **"Audit Committee"**) and its relationship with its independent auditor, as set forth in the following.

Composition of the Audit Committee

The following are the members of the Audit Committee of the Corporation:

Jamie D'Alimonte	Not-Independent	Financially literate[(1)]
Martin Komsa	Independent[(1)]	Financially literate[(1)]
Dennis Staudt	Independent[(1)]	Financially literate[(1)]

Note:
(1) As defined by NI 52-110.

Relevant Education and Experience

For the purposes of NI 52-110, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements. All members of the Audit Committee have experience reviewing financial statements and dealing with related accounting and auditing issues. The education and experience of each member of the Audit Committee relevant to the performance of his duties as a member of the Audit Committee can be found under the heading "*Biographies*".

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Exemption for Venture Issuers

The Corporation is a **"venture issuer"** as defined in NI 52-110 and is relying on Part 5 (Reporting Obligations) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has authority to engage and communicate with advisors and professionals for non-audit services.

External Auditors Service Fees

The aggregate fees billed by the Corporation's external auditors for the financial years ended March 31, 2020 and 2021 for audit fees are as follows:

	Year ended March 31, 2021	**Year ended March 31, 2020**
Audit Fees[(1)]	$50,000	$28,000
Audit-Related Fees[(2)]	-	-
Tax Fees[(3)]	$5,000	$4,000
All Other Fees[(4)]	-	-

Notes:

(1) Audit fees consist of fees for the audit of our annual financial statements or services that are normally provided in connection with statutory and regulatory filings or engagements.

(2) Audit-related fees are fees for assurance and related services related to the performance of the audit or review of the annual financial statements that are not reported under **"Audit Fees"**. These include due diligence for business acquisitions, audit and accounting consultations regarding business acquisitions, and other attest services not required by statute.

(3) Tax fees, tax planning, tax advice and various taxation matters.

(4) All other fees include the aggregate fees billed for products and services provided by the Corporation's external auditor, other than "Audit fees", "Audit-related fees" and "Tax fees" above.

CORPORATE GOVERNANCE

National Policy 58-201 - *Corporate Governance Guidelines* (**"NP 58-201"**) establishes corporate governance guidelines which apply to all public companies. The Corporation has reviewed its own corporate governance practices in light of these guidelines. National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (**"NI 58-101"**) mandates disclosure of corporate governance practices which disclosure is set out below.

Board of Directors

The Board of Directors consists of five persons, two of whom the Corporation believes to be independent based upon the tests for independence set forth in NI 52-110, being Martin Komsa and Dennis Staudt. The other three directors, Jamie D'Alimonte, Darren Peddle, and Carl Mastronardi, are not independent directors as they also serve as officers of the Corporation.

NP 58-201 suggests that the board of directors of reporting issuers should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who has no direct or indirect material relationship with the relevant company. A material relationship is a relationship that could, in the view of the board of directors, reasonably interfere with the exercise of a director's independent judgment. In addition, the independent judgment of the board in carrying out its responsibilities is the responsibility of all directors. The Corporation has established a Governance and Nominating Committee comprised of three directors, two of whom are independent. Following listing on the CSE, the Governance and Nominating Committee intends to nominate additional independent directors so that the Board will be comprised of a majority of independent directors.

The Board of Directors facilitates independent supervision of Management through meetings of the Board and through frequent informal discussions among independent members of the Board and Management. In addition, the Board has access to the Corporation's external auditors, legal counsel and to any of the Corporation's officers.

The board of directors have a stewardship responsibility to supervise the management of and oversee the conduct of the business of the relevant company, provide leadership and direction to management, evaluate management, set policies appropriate for the business of the company and approve corporate strategies and goals.

The day-to-day management of the business and affairs of the Corporation is delegated by the Board to the senior officers of the Corporation. The Board will give direction and guidance through the

President and CEO to Management and will keep Management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board.

The Board recommends nominees to the shareholders for election as directors, and immediately following each annual general meeting appoints an Audit Committee.

The Board exercises its independent supervision over Management by its policies that (a) periodic meetings of the Board be held to obtain an update on significant corporate activities and plans; and (b) all material transactions of the Corporation are subject to prior approval of the Board. To facilitate open and candid discussion among its independent directors, such directors are encouraged to communicate with each other directly to discuss ongoing issues pertaining to the Corporation.

Participation of Directors in Other Reporting Issuers

Other than as set out below, none of the directors of the Corporation are currently serving as directors of other reporting issuers.

- Dennis Staudt currently sits on the Board of Directors of HAVN Life Sciences Inc. (CSE: HAVN) (FSE: 5NP);

Orientation and Continuing Education

While the Corporation does not have formal orientation and training programs, orientation of new members of the Board is conducted by informal meetings with members of the Board, briefings by Management, and the provision of copies of or access to the Corporation's documents.

The Corporation has not adopted formal policies respecting continuing education for Board members. Board members are encouraged to communicate with management, legal counsel, auditors and consultants, to keep themselves current with industry trends and developments and changes in legislation with management's assistance, and to attend related industry seminars and visit the Corporation's operations. Board members have full access to the Corporation's records.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by governing corporate legislation and the common law, and the restrictions placed by the OBCA on an individual director's participation in decisions of the board in which the director has an interest, have helped to ensure that the Board of Directors operates independently of Management and in the best interests of the Corporation.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of a company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, if a director of a company also serves as a director or officer of another company engaged in similar business activities to the first company, that director must comply with the conflict of interest provisions of the OBCA, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors that evoke such a conflict.

In addition, the Board has adopted a code of business conduct and ethics which will be effective as of listing on the CSE, which outlines a set of ethical standards by which each director, officer, employee, consultant and contractor of the Corporation should conduct his or her business.

Nomination of Directors

The Corporation has established a Governance and Nominating Committee consisting of three directors, the majority of which have been determined by our Board to be independent within the meaning of NI 52 -110, which is responsible for reviewing, overseeing, and evaluating our corporate and nominating policies. Our Corporate Governance and Nominating Committee is currently comprised of Mr. Komsa, who acts as chair of this committee, Mr. Staudt and Mr. D'Alimonte.

The Board has adopted a written charter setting forth the purpose, composition, authority and responsibility of our Governance and Nominating Committee. The Governance and Nominating Committee's Purpose is to assist the Board in, among other things:

- Developing corporate governance guidelines and principles and providing governance leadership;
- Identifying and recommending individuals qualified to be nominated as members of the Board;
- Reviewing the size and composition of the Board committees; and
- Evaluating the performance and effectiveness of the Board and Board committees.

Compensation

The Corporation has established an Executive Compensation Committee composed of three members of the Board, two of whom are independent directors. The Executive Compensation Committee meets periodically and recommends to the Board compensation policies and guidelines for senior executives of the Corporation. The Board conducts reviews with regard to directors' and officers' compensation at least once a year. For information regarding the steps taken to determine compensation for the directors and the executive officers, see "*Executive Compensation*" herein.

Other Board Committees

In addition to the Audit Committee, the Board of Directors has established the Executive Compensation Committee and the Governance and Nominating Committee.

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees. On an ongoing annual basis, the Board assesses the performance of the Board as a whole, each of the individual directors and each committee of the Board in order to satisfy itself that each is functioning effectively.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

None of the Corporation's directors or officers or any of their respective associates is indebted to the Corporation or has been subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation.

RISK FACTORS

The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Prospectus. These risks and uncertainties are not the only ones the Corporation is facing. Additional risks and uncertainties not presently known to the Corporation, or that it currently deems immaterial, may also impair its operations. If any such risks actually occur, the business, financial condition, liquidity and results of the Corporation's operations could be materially adversely affected.

An investment in securities of the Corporation should only be made by persons who can afford a significant or total loss of their investment.

Ongoing Impact of COVID-19

The novel coronavirus commonly referred to as "COVID-19" was identified in December 2019 in Wuhan, China. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency, and on March 11, 2020, the spread of COVID-19 was declared a pandemic by the World Health Organization. The outbreak has spread throughout Europe, the Middle East and North America, causing companies and various international jurisdictions to impose restrictions such as quarantines, business closures and travel restrictions. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time. The rapid development of the COVID-19 pandemic and the measures being taken by governments and private parties to respond to it are extremely fluid. While the Corporation has continuously sought to assess the potential impact of the pandemic on its financial and operating results, any assessment is subject to extreme uncertainty as to probably, severity and duration.

The development and operation of the Corporation's business is dependent on labour inputs which could be adversely disrupted by the ongoing impact of COVID-19. While it is difficult to predict the impact of COVID-19 on the Corporation's business, measures taken by the Canadian and Ontario governments and voluntary measures undertaken by the Corporation with a view to the safety of the Corporation's employees, may adversely impact the Corporation's business, for instance by impeding the labour required to cultivate, process, market and distribute the Corporation's products and disrupting the Corporation's critical supply chains. In addition, while cannabis retail has been declared an essential service in many provinces, sales volumes of cannabis may be adversely impacted by consumer "social distancing" behaviours. The Corporation's Leamington Facility and Kingsville Facility have both implemented precautionary measures to ensure the safety of the staff and product, including limiting visits to the site to essential personnel only, ensuring proper protocols around sanitation, mask usage and physical distancing, and placing potentially exposed employees in self-quarantine for the appropriate period. The Corporation continues to dynamically monitor developments in order to adapt and respond in order to protect the health and safety of the Corporation's employees and the best interests of the Corporation, and is in the process of developing return to work protocols for the anticipated easing of provincial pandemic restrictions over the coming months.

Risks Relating to the Corporation's Business

The Corporation's ability to raise required additional capital through the sale of equity or debt instruments or the factoring of receivables or otherwise.

The Corporation's available funds are expected to fund operations until July 2022, at which time the Corporation will require additional capital to repay its debt obligations that are due and to fund operations. There can be no assurance that such financing may be available or on terms that are acceptable. To date, the Corporation has relied primarily on a mix of private placements of securities, traditional bank lending, and inter-company transactions with the Del Fresco Group in order to raise required capital. There has been a marked cooling off of activity in the Canadian equity capital markets for Canadian Licensed Producers, and the Corporation's ability to raise equity capital may be adversely impacted. The market for debt capital has likewise tightened. These factors may adversely impact the Corporation's ability to raise debt capital. The Corporation's inability to raise such capital could result in the delay or indefinite postponement of its current business objectives or in its inability to continue to carry on its business.

The Corporation has a limited operating history.

The Corporation has a very limited history of operations and as a start-up company, its efforts to grow its business may be more costly than it expects and it may not be able to increase its revenue enough to offset higher operating expenses. As such, the Corporation is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and limited revenues. There is no assurance that the Corporation will be successful in achieving a return on shareholders' investment and the likelihood of the Corporation's success must be considered in light of its early stage of operations.

The Corporation may incur significant losses in the future for a number of reasons, including as a result of unforeseen expenses, difficulties, complications and delays, the other risks described in Prospectus and other unknown events. The amount of future net losses will depend, in part, on the growth of its future expenses and its ability to generate revenue. Because of the numerous risks and uncertainties associated with producing cannabis and cannabis-derived products, the Corporation is unable to accurately predict when, or if, it will be able to achieve profitability. Even if it achieves profitability in the future, it may not be able to sustain profitability in subsequent periods. If the Corporation is unable to achieve and sustain profitability, the market price of its common shares may significantly decrease and its ability to raise capital, expand its business or continue its operations may be impaired.

The Corporation may be unable to achieve revenue growth and development.

The Corporation is an early stage company attempting to grow its business. The Corporation's ability to grow will depend on a number of factors, many of which are beyond its control, including, but not limited to, the availability of sufficient capital on suitable terms, changes in laws and regulations respecting the production of cannabis products, competition from other entities licenced under the Cannabis Act, its ability to recruit and retain sufficient experienced personnel and its ability to manage complex international operations. In addition, the Corporation is subject to a variety of business risks generally associated with developing companies. Future development and expansion could place significant strain on the Corporation’s management personnel and likely will require the Corporation to recruit additional management personnel, and there is no assurance that it will be able to do so. As its operations grow in size, scope and complexity and as it identifies and pursues new opportunities, the Corporation may need to increase in scale its infrastructure (financial, management, informational, personnel and otherwise).

In addition, the Corporation will need to effectively execute on business opportunities and continue to build on and deploy its corporate development and marketing assets as well as access sufficient new capital, as may be required. The ability to successfully complete acquisitions and to capitalize on other growth opportunities may redirect its limited resources and require expansion of its infrastructure. This will require the Corporation to commit financial, operational and technical resources in advance of an increase in the volume of business, with no assurance that the volume of business will increase. There can be no assurance the Corporation will be able to respond adequately or quickly enough to the changing demands that material expansion will impose on management, team members and existing infrastructure, and changes to its operating structure may result in increased costs or inefficiencies that it cannot anticipate. Changes as the Corporation grows may have a negative impact on its operations, and cost increases resulting from its inability to effectively manage its growth could adversely impact its profitability. In addition, continued growth could also strain the Corporation’s ability to maintain reliable service levels for its clients, develop and approve its operational, financial and management controls, enhance its reporting systems and procedures and recruit, train and retain highly-skilled personnel.

Failure to effectively manage growth could result in difficulty or delays in servicing clients, declines in quality or client satisfaction, increases in costs, difficulties in introducing new products or applications or other operational difficulties, and any of these difficulties could adversely impact the Corporation’s business performance and results of operations. There can be no assurance that the Corporation will effectively be able to manage its expanding operations, including any acquisitions, that its growth will result in profit, that it will be able to attract and retain sufficient management personnel necessary for growth or that it will be able to successfully make strategic investments or acquisitions.

There are factors which may prevent the Corporation from the realization of growth targets.

There is a risk that the Corporation’s resources will not be developed on time, on budget, or at all, as development can be adversely affected by a variety of factors, including some that are discussed elsewhere in these “*Risk Factors*” and the following:

- delays in obtaining, or conditions imposed by, regulatory approvals;
- facility design errors;

- environmental pollution; non-performance by third party contractors; increases in materials or labour costs; construction performance falling below expected levels of output or efficiency;
- breakdown, aging or failure of equipment or processes;
- contractor or operator errors;
- operational inefficiencies;
- labour disputes, disruptions or declines in productivity; inability to attract sufficient numbers of qualified workers; disruption in the supply of energy and utilities; and
- major incidents and/or catastrophic events such as fires, explosions, storms, or physical attacks.

The Corporation's actual financial position and results of operations may differ materially from the expectations of the Corporation's management.

In the past, the Corporation has experienced changes in its operating plans and delays in its plans. If this were to occur again in the future, the Corporation's revenue, net income and cash flow may differ materially from the Corporation's projected revenue, net income and cash flow. The process for estimating the Corporation's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Corporation's financial condition or results of operations.

The Corporation may incur significant ongoing costs and obligations related to its investment in infrastructure, growth, regulatory compliance and operations.

The Corporation may incur significant ongoing costs and obligations related to its investment in infrastructure and growth and for regulatory compliance, which could have a material adverse impact on the Corporation's results of operations, financial condition and cash flows. In addition, future changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Corporation's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Corporation. The Corporation's efforts to grow its business may be costlier than expected, and it may not be able to increase its revenue enough to offset its higher operating expenses. The Corporation may incur significant losses in the future for a number of reasons, including the other risks described in this Prospectus, and unforeseen expenses, difficulties, complications and delays, and other unknown events. If the Corporation is unable to achieve and sustain profitability, the market price of the Common Shares may significantly decrease.

The adult-use cannabis market in Canada is a relatively new industry.

As a Licensed Producer under the Cannabis Act, the Corporation is operating in a relatively new industry and market. In addition to being subject to general business risks, the Corporation must continue to build brand awareness in this industry and market share through significant investments in its strategy, production capacity, quality assurance and compliance with regulations. In addition, there is no assurance that the industry and market will continue to exist and grow as currently estimated or anticipated or function and evolve in the manner consistent with management's expectations and assumptions. Any event or circumstance that adversely affects the cannabis industry, such as the imposition of further restrictions on sales and marketing or further restrictions on sales in certain areas and markets could have a material adverse effect on the Corporation's business financial conditions and results of operations.

Although the Corporation is committed to researching and developing new markets and products and improving existing products, there can be no assurances that such research and market development activities will prove profitable or that the resulting markets and/or products, if any, will be commercially viable or successfully produced and marketed. The Corporation must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the cannabis industry domestically in Canada and in other international jurisdictions.

The adult-use cannabis market in Canada may experience supply and demand fluctuations that could result in revenue and price decreases.

Since the legalization of cannabis, there have been periods of significant over- and undersupply in the Canadian adult-use market. In addition, demand for cannabis products is dependent on a number of social, political and economic factors that are beyond the Corporation's control. The initial demand that has been experienced following legalization may not continue at comparable levels or may not be sustainable as a portion of such demand may have been a result of the novelty of legalization. As a result, the available supply of cannabis could exceed demand, resulting in a significant decline in the market price for cannabis. Conversely, the Corporation may be unable to meet demand levels. If supply/demand imbalances occur and persist, the Corporation may be unable to generate sufficient revenue from the sale of adult-use cannabis to be profitable.

The size of the Corporation's target market is difficult to quantify, and investors will be reliant on their own estimates on the accuracy of market data.

Because the cannabis industry is in a nascent stage, there is a lack of information about comparable companies available for potential investors to review in deciding about whether to invest in the Corporation and, few, if any, established companies whose business model the Corporation can follow or upon whose success the Corporation can build. Accordingly, investors will have to rely on their own estimates in deciding about whether to invest in the Corporation. There can be no assurance that the Corporation's estimates are accurate or that the market size is sufficiently large for its business to grow as projected, which may negatively impact its financial results.

The Corporation is subject to changes in laws, regulations and guidelines which could adversely affect the Corporation's future business, financial condition and results of operations.

The Corporation's operations will be subject to various laws, regulations and guidelines relating to the manufacture, management, packaging/labelling, advertising, sale, transportation, storage and disposal of cannabis but also including laws and regulations relating to drugs, controlled substances, health and safety, the conduct of operations and the protection of the environment, among other areas. Changes to any such laws, regulations and guidelines due to matters beyond the control of the Corporation may adversely impact the business, financial condition and results of operations of the Corporation. The Corporation endeavours to comply with all relevant laws, regulations and guidelines. To the best of the Corporation's knowledge, the Corporation is in material compliance with all such laws, regulations and guidelines.

The Corporation's business is dependent on key supply chains which could be adversely disrupted by a number of factors including, among others, major health issues or pandemics.

The Corporation and its suppliers may be affected by, among other things, disruptions related to major health issues or pandemics, increases in labor and fuel costs, labor disputes and disruptions, regulatory changes, political or economic instability or civil unrest, natural disasters, trade restrictions, tariffs, transport capacity and costs and other factors relating to trade. In particular, major health issues and pandemics, such as the global impact of the coronavirus, have and may impact commerce and travel and may adversely affect trade and global and local economies. Given the ongoing and dynamic nature of the circumstances, it is difficult to predict the impact of the coronavirus outbreak on the Corporation's business. These factors that are beyond the Corporation's control, may adversely affect the Corporation and its suppliers or cause disruptions to their and the Corporation's businesses and may impact their ability to supply to the Corporation.

Reliance on a Single Facility

To date, the Corporation's cultivation and production activities have been primarily conducted at the Leamington Facility. The Corporation anticipates that such activities will continue to be conducted within the Leamington Facility for the foreseeable future. The Corporation's operation and the condition of the Leamington Facility is, and will be, subject to hazards inherent in the cannabis industry, including structural or equipment defects, malfunctions, natural disasters, fire, explosions, or other accidents that may cause damage to the Leamington Facility. Adverse changes or developments affecting the Leamington Facility could have a material and adverse effect on the Corporation's ability to continue cultivating and producing cannabis, its business, financial condition and prospects.

The Corporation is reliant on regulatory approvals and cultivation licences for its ability to grow, process, package, store and sell cannabis and other products derived therefrom, and these regulatory approvals are subject to ongoing compliance requirements, reporting obligations and fixed terms requiring renewal.

The Corporation is dependent upon its licences for its ability to grow, store and sell cannabis and other permitted products derived therefrom and the licences are subject to ongoing compliance, reporting requirements and renewal.

The licences are subject to ongoing compliance, reporting requirements and renewal. Although the Corporation believes it will meet the requirements of the Cannabis Act for future renewals of its licences, there can be no guarantee that Health Canada will renew the licences or, if renewed, renewed on the same or similar terms or that Health Canada will not revoke the licences. Should the Corporation fail to comply with the requirements of the licences or should Health Canada not renew the licences when required, or renew the licences on different terms or revoke the licences, there would be a material adverse effect on the Corporation's business, financial condition and results of operations.

Other government licences are currently, and in the future may be, required in connection with the Corporation’s operations, in addition to other unknown permits and approvals which may be required. To the extent such permits and approvals are required and not obtained, the Corporation may be prevented from operating and/or expanding its business, which could have a material adverse effect on the Corporation’s business, financial condition and results of operations. Moreover, there is no assurance of new licences or approvals from Health Canada or any other regulatory authority.

Prior to the expiry of any licence, the Corporation must submit to Health Canada an application for renewal containing information prescribed by the Cannabis Act. Failure to comply with the requirements of the licences or any failure to renew the licences would have a material adverse impact on the business, financial condition, results of operations and prospects of the Corporation. There can be no guarantee that Health Canada will renew the Corporation’s licences, or that such renewals will occur in a timely fashion or on terms similar to the Corporation’s existing licences or otherwise acceptable to the Corporation and its business. Should Health Canada not renew or amend the Corporation’s licences, delay the renewal or amendment of its licences or renew or amend licences on different terms, the expectations of management with respect to the increased future cultivation and growing capacity may not be borne out and the business, financial condition, results of operations and prospects of the Corporation could be materially adversely affected.

The Corporation cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain the necessary regulatory approvals will significantly delay the development of the Corporation’s markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Corporation.

Any failure on the Corporation’s part to comply with applicable regulations could prevent it from being able to carry on its business and there may be additional costs associated with any such failure.

The Corporation’s business activities are heavily regulated in all jurisdictions where it carries on business. Its operations are subject to various laws, regulations and guidelines by governmental authorities (including Health Canada) relating to the cultivation, processing, manufacture, marketing, management, distribution, transportation, storage, sale, packaging, labelling, pricing and disposal of cannabis and hemp products, and also including laws and regulations relating to health and safety, insurance coverage, the conduct of operations and the protection of the environment. Laws and regulations, applied generally, grant government agencies and self-regulatory bodies broad administrative discretion over the Corporation’s activities, including the power to limit or restrict business activities as well as impose additional disclosure requirements on its products and services.

Health Canada inspectors routinely assess the Corporation’s facilities for compliance with applicable regulatory requirements. Furthermore, the import and export of its products from and into any jurisdiction is subject to the regulatory requirements of each such jurisdiction. Any failure by the Corporation to comply with the applicable regulatory requirements could require extensive changes to its operations; result in regulatory or agency proceedings or investigations, increased compliance costs, damage awards, civil or criminal fines or penalties or restrictions on its operations; harm its reputation or give rise to material liabilities or a revocation of its licences and other permits. There can be no assurance that any pending or future regulatory or agency proceedings, investigations or audits will not result in substantial costs, a diversion of management's attention and resources or other adverse consequences to the Corporation and its business.

Achievement of the Corporation's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and obtaining all necessary regulatory approvals for the cultivation, processing, production, storage, distribution, transportation, sale, import and export, as applicable, of its products. Any failure to comply with the regulatory requirements applicable to its operations may lead to possible sanctions including the revocation or imposition of additional conditions on licences to operate its business; the suspension or expulsion from a particular market or jurisdiction or of its key personnel; the imposition of additional or more stringent inspection, testing and reporting requirements; and the imposition of fines and censures. In addition, changes in regulations, government or judicial interpretation of regulations, or more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Corporation's operations, increase compliance costs or give rise to material liabilities or a revocation of its licences and other permits, which could have a material adverse effect on its business, results of operations and financial condition. Furthermore, governmental authorities may change their administration, application or enforcement procedures at any time, which may adversely impact the Corporation's ongoing costs relating to regulatory compliance.

Under Canadian regulations, a Licensed Producer of cannabis is restricted regarding the type and form of marketing it can undertake which could materially impact sales performance.

The development of the Corporation's business and operating results may be hindered by applicable restrictions on production, sales and marketing activities imposed on the Corporation and other entities licensed under the Cannabis Act by Health Canada and the Cannabis Act. All products distributed by the Corporation into the Canadian adult-use market need to comply with requirements under Canadian legislation, including with respect to product formats, product packaging and labelling, and marketing activities around such products. Among other restrictions, the Cannabis Act prohibits testimonials and endorsements, lifestyle branding, and promotion that is appealing to young persons. As such, the Corporation's portfolio of brands and products must be specifically adapted, and its marketing activities carefully structured, to enable the Corporation to develop its brands in an effective and compliant manner. If the Corporation is unable to effectively market its cannabis products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its cannabis products, then the Corporation's sales and operating results could be adversely affected.

The Corporation's industry is experiencing rapid growth and consolidation that may cause the Corporation to lose key relationships and intensify competition.

The cannabis industry is undergoing rapid growth and substantial change, which has resulted in an increase in competitors, consolidation and formation of strategic relationships. Such acquisitions or other consolidating transactions could harm the Corporation in a number of ways, including by losing strategic partners if they are acquired by or enter into relationships with a competitor, losing customers, revenue and market share, or forcing the Corporation to expend greater resources to meet new or additional competitive threats, all of which could harm the Corporation's operating results. As competitors enter the market and become increasingly sophisticated, competition in the Corporation's industry may intensify and place downward pressure on retail prices for products and services, which could negatively impact profitability.

The Corporation may be unsuccessful in competing in the overall legal adult-use cannabis market in Canada and any other countries it intends to operate in.

The Corporation's Canadian adult-use business faces enhanced competition from other individuals and corporations who are licensed under the Cannabis Act to participate in the adult-use cannabis industry. The Cannabis Act has established a licensing regime for the production, testing, packaging, labeling, delivery, transportation, distribution, sale, possession and disposal of cannabis for adult use. While, pursuant to transitional provisions in the Cannabis Regulations, existing holders of licences relating to medical cannabis under the former ACMPR have, subject to satisfying certain requirements, automatically been deemed licenced under the Cannabis Act for corresponding activities, other individuals and corporations are now able to apply for such licences.

Subject to certain restrictions set out in the Cannabis Act, the Cannabis Act allows adults to cultivate, propagate, harvest and distribute up to four cannabis plants per household, provided that each plant meets certain requirements. If the Corporation is unable to effectively compete with other suppliers to the adult-use cannabis market, or a significant number of individuals take advantage of the ability to cultivate and use their own cannabis, the Corporation's success in the adult-use business may be limited and may not fulfill the expectations of management.

The Corporation will also face competition from existing entities licensed under the Cannabis Act. Certain of these competitors have significantly greater financial, production, marketing, research and development and technical and human resources than the Corporation does. As a result, the Corporation's competitors may be more successful in gaining market penetration and market share. The Corporation's commercial opportunity in the adult-use market could be reduced or eliminated if its competitors produce and commercialize products for the adult-use market that, among other things, are safer, more effective, more convenient or less expensive than the products that it may produce, have greater sales, marketing and distribution support than the Corporation's products, enjoy enhanced timing of market introduction and perceived effectiveness advantages over the Corporation's products and receive more favorable publicity than the Corporation's products. If the Corporation's adult-use products do not achieve an adequate level of acceptance by the adult-use market, it may not generate sufficient revenue from these products, and its adult-use business may not become profitable.

If the number of users of cannabis in Canada increases, the demand for products will increase and the Corporation expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, the Corporation will require a continued high level of investment in research and development, marketing, sales and client support. The Corporation may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect its business, financial condition and results of operations.

The Corporation also faces competition from illegal cannabis dispensaries that are selling cannabis to individuals, despite not having a valid licence under the Cannabis Regulations.

In addition, the legal landscape for medical and recreational cannabis is rapidly changing internationally. An increasing number of jurisdictions globally are passing legislation allowing for the production and distribution of medical and/or recreational cannabis in some form or another. Entry into the cannabis market by international competitors might lower the demand for the Corporation's products on a global scale.

The Corporation, or the cannabis industry more generally, may receive unfavorable publicity or become subject to negative consumer or investor perception.

The Corporation believes that the cannabis industry is highly dependent upon positive consumer and investor perception regarding the benefits, safety, efficacy and quality of the cannabis product distributed to consumers. Such categories of products having previously been commonly associated with various other narcotics, violence and criminal activities, there is a risk that the Corporation's business might attract negative publicity. Perception of the cannabis industry and cannabis products, currently and in the future, may be significantly influenced by scientific research or findings, regulatory investigations or proceedings, regulatory enforcement activities, litigation, political statements, media attention and other publicity (whether or not accurate or with merit) both in Canada and in other countries relating to the consumption of cannabis products, including unexpected safety or efficacy concerns arising with respect to cannabis products or the activities of industry participants.

There can be no assurance that future scientific research, findings, regulatory investigations or proceedings, regulatory enforcement activities, litigation, political statements, media attention or other research findings or publicity will be favorable to the cannabis or CBD markets or any particular cannabis or CBD product or will be consistent with earlier publicity. Adverse future scientific research reports, findings, regulatory investigations or proceedings, and political statements, that are, or litigation, media attention or other publicity that is, perceived as less favorable than, or that questions, earlier research reports, findings or publicity (whether or not accurate or with merit) could result in a significant reduction in the demand for the Corporation's cannabis or CBD products. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabis and CBD, the Corporation's current or future products, the use of cannabis or CBD for medical purposes or associating the consumption of cannabis or CBD with illness or other negative effects or events, could adversely affect the Corporation. This adverse publicity could arise even if the adverse effects associated with cannabis or CBD products resulted from consumers' failure to use such products legally, appropriately or as directed.

There is also a risk that the actions of other entities licensed under the Cannabis Act or of companies and service providers in the cannabis or CBD industries may negatively affect the reputation of the industry as a whole and thereby negatively impact the Corporation's reputation. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share negative opinions and views in regards to the Corporation's activities and the cannabis and CBD industries in general, whether true or not.

Although the Corporation believes that it operates in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, the Corporation does not ultimately have direct control over how it or the cannabis or CBD industry is perceived by others. Reputational issues may result in decreased investor confidence, increased challenges in developing and maintaining community relations and present an impediment to the Corporation's overall ability to advance its projects, thereby having a material adverse impact on financial performance, financial condition, cash flows and growth prospects.

The Corporation's products may not have, or may not be perceived to have, the effects intended by the end user.

If the products the Corporation sells are not perceived to have the effects intended by the end user, its business may suffer. There is little long-term data with respect to efficacy, unknown side effects and/or interaction with individual human biochemistry of various cannabis products. As a result, the Corporation's products could have certain side effects if not taken as directed or if taken by an end user that has certain known or unknown medical conditions.

The Corporation may not be able to develop its products, which could prevent it from ever becoming profitable.

If the Corporation cannot successfully develop, manufacture and distribute its products, or if the Corporation experiences difficulties in the development process, such as capacity constraints, quality control problems or other disruptions, the Corporation may not be able to develop market-ready commercial products at acceptable costs, which would adversely affect the Corporation's ability to effectively enter the market. A failure by the Corporation to achieve a low-cost structure through economies of scale or improvements in cultivation and manufacturing processes would have a material adverse effect on the Corporation's commercialization plans and the Corporation's business, prospects, results of operations and financial condition.

If the Corporation is unable to develop and market new products, it may not be able to keep pace with market developments.

The cannabis industry is in its early stages and it is likely that the Corporation and its competitors will seek to introduce new products in the future. In attempting to keep pace with any new market developments, the Corporation will need to expend significant amounts of capital in order to successfully develop and generate revenues from new products. The Corporation may also be required to obtain additional regulatory approvals from Health Canada and other applicable authorities which may take significant time. The Corporation may not be successful in developing new products, bringing such products to market in time to be effectively commercialized, or obtaining any required regulatory approvals, which together with capital expenditures made in the course of such product development and regulatory approval processes, may have an material adverse effect on the Corporation's business, financial condition, results of operations and prospects.

There has been limited study on the health effects of cannabis products and future clinical research studies may lead to conclusions that dispute or conflict with the Corporation's understanding and belief regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of such products.

Research in Canada, the United States and internationally regarding the medical benefits, viability, safety, efficacy and dosing of cannabis or isolated cannabinoids, such as CBD and THC, remains in relatively early stages. There have been few clinical trials on the benefits of cannabis or isolated cannabinoids conducted by the Corporation or by others.

Future research and clinical trials may draw opposing conclusions to statements contained in the articles, reports and studies currently favored, or could reach different or negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing or other facts and perceptions related to medical cannabis, which could adversely affect social acceptance of cannabis and the demand for the Corporation's medical cannabis products.

Consumer preferences may change and the Corporation may be unsuccessful in retaining customers.

As a result of changing consumer preferences, many products attain financial success for a limited period of time. Even if the Corporation's products find retail success, there can be no assurance that any of its products will continue to see extended financial success. The Corporation's success will be significantly dependent upon its ability to develop new and improved product lines. Even if it is successful in introducing new products or developing its current products, a failure to gain consumer acceptance or to update products with compelling content could cause a decline in the Corporation's products' popularity that could reduce revenues and harm its business, operating results and financial condition. Failure to introduce new features and product lines and to achieve and sustain market acceptance could result in the Corporation being unable to meet consumer preferences and generate revenue which would have a material adverse effect on its profitability and financial results from operations.

The Corporation's success depends on its ability to attract and retain customers. There are many factors which could impact its ability to attract and retain customers, including but not limited to its ability to continually produce desirable and effective products, the successful implementation of its customer acquisition plan and the continued growth in the aggregate number of potential customers. The Corporation's failure to acquire and retain customers could have a material adverse effect on its business, operating results and financial position.

Trade of cannabis for non-medicinal purposes within Canada may be restricted by the Canadian Free Trade Agreement.

Article 1206 of the Canadian Free Trade Agreement specifically excludes the application of the agreement to cannabis for non-medical purposes. Article 1206 states that the provinces and territories of Canada shall commence negotiations regarding the application of the Canada Free Trade Agreement to cannabis for non-medical purposes following Royal Assent of federal legislation legalizing cannabis for non-medical purposes. There is a risk that the outcome of the negotiations will result in the interprovincial and interterritorial trade of cannabis for non-medical purposes in Canada being entirely restricted or subject to conditions that will negatively impact the Corporation's ability to sell cannabis in other provinces and territories.

If the Corporation is unable to attract and retain key personnel, it may not be able to compete effectively in the cannabis market.

The Corporation's success has depended and continues to depend upon its ability to attract and retain key management, including the Corporation's CEO, President, CFO, technical experts and sales personnel. The Corporation will attempt to enhance its management and technical expertise by continuing to recruit qualified individuals who possess desired skills and experience in certain targeted areas. The Corporation's inability to retain employees and attract and retain sufficient additional employees or engineering and technical support resources could have a material adverse effect on the Corporation's business, results of operations, sales, cash flow or financial condition. Shortages in qualified personnel or the loss of key personnel could adversely affect the financial condition of the Corporation, results of operations of the business and could limit the Corporation's ability to develop and market its cannabis-related products. The loss of any of the Corporation's senior management or key employees could materially adversely affect the Corporation's ability to execute the Corporation's business plan and strategy, and the Corporation may not be able to find adequate replacements on a timely basis, or at all. The Corporation does not maintain key person life insurance policies on any of its employees.

Further, each director and officer of a company that holds a licence for cultivation, processing or sale under the Cannabis Regulations is subject to the requirement to obtain and maintain a security clearance under the Cannabis Regulations. Certain additional key personnel are also required to obtain and maintain a security clearance. Under the Cannabis Regulations, a security clearance cannot be valid for more than five years and must be renewed before the expiry of a current security clearance. There is no assurance that any of the Corporation's existing personnel who presently or may in the future require a security clearance will be able to obtain or renew such clearances or that new personnel who require a security clearance will be able to obtain one. A failure by an individual in a key operational position to maintain or renew his or her security clearance could result in a reduction or complete suspension of the Corporation's operations.

If an individual in a key operational position leaves the Corporation, and it is unable to find a suitable replacement who is able to obtain a security clearance required by the Cannabis Act in a timely manner, or at all, the Corporation may not be able to conduct its operations at planned production volume levels or at all. The Cannabis Regulations require the Corporation to designate a senior person in charge (SPIC) and a qualified person in charge (QPIC). The SPIC has overall responsibility for the management of the cannabis activities authorized under the licence. The QPIC must work at the licensed site and is responsible for supervising the authorized cannabis activities and ensuring regulation compliance, and must meet certain educational requirements. If the Corporation's current designated SPIC and QPIC fail to maintain their security clearance, or if its current designated SPIC and QPIC leave and it is unable to find a suitable replacement who meets these requirements, the Corporation may no longer be able to conduct activities with respect to cannabis.

The Corporation has entered into and may seek to enter into strategic alliances including contractual relationships, joint ventures, selective acquisitions, licensing arrangements or other relationships, or expand the scope of currently existing relationships, with third parties that the Corporation believes will have a beneficial impact, and there are risks that such strategic alliances or expansions of the Corporation's currently existing relationships may not enhance its business in the desired manner.

The Corporation currently has, and may expand the scope of, and may in the future enter into, strategic alliances including contractual relationships, joint ventures, selective acquisitions, licensing arrangements or other relationships with third parties that it believes will complement or augment its existing business. The Corporation's ability to complete further such strategic alliances is dependent upon, and may be limited by, among other things, the availability of suitable candidates and capital. In addition, strategic alliances could present unforeseen integration obstacles or costs, may not enhance the Corporation's business and may involve risks that could adversely affect the Corporation, including the investment of significant amounts of management time that may be diverted from operations in order to pursue and complete such transactions or maintain such strategic alliances. Future strategic alliances could result in the incurrence of debt, costs and contingent liabilities, and there can be no assurance that future strategic alliances will achieve, or that the Corporation's existing strategic alliances will continue to achieve, the expected benefits to its business or that it will be able to consummate future strategic alliances on satisfactory terms, or at all.

The Corporation may not be able to successfully identify and execute future acquisitions or dispositions or successfully manage the impacts of such transactions on its operations.

The Corporation expects to selectively seek strategic acquisitions in the future. The Corporation's ability to identify, consummate and integrate effectively any future potential acquisitions on terms that are favorable to it may be limited by the number of attractive acquisition targets, internal demands on its resources and, to the extent necessary, its ability to obtain financing on satisfactory terms, if at all. Acquisitions may expose the Corporation to additional risks including difficulties in integrating administrative, financial reporting, operational and information systems and managing newly acquired operations and improving their operating efficiency, difficulties in maintaining uniform standards, controls, procedures and policies through all of the Corporation's operations, entry into markets in which the Corporation has little or no direct experience; difficulties in retaining key employees of the acquired operations; and disruptions to its ongoing business. In addition, future acquisitions could result in the incurrence of additional debt, costs, and contingent liabilities to the Corporation. The Corporation may also incur costs for and divert management attention to potential acquisitions that are never consummated. For acquisitions that are consummated, expected synergies may not materialize. The Corporation's failure to effectively address any of these issues could have a material adverse effect on its business, financial condition, results of operations and cash flows in the future.

The cultivation of cannabis includes risks inherent in an agricultural business including the risk of crop loss, sudden changes in environmental conditions, equipment failure, product recalls and others.

The Corporation grows cannabis which is an agricultural process and although the Corporation is run by experienced agricultural professionals, it has not completed its first harvest of cannabis yet. As such, its business is subject to the risks inherent in the agricultural business, including risks of crop failure presented by weather, insects, fire, plant diseases and similar agricultural risks. Although the Corporation currently grows its products indoors under climate controlled conditions, there can be no assurance that natural elements, such as insects and plant diseases, will not entirely interrupt its production activities or have an adverse effect on its business. In addition, cannabis plants can be vulnerable to various pathogens including bacteria, fungi, viruses and other miscellaneous pathogens. Such instances often lead to reduced crop quality, stunted growth and/or death of the plant. Moreover, cannabis is phytoremediative meaning that it may extract toxins or other undesirable chemicals or compounds from the ground in which it is planted. Various regulatory agencies have established maximum limits for pathogens, toxins, chemicals and other compounds that may be present in agricultural materials. If the Corporation's cannabis is found to have levels of pathogens, toxins, chemicals or other undesirable compounds that exceed established limits, the Corporation's product may not be suitable for commercialization and the Corporation may have to destroy the applicable portions of its crops. Crops loss due to pathogens, toxins, chemicals or other undesirable compounds may have a material adverse effect on the Corporation's business and financial condition.

The Corporation is reliant on key inputs, such as water and utilities, and any interruption of these services could have a material adverse effect on the Corporation's finances and operation results. The Corporation is also dependent on access to skilled labour, equipment and parts.

The Corporation's business is dependent on a number of key inputs and their related costs including raw materials and supplies related to its growing operations, as well as electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs, could materially impact the business, financial condition and operating results of the Corporation. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition and operating results of the Corporation. In addition, the Corporation's operations could be significantly affected by a prolonged power outage.

The ability of the Corporation to compete and grow will be dependent on having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Corporation will be successful in maintaining the required supply of skilled labour, equipment, parts and components. It is also possible that the expansion plans contemplated by the Corporation may cost more than anticipated, in which circumstance the Corporation may curtail, or extend timeframes for completing the expansion plans. This could have a material adverse effect on the financial results and operations of the Corporation.

The Corporation is vulnerable to rising energy costs.

The Corporation's cannabis cultivation operations consume considerable energy, including electricity and natural gas, making the Corporation vulnerable to rising energy costs, including as a result of regulatory systems that impose a levy or additional price on the distribution or use of carbon-intensive energy sources. Rising or volatile energy costs may adversely impact the business of the Corporation and its ability to operate profitably.

The Corporation's quality control systems may not operate effectively.

The quality and safety of the Corporation's products are critical to the success of its business and operations. As such, it is imperative that the Corporation's (and its service providers') quality control systems operate effectively and successfully. Quality control systems can be negatively impacted by the design of the quality control systems, the quality training program, and adherence by employees to quality control guidelines. Although the Corporation strives to ensure that all of its service providers have implemented and adhere to high caliber quality control systems, any significant failure or deterioration of such quality control systems could have a material adverse effect on the business and operating results of the Corporation.

The Corporation's cannabis products may be subject to recalls for a variety of reasons, which could require it to expend significant management and capital resources.

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including public health and public safety risks, product defects, such as contamination or mould, adulteration, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. Such defects may arise due to the fault of the Corporation or as a result of a faulty input to the Corporation's products. If any of the Corporation's products are recalled due to an alleged product defect or for any other reason, the Corporation could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Corporation may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention.

Although the Corporation has detailed procedures in place for testing finished cannabis products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits, whether frivolous or otherwise. Additionally, if one of the Corporation's significant brands were subject to recall, the image of that brand and the Corporation could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for the Corporation's products and could have a material adverse effect on the results of operations and financial condition of the Corporation. Additionally, product recalls may lead to increased scrutiny of the Corporation's operations by Health Canada or other regulatory agencies, requiring further management attention and potential legal fees and other expenses.

While the Corporation has not been subject to a recall to date, if any of the cannabis products produced by the Corporation are recalled in the future due to an alleged product defect or for any other reason, the Corporation could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. As a result of any such recall, it may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention or damage the Corporation's reputation and goodwill or that of its products or brands.

Any product recall affecting the cannabis industry more broadly, whether or not involving the Corporation, could also lead consumers to lose confidence in the safety and security of the products sold by entities licensed under the Cannabis Act generally, including products sold by the Corporation.

The Corporation faces an inherent risk of exposure to product liability.

As a cultivator, manufacturer and distributor of products designed to be ingested by humans, the Corporation faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss, injury or death. The Corporation may be subject to these types of claims due to allegations that its products caused or contributed to injury, illness or death, made false, misleading or impermissible claims, failed to include adequate labelling and instructions for use or failed to include adequate warnings concerning possible side effects or interactions with other substances. In addition, the cultivation, manufacture and sale of the Corporation's products involve the risk of injury to consumers due to tampering by unauthorized third parties, product contamination or mould. Previously unknown adverse reactions resulting from human consumption of the Corporation's products alone or in combination with other medications or substances may result from, among other causes, inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. The manufacture and sale of cannabis products, like the manufacture and sale of any ingested or consumable product, involves a risk of injury to consumers due to tampering by unauthorized third parties or product contamination. The Corporation may in the future have to recall certain of its cannabis products as a result of potential contamination and quality assurance concerns. A product liability claim or regulatory action against the Corporation could result in increased costs, could adversely affect the Corporation's reputation with its clients and consumers generally, and could have a material adverse effect on the results of operations and financial condition of the Corporation.

There can be no assurances that the Corporation will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the Corporation's potential products. As of the current date, the Corporation has insurance coverage for product liabilities as required by the supply agreement with Ontario Cannabis Retail Corporation.

The Corporation's operations are subject to safety, health and environmental laws and regulations applicable to its operations and industry in the various jurisdictions in which it operates, and it may be held liable for any breaches of those laws and regulations.

Safety, health and environmental laws and regulations affect nearly all aspects of the Corporation's operations, including product development, working conditions, waste disposal, emission controls, the maintenance of air and water quality standards and land reclamation, and, with respect to environmental laws and regulations, impose limitations on the generation, transportation, storage and disposal of solid and hazardous waste and the emission, discharge and release of hazardous substances. Environmental laws and regulations to address climate change may also impose a levy or additional price on the distribution or use of carbon-intensive fuels, such as natural gas, which are required in connection with the Corporation's operations. Environmental laws and regulations also require the Corporation to obtain and maintain in good standing environmental approvals and permits application to the Corporation's operations.

Compliance with safety, health and environmental laws and regulations can require significant capital and operating expenditures, and failure to comply with such safety, health and environmental laws may result in enforcement actions and other actions, orders and proceeding thereunder, including the imposition of fines and penalties, the temporary or permanent suspension of operations, and the imposition of clean-up costs resulting from contaminated properties. The Corporation may also be required to compensate those suffering loss or damage due to safety, health or environmental incidents relating to the Corporation's operations. Furthermore, to the extent environmental approvals and permits are required and not obtained, the Corporation may also be curtailed or prohibited from its proposed business activities or from proceeding with the development of its operations as currently proposed. Exposure to these liabilities may arise in connection with the Corporation's existing operations, its historical operations and any operations that may in the future cease to operate or be sold to third parties. The Corporation could also be held liable for worker exposure to hazardous substances and for accidents causing injury or death. There can be no assurance that the Corporation will at all times be in compliance with all safety, health and environmental laws and regulations notwithstanding its attempts to comply with such laws and regulations.

Changes in applicable safety, health and environmental laws and regulations may impose stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The Corporation is not able to determine the specific impact that future changes in safety, health and environmental laws and regulations may have on the Corporation's industry, operations and/or activities and its resulting financial position; however, it anticipates that capital expenditures and operating expenses will increase in the future as a result of the implementation of new and increasingly stringent safety, health and environmental laws and regulations, including more stringent requirements to obtain necessary permits in relation thereto.

The Corporation could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses for claims against the Corporation.

The Corporation is exposed to the risk that its employees, independent contractors, consultants, service providers and licensors may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or activities that violate: (i) government regulations, specifically Health Canada regulations; (ii) manufacturing standards; (iii) the Cannabis Act and the Cannabis Regulations; (iv) provincial cannabis laws and regulations; (v) federal and provincial healthcare fraud and abuse laws and regulations; (vi) laws that require the true, complete and accurate reporting of financial information or data; or (vii) the terms of the Corporation's agreements with insurers. In particular, the Corporation could be exposed to class action and other litigation, increased Health Canada inspections and related sanctions, lost sales and revenue or reputational damage as a result of prohibited activities that are undertaken in the growing or production process of the Corporation's products without its knowledge or permission and contrary to its internal policies, procedures and operating requirements.

It is not always possible for the Corporation to identify and prevent misconduct by its employees and other third parties, and the precautions taken by the Corporation to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Corporation from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Corporation, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on the Corporation's business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Corporation's operations, any of which could have a material adverse effect on the Corporation's business, financial condition and results of operations.

The Corporation may become subject to litigation in the ordinary course of business.

The Corporation may become subject to litigation from time to time in the ordinary course of business, some of which may adversely affect its business. Should any litigation in which the Corporation becomes involved be determined against the Corporation, such a decision could adversely affect the Corporation's ability to continue operating, the value or market price for the common shares and could require the use of significant resources. Even if the Corporation is involved in litigation and is ultimately successful, litigation can require the redirection of significant resources. Litigation may also create a negative perception of the Corporation's brand.

The Corporation will be reliant on information technology systems and may be subject to damaging cyber-attacks.

The Corporation has entered into agreements with third parties for hardware, software, telecommunications and other information technology ("**IT**") services. The Corporation's operations depend, in part, on how well it and its suppliers and vendors protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, spyware, vandalism and theft. The Corporation's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Corporation's operations, reputation and results of operations.

The Corporation has not experienced any material losses to date relating to cyber-attacks or other information security breaches, but there can be no assurance that the Corporation will not incur such losses in the future. The Corporation's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber-security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber-threats continue to evolve, the Corporation may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

The Corporation may be exposed to liability or the threat of liability in relation to the use of customer information and other personal and confidential information.

The Corporation collects, processes, maintains and uses data, including sensitive personal information on individuals, available to it through online activities and other customer interactions with its business. The Corporation's current and future marketing programs may depend on its ability to collect, maintain and use this information, and its ability to do so is subject to evolving laws and enforcement trends in Canada and other jurisdictions. The Corporation strives to comply with all applicable laws and other legal obligations relating to privacy, data protection and customer protection, including those relating to the use of medical information and data for marketing purposes. It is possible, however, that these requirements may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another, conflict with other rules, conflict with the Corporation's practices or fail to be observed by its employees or business partners. If so, the Corporation may suffer damage to its reputation and be subject to proceedings or actions against it by governmental entities or others. Any such proceeding or action could hurt its reputation, force it to spend significant amounts to defend its practices, distract its management or otherwise have an adverse effect on its business.

Certain marketing practices of the Corporation rely upon e-mail, social media and other means of digital communication to communicate with consumers on its behalf. The Corporation may face risk if its use of e-mail, social media or other means of digital communication is found to violate applicable laws. The Corporation posts its privacy policy and practices concerning the use and disclosure of user data on its website. Any failure by the Corporation to comply with its posted privacy policy, anti-spam legislation or other privacy-related laws and regulations could result in proceedings which could potentially harm its business. In addition, as data privacy and marketing laws change, the Corporation may incur additional costs to ensure it remains in compliance. If applicable data privacy and marketing laws become more restrictive at the international, federal, provincial or state levels, the Corporation's compliance costs may increase, its ability to effectively engage customers via personalized marketing may decrease, its investment in its e-commerce platform may not be fully realized, its opportunities for growth may be curtailed by its compliance burden and its potential reputational harm or liability for security breaches may increase.

The Corporation may be subject to risks related to the protection and enforcement of its intellectual property rights, or intellectual property it licenses from others, and may become subject to allegations that it or its licensors are in violation of intellectual property rights of third parties.

The ownership, licensing and protection of trademarks and other intellectual property rights are significant aspects of the Corporation's future success.

It is possible that the Corporation will not be able to register, maintain registration for or enforce all of its intellectual property, including trademarks, in all key jurisdictions. The intellectual property registration process can be expensive and time-consuming, and the Corporation may not be able to file and prosecute all necessary or desirable intellectual property applications at a reasonable cost or in a timely manner or may obtain intellectual property registrations which are invalid. It is also possible that the Corporation will fail to identify patentable aspects of inventions made in the course of their development and commercialization activities before it is too late to obtain patent protection for them. Further, changes in either intellectual property laws or interpretation of intellectual property laws in Canada, and other countries may diminish the value of the Corporation's intellectual property rights or narrow the scope of its intellectual property protection. As a result, the Corporation's current or future intellectual property portfolio may not provide it with sufficient rights to protect its business, including its products, processes and brands.

Termination or limitation of the scope of any intellectual property licence may restrict or delay or eliminate the Corporation's ability to develop and commercialize its products, which could adversely affect its business. The Corporation cannot guarantee that any third-party technology it licenses will not be unenforceable or licensed to its competitors or used by others. In the future, the Corporation may need to obtain licences, renew existing licence agreements in place at such time or otherwise replace existing technology. The Corporation is unable to predict whether these licence agreements can be obtained or renewed or the technology can be replaced on acceptable terms, or at all.

Unauthorized parties may attempt to replicate or otherwise obtain and use the Corporation’s products, brands and technology. Policing the unauthorized use of the Corporation’s current or future trademarks, patents or other intellectual property rights could be difficult, expensive, time consuming and unpredictable, as may be enforcing these rights against unauthorized use by others. Identifying the unauthorized use of intellectual property rights is difficult as the Corporation may be unable to effectively monitor and evaluate the products being distributed by its competitors, including parties such as unlicensed dispensaries and black-market participants, and the processes used to produce such products. In addition, in any infringement proceeding, some or all of the Corporation’s trademarks or other intellectual property rights or other proprietary know-how, or those it licenses from others, or arrangements or agreements seeking to protect the same for the Corporation’s benefit, may be found invalid, unenforceable, anti-competitive or not infringed; may be interpreted narrowly; or could put existing intellectual property applications at risk of not being issued.

In addition, other parties may claim that the Corporation’s products, or those it licenses from others, infringe on their intellectual property, including their proprietary or patent protected rights. Such claims, whether or not meritorious, may result in the expenditure of significant financial and managerial resources and legal fees, result in injunctions or temporary restraining orders or require the payment of damages. As well, the Corporation may need to obtain licences from third parties who allege that it has infringed on their lawful rights. Such licences may not be available on terms acceptable to the Corporation, or at all. In addition, the Corporation may not be able to obtain or utilize on terms that are favorable to it, or at all, licences or other rights with respect to intellectual property that the Corporation does not own.

The Corporation also relies on certain trade secrets, technical know-how and proprietary information that are not protected by patents to maintain its competitive position. The Corporation’s trade secrets, technical know-how and proprietary information, which are not protected by patents, may become known to or be independently developed by competitors, which could adversely affect the Corporation.

The Corporation may be subject to breaches of security at its facilities.

Given the nature of the Corporation’s product and the limited legal channels for distribution, as well as the concentration of inventory in its facilities, despite meeting or exceeding Health Canada’s security requirements, there remains a risk of shrinkage as well as theft and other security breaches. A security breach at one of the Corporation’s facilities could result in a significant loss of available product and could expose the Corporation to additional liability under applicable regulations and to potentially costly litigation, increase expenses relating to the resolution and future prevention of these breaches and may deter potential patients from choosing the Corporation’s products, any of which could have an adverse effect on the Corporation’s business, financial condition, results of operations and prospects.

The Corporation may incur additional indebtedness.

The Corporation may finance future activities wholly or partially with debt, which may increase the Corporation's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Corporation to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Management may not be able to successfully implement adequate internal controls over financial reporting.

Proper systems of internal control over financial reporting and disclosure are critical to the operation of a public company. However, the Corporation does not expect that its internal control over financial reporting and disclosure will prevent all errors and remove all risk of fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of such controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all. If the Corporation cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially adversely affected, which could cause investors to lose confidence in the Corporation and its reported financial information, which in turn could result in a reduction in the value of its common shares.

If the Corporation has a material weakness in its internal controls over financial reporting, investors could lose confidence in the reliability of the Corporation's financial statements, which could result in a decrease in the value of the Corporation's securities.

One or more material weaknesses in the Corporation's internal controls over financial reporting could occur or be identified in the future. In addition, because of inherent limitations, the Corporation's internal controls over financial reporting may not prevent or detect misstatements, and any projections of any evaluation of effectiveness of internal controls to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the Corporation's policies or procedures may deteriorate. If the Corporation fails to maintain the adequacy of its internal controls, including any failure or difficulty in implementing required new or improved controls, its business and results of operations could be harmed, the Corporation may not be able to provide reasonable assurance as to its financial results or meet its reporting obligations and there could be a material adverse effect on the price of its securities.

The Corporation has negative operating cash flow.

There is no guarantee that the Corporation will ever become profitable. The Corporation currently has a negative operating cash flow and that may continue to have that for the foreseeable future. To date, the Corporation has only recently generated revenues and a large portion of the Corporation's expenses are fixed, including expenses related to facilities, equipment, contractual commitments and personnel. As a result, the Corporation expects its net losses from operations will at least continue in the short term. The Corporation's ability to generate additional revenues and potential to become profitable will depend largely on its ability to cultivate, manufacture and market its products. There can be no assurance that any such events will occur or that the Corporation will ever become profitable. Even if the Corporation does achieve profitability, it cannot predict the level of such profitability. If the Corporation sustains losses over an extended period of time, it may be unable to continue its business.

The Corporation may be subject to credit risk.

Credit risk is the risk that the counterparty to a financial instrument fails to meet its contractual obligations, resulting in a financial loss to the Corporation. There are no assurances that the Corporation's counterparties or customers will meet their contractual obligations to the Corporation.

Tax and accounting requirements may change in ways that are unforeseen to the Corporation and it may face difficulty or be unable to implement or comply with any such changes.

The Corporation is subject to numerous tax and accounting requirements, and changes in existing accounting or taxation rules or practices, or varying interpretations of current rules or practices, could have a significant adverse effect on its financial results, the manner in which it conducts its business or the marketability of any of its products.

The Corporation may not be able to renew or secure adequate insurance to protect its assets, operations and employees.

The Corporation may not be able to renew or secure adequate insurance to protect its assets, operations and employees. While the Corporation may, in the future obtain insurance coverage to address all material risks to which it is exposed and is adequate and customary in its proposed state of operations, such insurance will be subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Corporation is expected to be exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Corporation's liabilities or will be generally available in the future, or if available, that premiums will be commercially justifiable. If the Corporation were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Corporation were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Risks Related to the Ownership of the Common Shares

Price Fluctuations

The price of the Common Shares in public markets may experience significant fluctuations.

The market price for the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Corporation's control, including the following: (i) actual or anticipated fluctuations in its quarterly results of operations; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of other issuers that investors deem comparable to the Corporation; (iv) the addition or departure of the Corporation's executive officers and other key personnel; (v) the release or expiration of lock-up or other transfer restrictions on the Common Shares; (vi) sales or perceived sales, or expectation of future sales, of the Common Shares; (vii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Corporation or its competitors; and (viii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Corporation's industry or target markets.

Financial markets have recently experienced significant price and volume fluctuations which have affected the market prices of equity securities of public entities. In many cases, these fluctuations, and the effect that they have on market prices, have been unrelated to the operating performance, underlying asset values or prospects of such entities. Accordingly, the market price of the Common Shares may decline even if the Corporation's operating results or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed not to be temporary, which may result in impairment losses to the Corporation. Furthermore, certain investors may base their investment decisions on considerations of the Corporation's environmental, governance and social practices or the Corporation's industry as a whole, and its performance in these areas against such institutions' respective investment guidelines and criteria. The failure to satisfy such criteria may result in limited or no investment in the Common Shares by those institutions, which could materially adversely affect the trading price of the Common Shares.

There can be no assurance that continuing fluctuations in the price and volume of equity securities will not occur. If such increased levels of volatility and market turmoil continue for a protracted period of time, there could be a material adverse effect on the trading price of the Common Shares.

***If securities or industry analysts do not continue to publish research, or publish inaccurate or unfavourable research, about the Corporation's business, the Common Share price and trading volume could decline*.**

The trading market for the Common Shares will depend, in part, on the research and reports that securities or industry analysts publish about the Corporation or its business. The Corporation does not have any control over these analysts. Securities and industry analysts do not currently, and may never, publish research on the Corporation. If no securities or industry analysts commence coverage of the Corporation, the trading price for the Common Shares would likely be negatively impacted. In the event securities or industry analysts initiate coverage, if one or more of the analysts who cover the Corporation downgrade the Common Shares or publish inaccurate or unfavorable research about its business, the Corporation's share price would likely decline. In addition, if the Corporation's operating results fail to meet the forecast of analysts, its share price would likely decline. If one or more of these analysts cease coverage of the Corporation or fail to publish reports on the Corporation regularly, demand for the Common Shares could decrease, which might cause the Common Share price and trading volume to decline.

The Corporation continues to sell shares for cash to fund operations, expansion, and mergers and acquisitions that will dilute the current shareholders.

The continued development of the Corporation will require additional financing. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Common Shares. The Corporation's articles permit the issuance of an unlimited number of Common Shares, and shareholders will have no pre-emptive rights in connection with such further issuance. The directors of the Corporation have discretion to determine the price and the terms of issue of further issuances. Moreover, additional Common Shares will be issued by the Corporation on the exercise of Options under the Amended and Restated Stock Option Plan and upon the exercise of outstanding warrants. In addition, from time to time, the Corporation may enter into transactions to acquire assets or the shares of other companies.

It is not anticipated that any dividends will be paid to holders of Common Shares for the foreseeable future.

The Corporation intends to retain earnings, if any, to finance the growth and development of its business and does not intend to pay cash dividends on the Common Shares in the foreseeable future. The payment of future cash dividends, if any, will be reviewed periodically by the Board and will depend upon, among other things, conditions then existing including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and conditions and other factors.

The Corporation is subject to ongoing reporting requirements under applicable securities law and CSE Policies.

As a reporting issuer, the Corporation is subject to reporting requirements under applicable securities law and CSE Policies. Compliance with these requirements result in legal and financial compliance costs, make some activities more difficult, time consuming or costly and increase demand on existing systems and resources. Among other things, the Corporation is required to file annual, quarterly and current reports with respect to its business and results of operations and maintain effective disclosure controls and procedures and internal controls over financial reporting. In order to maintain and, if required, improve disclosure controls and procedures and internal controls over financial reporting to meet this standard, significant resources and management oversight is required. As a result, management's attention may be diverted from other business concerns, which could harm the Corporation's business and results of operations. The Corporation may need to hire additional employees to comply with these requirements in the future, which would increase its costs and expenses. Management of the Corporation believes that being a reporting issuer makes it more expensive to maintain director and officer liability insurance. This factor could also make it more difficult for the Corporation to retain qualified directors and executive officers.

PROMOTERS

Each of Jamie D'Alimonte, Carl Mastronardi, and Darren Peddle may be considered to be promoters of the Corporation within the meaning of applicable securities laws by reason of their initiative in founding, financing and establishing the business of the Corporation and, within the two years immediately preceding the date of this Prospectus, their active involvement in and contribution to the ongoing management and growth of the Corporation's business.

Mr. Mastronardi and Mr. D'Alimonte together control 82.21% of the Common Shares, which are held indirectly through Sunrite Greenhouses Ltd., a company wholly-owned by Mr. D'Alimonte as to 50% and Mr. Mastronardi as to 50%. Mr. Peddle controls 1.23% of the Common Shares.

No promoter of the Corporation has, within 10 years prior to the date of this Prospectus, been a director, chief executive officer, or chief financial officer of any person or company, that was subject to an order that was issued while the promoter was acting in such capacity, or was subject to an order that was issued after the promoter ceased to act in such capacity and which resulted from an event that occurred while the promoter was acting in such capacity.

No promoter of the Corporation is, as at the date of this Prospectus, or has been within the 10 years prior to the date of this Prospectus, a director or executive officer of any person or company that, while the promoter was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No promoter of the Corporation has, within the 10 years prior to the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the promoter.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS MATTERS

We are from time to time involved in legal proceedings of a nature considered normal to our business. We believe that none of the litigation in which we are currently involved, or have been involved since the beginning of the most recently completed financial year, individually or in the aggregate, is material to our consolidated financial condition or results of operations.

Legal Proceedings

There are no legal proceedings the Corporation is or was a party to, or that any of its property is or was the subject of, since the beginning of the most recently completed financial year for which financial statements of the Corporation are included in this Prospectus.

Regulatory Actions

There have not been any penalties or sanctions imposed against the Corporation by a court relating to provincial or territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Corporation, and the Corporation has not entered into any settlement agreements before a court relating to provincial or territorial securities legislation or with a securities regulatory authority.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as described below, no insider, director or executive officer of the Corporation and no associate of any director, executive officer, or insider has any material interest, direct or indirect, in any transaction within the three years before the date of this Prospectus that has materially affected or is reasonably expected to materially affect the Corporation. See "*Executive Compensation*".

The Corporation has entered into the following agreements with related parties in the Del Fresco Group that are controlled by Jamie D'Alimonte and Carl Mastronardi (see "*Description of the Business – History*")**:**

1. The Sunrite Property Acquisition Agreement;
2. The Sunrite Lease;
3. The Sunrite Loan Agreement;
4. The Leamington Facility Lease; and
5. The Kingsville Facility Lease.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Auditors

The auditor for the Corporation is MNP LLP at 2565 Ouellette Ave, Windsor, Ontario, N8X 1L9

Transfer Agent and Registrar

The transfer agent and registrar for the Corporation's securities is TSX Trust Company, at its principal office located at 200 University Ave, Suite 300, Toronto, Ontario, M5H 4H1.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Corporation (i) since the beginning of the last financial year ending before the date hereof, or (ii) before the beginning of the last financial year ending before the date hereof and still currently in effect:

1. The Sunrite Lease.
2. The Sunrite Loan Agreement.
3. The Leamington Facility Lease.
4. The Kingsville Facility Lease.
5. Service Agreement between Greenway and TSX Trust Company dated September 21, 2018, appointing TSX Trust Company as the Corporation's transfer agent and registrar.
6. The Bank Credit Facility Agreement.

Copies of the above material contracts can be inspected at our head office during regular business hours for a period of 30 days after a final receipt is issued for this Prospectus and are also available electronically at www.sedar.com.

EXPERTS

No person or company whose profession or business gives authority to a report, valuation, statement or opinion made by such person or company and who is named in this Prospectus as having prepared or certified a part of this Prospectus, or a report, valuation, statement or opinion described in this Prospectus, has received or shall receive a direct or indirect interest in any securities or other property of the Corporation or any associate or affiliate of the Corporation.

MNP LLP has confirmed that it is independent of the Corporation within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

SCHEDULE A
Financial Statements and MD&A

See attached.

Independent Auditor's Report

To the Shareholders of Greenway Greenhouse Cannabis Corporation:

Opinion

We have audited the financial statements of Greenway Greenhouse Cannabis Corporation (the "Company"), which comprise the statement of financial position as at March 31, 2021, and the statements of loss and comprehensive loss, changes in equity, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Company for the year ended March 31, 2020 were audited by Deloitte LLP of Windsor, Ontario, Canada. Deloitte LLP expressed an unmodified opinion on those statements on August 4, 2020.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Draft

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Mississauga, Ontario

Chartered Professional Accountants

Licensed Public Accountants

Draft

Greenway Greenhouse Cannabis Corporation

Statements of financial position

As at March 31, 2021 and 2020

	Notes	2021 $	2020 $
Assets			
Current assets			
Cash		**3,456,555**	1,443,259
Government remittances receivable		**50,024**	200,666
Biological assets	4	**888,772**	-
Prepaid expenses and deposits		**27,780**	13,105
		4,423,131	1,657,030
Property, plant and equipment	5	**20,687,193**	15,875,741
		25,110,324	**17,532,771**
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**896,024**	679,284
Demand loan		**-**	1,016,083
Loan payable to related party - Sunrite Greenhouses Ltd.		**-**	119,693
Current portion of lease liability	6	**95,488**	90,389
Current portion of long-term debt	8	**457,500**	-
Share capital deposits	9	**105,500**	59,126
		1,554,512	1,964,575
Lease liability	6	**2,777,990**	2,873,478
Long-term debt	7	**10,514,063**	3,825,045
		14,846,565	8,663,098
Shareholders' Equity			
Share capital	8	**13,728,767**	11,486,629
Share-based payments reserve	12	**5,460,857**	5,076,754
Deficit		**(8,925,865)**	(7,693,710)
		10,263,759	8,869,673
		25,110,324	17,532,771

Subsequent Events (Note 16)

The accompanying notes are an integral part of the financial statements.

____________________________ Director

____________________________ Director

Greenway Greenhouse Cannabis Corporation

Statements of loss and comprehensive loss

Years ended March 31, 2021 and 2020

	Notes	**2021** **$**	2020 $
Operating Expenses			
Amortization	5	**515,952**	465,315
General and administration	13	**604,321**	684,373
Share-based compensation	12	**384,103**	701,439
Professional fees		**184,786**	183,804
Marketing and promotion		**30,858**	41,549
Research and development		**10,932**	-
		1,730,952	2,076,480
Operating loss		**(1,730,952)**	(2,076,480)
Interest income (expense), net	6, 9	**(239,080)**	(143,560)
Rental income	6, 9	**250,000**	229,167
Write-off of uncollectible deposit		**-**	(190,000)
Unrealized gain on fair value of biological assets	4	**487,877**	-
Net loss and comprehensive loss		**(1,232,155)**	(2,180,873)
Weighted average number of common shares - Basic and diluted		**167,302,996**	165,524,992
Loss per share - Basic and diluted	14	**(0.01)**	(0.01)

The accompanying notes are an integral part of the financial statements.

Greenway Greenhouse Cannabis Corporation

Statements of changes in equity

Years ended March 31, 2021 and 2020

	Notes	Number of common shares	Share capital amount $	Share-based payments reserve $	Deficit $	Total $
Balance, March 31, 2019		163,922,501	9,416,420	4,375,315	(5,512,837)	8,278,898
Shares issued	8	3,192,930	2,070,209	-	-	2,070,209
Share-based compensation	12	-	-	701,439	-	701,439
Net loss		-	-	-	(2,180,873)	(2,180,873)
Balance, March 31, 2020		**167,115,431**	**11,486,629**	**5,076,754**	**(7,693,710)**	**8,869,673**
Shares issued	8	**4,566,135**	**2,242,138**	**-**	**-**	**2,242,138**
Share-based compensation	12	**-**	**-**	**384,103**	**-**	**384,103**
Net loss		**-**	**-**	**-**	**(1,232,155)**	**(1,232,155)**
Balance, March 31, 2021		**171,681,566**	**13,728,767**	**5,460,857**	**(8,925,865)**	**10,263,759**

The accompanying notes are an integral part of the financial statements.

Greenway Greenhouse Cannabis Corporation

Statements of cash flows

Years ended March 31, 2021 and 2020

	2021	2020
	$	$
Cash used in operating activities:		
Net loss for the year	**(1,232,155)**	(2,180,873)
Items not affecting cash		
Amortization	**515,952**	465,315
Share-based compensation	**384,103**	701,439
Amortization of deferred financing fees	**6,518**	-
Accretion on lease liability	**159,611**	150,556
Unrealized gain on fair value of biological assets	**(487,877)**	-
Changes in non-cash working capital		
Decrease (increase) in:		
Government remittances receivable	**150,642**	(185,030)
Biological assets	**(365,895)**	-
Prepaid expenses and deposits	**(14,675)**	181,895
Increase in:		
Accounts payable and accrued liabilities	**216,740**	500,544
	(667,036)	(366,154)
Cash used in investing activity		
Purchase of property, plant and equipment	**(5,362,404)**	(5,087,418)
Cash used in financing activities		
Repayment of loan payable to related party	**(119,693)**	(34,385)
Payment of lease liability	**(250,000)**	(229,167)
Proceeds from long-term debt	**6,123,917**	4,841,128
Increase (decrease) in share capital deposits	**46,374**	(906,162)
Issuance of share capital	**2,242,138**	2,070,209
	8,042,736	5,741,623
Net increase in cash	**2,013,296**	288,051
Cash, beginning of year	**1,443,259**	1,155,208
Cash, end of year	**3,456,555**	1,443,259

The accompanying notes are an integral part of the financial statements.

1. Nature of operations

Greenway Greenhouse Cannabis Corporation (the "Company") is licensed to cultivate, process and sell (B2B) under the Cannabis Act, having obtained its Standard Nursery Licence on July 24, 2020 and its Standard Cultivation Licence on February 5, 2021. The Company is a majority-owned subsidiary of Sunrite Greenhouses Ltd. (the "Parent Company")

The address of the Company's registered office is 1478 Seacliff Drive, Kingsville, Ontario N9Y 2M2.

These financial statements were approved and authorized for use by the Board of Directors on •, 2021.

2. Basis of presentation

a) Statement of compliance

The policies applied in these financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFIC").

b) Basis of presentation and measurement

The financial statements have been prepared on a going concern basis under the historical cost convention except for biological assets that are measured at fair value less costs to sell, as detailed in the Company's accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

c) Functional currency

All figures presented in the financial statements are reflected in Canadian dollars, which is the Company's functional currency.

Foreign currency transactions are translated to the functional currency of the Company at the exchange rates in effect on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the foreign exchange rate applicable at the statement of financial position date. Non-monetary items carried at historical cost denominated in foreign currencies are translated to the functional currency at the date of the transactions. Non-monetary items carried at fair value denominated in foreign currencies are translated to the functional currency at the date when the fair value was determined. Realized and unrealized exchange gains and losses are recognized through profit and loss.

3. Significant accounting policies

The significant accounting policies used by the Company are as follows:

a) Revenue recognition

To determine the amount and timing of revenue to be recognized, the Company applies the following five steps:

1. Identifying the contract with a customer
2. Identifying the performance obligations in the contract
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations in the contract
5. Recognizing revenue when or as performance obligations are satisfied

Revenue from the sale of goods to customers for a fixed price is recognized when the Company transfers control of the goods to the customer.

b) Cash and cash equivalents

Cash and cash equivalents include cash and liquid cash investments of the Company with an original term to maturity of 90 days or less and exclude cash subject to restrictions. The Company's balance of cash and cash equivalents is comprised of cash on hand and deposits held with banks.

c) *Biological assets*

The Company's biological assets consist of cannabis plants which are not yet harvested. These biological assets are measured at fair value less costs to sell. While the Company's biological assets are within the scope of IAS 41 Agriculture, the direct and indirect costs of biological assets are determined using an approach similar to the capitalization criteria outlined in IAS 2 Inventories. The Company capitalizes all related costs of growing materials as well as other indirect costs of production such as utilities and supplies used in the growing process. Indirect labour for individuals involved in the growing and quality control process is also included, as well as amortization on production equipment and overhead costs to the extent it is associated with the growing space. All direct and indirect costs of biological assets are capitalized as they are incurred, and subsequently transferred to inventory at the point of harvest.

3. Significant accounting policies (continued)

d) Property, plant, and equipment

Property, plant, and equipment are stated at cost. Amortization of leasehold improvements is calculated on the straight-line basis over the estimated useful life of the asset. Amortization of all other property, plant and equipment is calculated on a straight-line basis. Amortization rates are as follows:

Greenhouse	4%
Building	5%
Production and warehouse equipment	8%
Office equipment	20%
Computer equipment	50%
Leasehold improvements	Lease term

Assets under construction are recorded at cost and, when substantially complete and available for their intended use, amortization is charged against the assets based on their estimated useful lives. Right-of-use assets recognized under lease agreements are depreciated on a straight-line basis over the term of the lease.

e) Investment property

The Company has developed a policy to determine which properties are investment properties, which includes an assessment of the future use and intent of the property, and the value of any rental income earned on the property relative to the carrying value of the property. As of the years ended March 31, 2021 and 2020, the Company did not hold any assets that would fulfil the criteria of investment property.

f) Income taxes

Income tax comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted, at the end of the reporting period.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

3. Significant accounting policies (continued)

g) Impairment of long-lived assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

For purposes of impairment testing, assets that cannot be tested individually are grouped together into cash generating units ("CGU"), the smallest group of assets that generate net cash flows from continuing use that are largely dependent on the net cash flows from other assets or group of assets.

Impairments are recorded when the recoverable amount of the asset is less than its carrying amount. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. Impairment losses are evaluated for potential reversals when events or changes in circumstances warrant such consideration.

h) Earnings per share

Basic earnings per share is calculated using the weighted average number of common shares outstanding during the year. The dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants, convertible debentures, and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the year. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

i) 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. Parties are also considered to be related if they are subject to common control or common significant influence. 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. The Company's related party transactions are conducted on commercial terms and conditions in the normal course of business.

3. Significant accounting policies (continued)

j) Share-based compensation

The Company's equity settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value of equity-settled share-based transactions are calculated using the Black-Scholes option pricing model and rely on several inputs, such as the expected life of the option, the volatility of the underlying share price, the risk-free rate of return, and the estimated dividend yield, if any.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a per tranche basis of the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

In the case of any modification to equity-settled share-based payment terms, the incremental fair value granted as a result of the modification will be measured and recognized over the period from the modification date until the date when the modified equity instruments vest.

k) Research and development

Research costs are expensed as incurred. Development expenditures are capitalized only if development costs can be measured reliably, the product of process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development to use or sell the asset. Other development expenditures that do not meet the above criteria are recognized in the statements of loss and comprehensive loss as incurred.

Development expenditures which meet the criteria for capitalization are recorded at cost and amortized over the estimate useful life of the asset developed using a straight-line method.

l) Leases

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the leases as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the lease assets are assumed.

3. Significant accounting policies (continued)

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. The incremental borrowing rate is defined as the rate of interest that the Company would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- the amount expected to be payable by the lessee under residual value guarantees; and
- the exercise of purchase options if the lessee is reasonably certain to exercise the options

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated amortization and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. The costs are included in the related right-of-use asset unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The amortization starts at the commencement date of the lease.

3. Significant accounting policies (continued)

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line administrative expenses in the statements of loss and comprehensive loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has elected to use this practical expedient.

m) Financial instruments

A financial asset or liability is recognized if the Company becomes a party to the contractual provisions of the asset or liability. A financial asset or liability is recognized initially (at trade date) at its fair value plus, in the case of a financial asset or liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the instrument. Financial assets and liabilities carried at fair value through profit or loss ("FVTPL") are initially recognized at fair value and transaction costs are expensed in the statement of loss and comprehensive loss.

After initial recognition, financial assets are measured at their fair values except for those which are measured at amortized cost. After initial recognition, financial liabilities are measured at amortized cost except for financial liabilities at fair value through profit or loss which are measured at fair value.

The Company classifies its financial assets and liabilities according to their characteristics, and management's choices and intentions related thereto for the purposes of ongoing measurement.

Classification choices for financial assets include:

- Amortized cost – recorded at amortized cost with gains and losses recognized in net earnings in the period that the asset is no longer recognized or impaired.
- Fair value through profit and loss

Classification choices for financial liabilities include:

- Amortized cost – measured at amortized cost with gains and losses recognized in the statement of loss and comprehensive loss in the period that the liability is no longer recognized.

The Company's financial assets and liabilities are classified and measured as follows:

Financial assets and liabilities	Classification and measurement
Cash	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Loan payable to related party	Amortized cost
Lease liability	Amortized cost
Long-term debt	Amortized cost

3. Significant accounting policies (continued)

n) Impairment of financial assets

The Company recognizes a loss allowance for ECL on financial assets that are measured at amortized cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

The Company recognizes lifetime ECL for trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to the 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12-months after the reporting date.

o) Critical accounting estimates and judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period.

The following are the critical judgments that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

i. Biological assets

Management is required to make a number of estimates in calculating the fair value less costs to sell of biological assets. Their estimates include a number of assumptions such as estimating the stage of growth of the cannabis, harvesting costs, sales price and expected yields.

ii. Impairment of long-lived assets

Impairment of long-lived assets is influenced by judgment in defining a CGU and determining the indicators of impairment, and estimates used to measure impairment losses. The recoverable value of long-lived assets is determined using discounted future cash flow models, which incorporate assumptions regarding future events, specifically future cash flows, growth rates and discount rates.

3. Significant accounting policies (continued)

iii. *Estimated useful lives and amortization of property, plant, and equipment*

Amortization of property, plant and equipment is dependent upon estimates of useful lives based on management's judgment.

iv. *Share-based compensation*

A fair value assessment of the Company's share price and certain assumptions relating to the expected life of options granted are required for the purpose of valuing share-based compensation. Certain assumptions made in the calculations of inputs into the fair value assessment are based on management's judgment and reference to comparable companies within the industry sector.

v. *Recognition of deferred tax assets*

Deferred tax assets are recognized only when it is determined to be likely that they will be realized, which requires an evaluation based on management's judgment.

p) *Reclassification of comparative accounts*

The Company has reclassified certain immaterial items on the comparative statements of financial position, statement of loss and comprehensive loss and statement of cash flows to improve clarity. These reclassifications consist of groupings of similar accounts such as property, plant, and equipment and right-of-use assets and general and administrative expenses.

4. Biological Assets

Biological assets are comprised of cannabis plants undergoing biological transformation. The changes in the carrying value of biological assets are as follows:

March 31, 2019 and 2020	$	-
Capitalized costs		400,895
Increase in fair value due to biological transformation		487,877
March 31, 2021	**$**	**888,772**

The Company measures its biological assets at their fair value less costs to sell. This is determined using a model which estimates the expected harvest yield in grams for plants currently being cultivated, and then adjusts that amount for the expected selling price less costs to sell per gram.

The fair value measurements for biological assets have been categorized as Level 3 fair values based on the inputs to the valuation technique used. The Company's method of accounting for biological assets attributes value accretion on a straight-line basis throughout the life of the biological asset from the flowering stage to the point of harvest and assumes the value of clones is nominal.

(In Canadian dollars)

4. Biological Assets (continued)

Biological assets as at March 31, 2021 includes $35,000 (2020 - $nil) of amortization expense incurred in the year.

The following table quantifies each significant unobservable input:

	2021	2020
Weighted average expected loss of plants until harvest	1%	-
Expected dry-bud yield (average grams per plant)	200 - 300 grams	-
Expected number of growing weeks	14 - 18 weeks	-
Estimated selling price of dry bud (per gram)	$1.40	-
Post-harvest cost to complete and sell (per gram)	$0.25	-

These estimates, by their nature, are subject to changes that could result from volatility of market prices, unanticipated regulatory changes, harvest yields, loss of crops, changes in estimates and other uncontrollable factors that could significantly affect the future fair value of biological assets.

The following table presents the effect of a 10% change in each respective input on the fair valuation of biological assets at March 31, 2021 which would be reported on the statements of loss and comprehensive loss:

	2021	2020
	$	$
Weighted average expected loss of plants until harvest	901	-
Expected dry-bud yield (average grams per plant)	88,880	-
Expected number of growing weeks	56,269	-
Estimated selling price of dry bud (per gram)	86,654	-
Post-harvest cost to complete and sell (per gram)	15,477	-

During the years ended March 31, 2021 and 2020, there were no sales of dry bud nor was there a harvest of plants included in biological assets.

(In Canadian dollars)

5. Property, plant, and equipment

	Land	Greenhouse	Building	Warehouse equipment	Leasehold improvements	Production Equipment	Office furniture and computer equipment	Right-of-use assets	Total
Cost	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
At March 31, 2019	562,300	7,484,506	203,600	101,800	—	—	21,746	—	**8,373,952**
Additions	—	—	—	—	5,086,287	—	1,131	3,042,478	**8,129,896**
At March 31, 2020	562,300	7,484,506	203,600	101,800	5,086,287	—	22,877	3,042,478	**16,503,848**
Additions	—	—	—	—	5,249,328	106,477	6,599	—	**5,362,404**
At March 31, 2021	**562,300**	**7,484,506**	**203,600**	**101,800**	**10,335,615**	**106,477**	**29,476**	**3,042,478**	**21,866,252**
Accumulated amortization									
At March 31, 2019	—	149,690	5,090	4,072	—	—	3,940	—	**162,792**
Amortization	—	299,380	10,180	8,144	—	—	8,164	139,447	**465,315**
At March 31, 2020	—	449,070	15,270	12,216	—	—	12,104	139,447	**628,107**
Amortization	—	299,380	10,180	8,144	70,420	4,259	6,445	152,124	**550,952**
At March 31, 2021	**—**	**748,450**	**25,450**	**20,360**	**70,420**	**4,259**	**18,549**	**291,571**	**1,179,059**
Net book value									
At March 31, 2020	562,300	7,035,436	188,330	89,584	5,086,287	—	10,773	2,903,031	**15,875,741**
At March 31, 2021	**562,300**	**6,736,056**	**178,150**	**81,440**	**10,265,195**	**102,218**	**10,927**	**2,750,907**	**20,687,193**

Of the amortization incurred in the year ended March 31, 2021, $515,952 has been allocated to operating expenses (2020 - $465,315) and $35,000 to biological assets (2020 - $nil).

6. Greenhouse lease liability

The Company leases a greenhouse facility from Via Verde Hydroponics Ltd., a company related by way of common ownership with the majority shareholders of the Company. The lease term for the greenhouse is 20 years, maturing on April 30, 2039.

March 31, 2019	$	-
Additions		3,042,478
Lease payments		(229,167)
Interest expense		150,556
March 31, 2020		2,963,867
Lease payments		(250,000)
Interest expense		159,611
March 31, 2021	**$**	**2,873,478**

For the year ended March 31, 2021, the Company recognized an interest expense on lease liabilities in the amount of $159,611 (2020 – $150,556) in the statements of loss and comprehensive loss.

(In Canadian dollars)

6. Greenhouse lease liability (continued)

The Company recognized cash outflow for lease payments of $250,000 for the year ended March 31, 2021 (2020 – $229,167) in the statements of cash flows.

The Company used a weighted average incremental borrowing rate of 5.50% at the date of the initial application.

A maturity analysis of lease liabilities as at March 31, 2021 is as follows:

	$
Year ending March 31, 2022	250,000
Year ending March 31, 2023	250,000
Year ending March 31, 2024	250,000
Year ending March 31, 2025	250,000
Year ending March 31, 2026	250,000
Thereafter	3,270,833
	4,520,833
Interest due over the term of the lease	1,647,355
	2,873,478
Less Current portion	95,488
	2,777,990

7. Long-term debt

	2021	2020
	$	$
Bank Credit Facility - $6,100,000 - Canadian prime interest rate plus an applicable margin, 3-year term, with a 10-year amortization, repayable in principal plus interest payments commencing July 2021, due in December 2022	**6,100,000**	1,016,083
Subordinated Credit Facility - $3,900,000 - Paid in full in current year	**–**	3,900,000
Subordinated Credit Facility - $4,900,000 - 5.50%, with a 10-year amortization commencing April 202	**4,900,000**	–
Other	**40,000**	–
	11,040,000	4,916,083
Deduct		
Unamortized financing fees on bank credit facility	**68,437**	74,955
Principal portion included in current liabilities	**457,500**	1,016,083
	10,514,063	3,825,045

Total long-term debt repayments are as follows:

	$
Next 12 months	**457,500**
2 years	**6,104,063**
3 years	**490,000**
4 years	**490,000**
5 years	**490,000**
Thereafter	**3,008,437**
Balance of obligation	**11,040,000**

(In Canadian dollars)

7. Long-term debt (continued)

The bank credit facility of $6,100,000 was entered into on December 18, 2019 and is secured by a first charge on all assets of the Company. Repayments on the committed facility are interest-only (currently prime + 2.0%) until June 30, 2021. Under the terms of the facility, the Company must satisfy certain restrictive covenants. The Company is in compliance with these covenants as at March 31, 2021. Financing fees of $74,955 were incurred related to this debt. These costs have been deferred and are amortized over the term of the debt.

The subordinated credit facility of $4,900,000 is owed to the majority shareholder, Sunrite Greenhouses Ltd. and is secured by a second charge on all assets of the Company. Payments on the subordinated facility are interest-only until April 1, 2022. The proceeds of this facility were partially utilized to repay the $3,900,000 financing originally provided by Via Verde Hydroponics Ltd.

During the year ended March 31, 2021, interest expense on long-term debt amounted to $79,574 (2020 – $nil) and deferred financing fees of $6,518 (2020 - $nil) was recognized on the statement of loss and comprehensive loss.

8. Share capital

Authorized

An unlimited number of common shares

Issued

There are 171,681,566 common shares issued and outstanding at March 31, 2021 (March 31, 2020 – 167,115,431). Shares issued during the year ended March 31, 2021 were as follows:

	Description	Number of shares	Amount	Price per share
			$	$
Balance, March 31, 2019		163,922,501	9,416,420	
	Private placement	1,208,043	604,022	0.50
	Private placement	1,984,887	1,488,665	0.75
	Share issuance costs	—	(22,478)	—
Balance, March 31, 2020		167,115,431	11,486,629	
	Private placement	4,566,135	2,283,068	0.50
	Share issuance costs	—	(40,930)	—
Balance, March 31, 2021		**171,681,566**	**13,728,767**	

During the year ended March 31, 2020, the Company closed two financings with the issuance of 1,208,043 common shares at a purchase price of $0.50 per share for gross proceeds of $604,022 and the issuance of 1,984,887 common shares at a purchase price of $0.75 per share for gross proceeds $1,488,665. Share issuance costs of $22,478 were incurred in relation to these financings.

During the year ended March 31, 2021, the Company issued 4,566,135 common shares at $0.50 per share for proceeds of $2,283,068. Share issuance costs during that period amounted to $40,930.

(In Canadian dollars)

8. Share capital (continued)

During the year ended March 31, 2021, the Company has entered into agreements to issue 211,000 additional common shares with a value of $0.50 per share for gross proceeds of $105,500 raised through private placement. These shares have not been issued to investors as of March 31, 2021.

9. Related party transactions

Key management personnel are the officers and directors of the Company. Management and directors' fees and share-based compensation for the year ended March 31, 2021 are summarized as follows:

	2021	2020
	$	$
Management and directors' fees	**185,396**	438,886
Share-based compensation	**188,200**	309,018
	373,596	747,904

The Company identifies the following as related parties:

Company	Description	Relationship
Sunrite Greenhouses Ltd.	Hydroponic Cultivation	Majority Shareholder of the Company
Via Verde Hydroponics Ltd.	Hydroponic Cultivation	Common Ownership with Majority Shareholder
Del Fresco Produce Ltd.	Produce Marketer	Common Ownership with Majority Shareholder
Delfresco Express Ltd.	Produce Distribution	Common Ownership with Majority Shareholder

(In Canadian dollars)

9. Related party transactions (continued)

The Company shares certain economic resources with related parties resulting in the following expenses billed in the years ended March 31, 2021 and 2020, from related parties:

			Amount	
Description	Company		**2021**	2020
			$	$
General labour	Via Verde Hydroponics Ltd.	Biological assets	**117,888**	-
General labour	Sunrite Greenhouses Ltd.	Biological assets	**32,086**	-
Utilities	Via Verde Hydroponics Ltd.	Biological assets	**58,287**	-
Insurance	Via Verde Hydroponics Ltd.	General and admin	**943**	-
Property taxes	Via Verde Hydroponics Ltd.	General and admin	**1,728**	-
Executive wages	Del Fresco Produce Ltd.	General and admin	**62,019**	26,869
Interest	Via Verde Hydroponics Ltd.	Finance expenses	**196,625**	-

The Company has entered into a lease for approximately 57,000 square feet of greenhouse and warehouse space with Via Verde Hydroponics Ltd. The lease agreement commenced May 1, 2019 and the annual rent is $250,000. The corresponding leased asset has been recorded as a right-of-use asset as described in Note 5.

During the year ended March 31, 2020, the Company entered into a term facility agreement with Via Verda Hydroponics Ltd. The unsecured loan payable had a principal of $3,900,000 and accrued interest at a rate of 5.5%. The Company was required to make interest only repayments until the Company received its Standard Cultivation Licence.

On March 31, 2021, the Company repaid the $3,900,000 term facility in full and replaced it with a $4,900,000 subordinated credit facility from Sunrite Greenhouses Ltd., with an interest rate of 5.5% (note 8).

The Company has an operating lease agreement with its majority shareholder, Sunrite Greenhouses Ltd., to whom it leases approximately 667,000 square feet of greenhouse and warehouse space. The operating lease agreement is a 12-month term (May 1 to April 30) and is renewed annually. The annual rent is $250,000 and is paid monthly.

Related party transactions were made in the normal course of business and have been recorded at the exchange amounts.

(In Canadian dollars)

10. Income taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2020 - 26.5%) to the effective tax rate is as follows:

	2021 **$**	2020 $
Net loss before recovery of income taxes	**(1,232,155)**	(2,180,873)
Expected income recovery expense	**(326,520)**	(577,931)
Share based compensation & other non-deductible expenses	**101,790**	186,475
Share issuance costs booked directly to equity	**(10,850)**	—
Write-off of uncollectable deposit	**—**	25,175
Lease liability	**235,580**	366,281
Change in tax benefits not recognized	**—**	—

The following table summarizes the components of deferred tax:

	2021 **$**	2020 $
Deferred tax assets		
Capital lease obligation	**728,990**	769,300
Operating losses	**138,560**	—
Deferred tax liabilities		
Right-of-use assets	**(728,990)**	(769,300)
Biological assets	**(138,560)**	—
Net deferred tax liability	**—**	—

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

(In Canadian dollars)

10. Income taxes (continued)

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	2021	2020
	$	$
Property, plant, and equipment	**887,490**	488,660
Lease obligation	**122,570**	60,836
Share issuance costs	**40,700**	—
Operating losses	**2,040,110**	1,622,516
Capital losses	**190,000**	190,000

The Canadian operating tax loss carry forwards expire as noted in the table below. The capital loss carry forward may be carried forward indefinitely, but can only be used to reduce capital gains. The remaining deductible temporary differences may be carried forward indefinitely.

The Company's Canadian operating tax losses expire as follows:

	$
2039	722,030
2040	900,490
2041	940,470
	2,562,990

11. Capital management

The Company's objective is to maintain sufficient capital base so as to maintain investor and creditor confidence and to sustain future development of the business and safeguard the ability to continue as a going concern. Management defines capital as the Company's shareholders' equity and debt. Since inception, the Company has primarily been financed through long-term debt and the issuance of share capital.

The Board of Directors does not establish quantitative return on capital criteria for management; but rather promotes year over year sustainable growth. The Company is subject to financial covenants as a result of its loans. Other than these items related to loans payable, as of March 31, 2021 and 2020, the Company is not subject to externally imposed capital requirements.

The Company currently has not paid any dividends to its shareholders.

12. Stock options

During the year ended March 31, 2021 and 2020, the Company granted options subject to certain performance and time-based vesting conditions to directors, officers, employees, and consultants as follows:

(In Canadian dollars)

12. Stock options (continued)

	Options	Weighted average exercise price $
March 31, 2019	**10,725,000**	**0.29**
Granted during the year	1,508,500	0.50
March 31, 2020	**12,233,500**	**0.32**
Granted during the year	1,020,940	0.50
Forfeited during the year	(3,100,000)	0.26
Outstanding at March 31, 2021	**10,154,440**	**0.35**

The Company's options as at March 31, 2021 are as follows:

Expiry date	Options outstanding	Options exercisable	Exercise price $
Options			
The third annual anniversary of the first day of public trading of common shares	6,000,000	5,800,000	0.25
The third annual anniversary of the first day of public trading of common shares	4,154,440	3,528,440	0.50
Balance, March 31, 2021	**10,154,440**	**9,328,440**	**0.35**

The fair value of options was determined using the following Black-Scholes Option Pricing Model assumptions:

	2021	2020
Share price	$ 0.50	$ 0.29 - 0.50
Exercise price	$ 0.50	$ 0.29 - 0.50
Expected life	3 - 4 years	6 - 7 years
Volatility	53%	72%
Dividend yield	0%	0%
Risk-free interest rate	0.23% - 0.73%	0.20% - 0.25%

During the year ended March 31, 2021, the Company recognized $384,103 (2020 -$701,439) in share-based compensation in connection with the options granted.

(In Canadian dollars)

13. General and administrative expenses

	For the year ended March 31,	
	2021	2020
	$	$
Management and directors' fees	**185,396**	438,886
Office and general	**111,368**	134,331
Salaries and wages	**149,948**	104,431
Insurance	**42,254**	-
Repairs and maintenance	**115,355**	6,725
	604,321	684,373

14. Loss per share

The calculation of loss per share for the years ended March 31, 2021 and 2020 is calculated as follows:

	2021	2020
Basic loss per share:		
Net loss for the year	**$ (1,232,155)**	$ (2,180,873)
Average number of common shares outstanding during the year	**167,302,996**	165,524,992
Loss per share - basic	**$ (0.01)**	**$ (0.01)**

	2021	2020
Diluted loss per share:		
Net loss for the year	**$ (1,232,155)**	$ (2,180,873)
Average number of common shares outstanding during the year	**167,302,996**	165,524,992
"In the money" options outstanding during the year (i)	**-**	-
	167,302,996	165,524,992
Loss per share - diluted	**$ (0.01)**	**$ (0.01)**

(i) 6,000,000 in-the-money stock options (2020 – 9,000,000) have not been included in the calculation of diluted loss per share as their impact would be anti-dilutive.

(In Canadian dollars)

15. Risk Management

15.1 Financial Risk Management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

a) Capital risk

The company manages its capital to ensure that there are adequate capital resources for the Company to maintain operations. The capital structure of the Company consists of cash and share capital.

b) Interest rate risk

The Company may invest surplus cash in highly liquid investments with short terms to maturity that would accumulate interest at prevailing rates for such investments. As at March 31, 2021, the Company had invested no such funds in liquid investments.

The Company's Bank Credit Facility (note 8) currently bears interest at the Canadian prime rate plus 2%. An increase in the prime rate by 0.5% would increase the Company's annual interest expense by approximately $30,000.

c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade accounts receivable. The Company is exposed to credit-related losses in the event of non-performance by the counterparties. In the current period, the Company is not yet selling a product and therefore holds no credit risk from customers.

d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by reviewing on an ongoing basis its cash requirements. As at March 31, 2021, the most significant financial liabilities are accounts payable and accrued liabilities, lease liability and long-term debt.

As at March 31, 2021, the Company's financial liabilities have contractual maturities as summarized below:

	Due within Less than 1 year	1-2 years	2-3 years	3-4 years	> 4 years	Total
	$	$	$	$	$	$
Accounts payable and accrued liabilities	896,024	-	-	-	-	896,024
Share capital deposits	105,500	-	-	-	-	105,500
Lease liability	250,000	250,000	250,000	250,000	3,520,833	4,520,833
Long-term debt	457,500	650,000	1,100,000	1,100,000	7,732,500	11,040,000
	1,709,024	900,000	1,350,000	1,350,000	11,253,333	16,562,357

15. Risk Management (continued)

e) Market risk

Market risk incorporates a range of risks. Movements in risk factors, such as market price risk and currency risk, affect the fair values of financial assets and liabilities. The Company is not exposed to these risks.

15.2 Fair Values

The carrying values of cash, government remittances receivable, and accounts payable and accrued liabilities approximate their fair values due to their short-term maturity. For long-term liabilities, fair value approximates their carrying value at the fiscal year end as the interest rates used to discount these contracts approximate market rates.

Assets and liabilities are classified in their entirety based on the lowest level in input that is significant to the fair value measurement.

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that not observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

16. Subsequent events

On April 30, 2021, the Company issued 2,458,000 common shares for gross proceeds of $1,229,000.

On May 13, 2021, Sunrite Greenhouses Ltd. surrendered 52,507,547 common shares of the Company for cancellation. The Company subsequently cancelled these common shares.

Effective May 1, 2021, the Company entered into a long-term lease agreement with Sunrite Greenhouses Ltd. for the facility commonly referred to as the cannabis nursery, located at 1478 Seacliff Drive, Kingsville, Ontario. The term is from May 1, 2021 to April 30, 2039. The monthly cash rent fee is $25,000, inclusive of utilities, insurance, and property taxes. The lease will be accounted for as a right-of-use asset.

In May 2021, the Company issued a total of 178,560 stock options to employees and consultants on the Company. The options can be exercised into a common share of the Company at a price of $0.50 per common share and expiry on the second anniversary of the Company’s listing on a public stock exchange.

TBD – Additional Subsequent Events

Greenway Greenhouse Cannabis Corporation

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the 12 months ended March 31, 2021

This Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Greenway Greenhouse Cannabis Corporation (the "Company" or "Greenway"), is for the twelve months ended March 31, 2021. It is supplemental to, and should be read in conjunction with, the Company's audited financial statements and the accompanying notes for the twelve months ended March 31, 2021. Such financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A has been prepared by reference to the MD&A disclosure requirements established under National Instrument 51-102 **-** *Continuous Disclosure Obligations* ("NI 51-102") of the Canadian Securities Administrators.

In this MD&A, reference is made to adjusted Earnings Before Interest, Taxes Depreciation and Amortization ("EBITDA") which does not have any standardized meaning under IFRS and is not a measure of financial performance under IFRS, and therefore, may not be comparable to similar measures presented by other companies. Management believes this measure provides useful information as it is a commonly used measure in the capital markets and as it is a close proxy for repeatable cash generated by operations.

The Company calculates adjusted EBITDA as net income (loss) plus (minus) income taxes (recovery), plus (minus) interest (income) expense, net, minus rental income, plus write-off of uncollectible deposit, minus unrealized gain on fair value of biological assets, plus amortization, plus share-based compensation, plus impairment, plus transaction costs and certain one-time non-operating expenses, as determined by management.

All dollar amounts in this MD&A are expressed in Canadian dollars unless otherwise indicated.

MD&A contains forward-looking information within the meaning of Canadian securities laws. Refer to "Cautionary Note Regarding Forward-Looking Statements" for cautionary statements regarding forward-looking statements.

This MD&A is prepared as of [●].

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A and the Prospectus to which it is appended are forward-looking statements, which reflect management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities including statements related to the development of existing and future property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future and include statements with words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", or similar words suggesting future outcomes or statements regarding an outlook, or other expectations, beliefs, plans objectives, assumptions, intentions or statements about future events or performance. The forward-looking statements are included principally in the following sections of this MD&A: "Description of Business", "Liquidity", "Proposed Transactions" and "Subsequent Events". Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this MD&A. These assumptions, which include management's current expectations, estimates and assumptions about the global economic environment, the market price and demand for our products and our ability to manage our operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) the uncertainty of government regulation and politics (3) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (4) other factors beyond our control.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled “Risk Factors” in the Prospectus.

DESCRIPTION OF BUSINESS

Greenway is licensed to cultivate, process and sell (B2B) under the *Cannabis Act* (Canada), having obtained its Standard Nursery Licence and Standard Cultivation Licence (collectively, the “Licences”). The Company’s business model is to cultivate, bulk package and wholesale high quality dry bud cannabis to other cannabis companies that are licensed pursuant to the *Cannabis Act* (Canada) and the Cannabis Regulations (“Licencees”). The Company was incorporated under the laws of the *Business Corporations Act* (Ontario) on July 9, 2018. The Company’s registered office is 1478 Seacliff Drive, Kingsville, Ontario, N9Y 2M2.

The Company intends to become a reporting issuer in the Province of Ontario by filing a non-offering, long-form prospectus and, in parallel, submitting an application to list its common shares on the Canadian Securities Exchange (“CSE”).

HIGHLIGHTS FOR THE PERIOD

The Company commenced cultivation of cannabis in February 2021 and is currently processing finished product and actively seeking potential customers for wholesale purchases of bulk packaged cannabis. Greenway is still in its start- up phase.

The following highlights occurred during the twelve months ended March 31, 2021:

On July 24, 2020, Greenway received its Standard Nursery Licence from Health Canada. This allowed the Company to receive its seed bank and starting materials (also referred to as genetics) for operations. The facility is a warehouse style with fourteen individual, climate controlled and sealed grow pods that are connected to the exterior walls of the warehouse. The Standard Nursery Licence authorizes the facility, located at 1478 Seacliff Drive, Kingsville, Ontario (the “Nursery”), to house mother plants and cultivate clones or vegetative plants for sale to other Licensees or to supply other facilities owned by the Company. Also, the Nursery is allowed to grow finished product of dry bud, for testing purposes, as long as the total finished product does not exceed five kilograms, at any one time, at this facility. Subsequent to year-end, Greenway entered into a lease agreement with Sunrite Greenhouses Ltd. for this facility.

In August 2020, the retrofit construction of the leased 41,750 square feet greenhouse and 15,500 square feet of processing warehouse located at 1102 Mersea Road 5, Leamington, Ontario, N8H 3V6 reached substantial completion (the “Cultivation Facility”). Shortly thereafter, the evidence package for the Cultivation Facility was submitted to Health Canada with the application for a Standard Cultivation Licence. The majority of the Company’s cannabis production and revenue generation is expected to occur at this facility. The Cultivation Facility, which is leased from Via Verde Hydroponics Ltd., is within a large-scale hydroponic greenhouse that spans approximately 1,000,000 square feet. The Company has the option to expand its footprint for lease or to purchase the entire facility.

On November 20, 2020, the Company closed a tranche of its private placement and issued 487,750 common shares from treasury for $0.50 per share, of which 478,000 shares were issued for cash, and 9,750 shares were issued to a director for services rendered. The Company paid finders and administrative fees of $6,675 related to the closing of the tranche of the private placement. The net cash proceeds of $232,325 were used for working capital purposes.

On February 5, 2021, the Company received its Standard Cultivation Licence from Health Canada for the above-noted Cultivation Facility. The Standard Cultivation Licence authorizes the Company to cultivate cannabis, without capacity limits, within its current 41,750 square footage. The Company immediately began transferring vegetative plants from its Nursery and commenced flowering as soon as was feasible.

On March 1, 2021, the Company appointed Dennis Staudt to the Board of Directors. Dennis Staudt has over 35 years' experience providing business advice to a number of private companies, having spent most of his career with PricewaterhouseCoopers LLP ("PwC"), including 22 years as a partner in PwC's Audit and Assurance Group. Following his retirement from PwC in 2012, Mr. Staudt joined the board of directors of Aphria Inc. (TSX: APH), where he served from July 2014 to September 2018. Mr. Staudt is currently the Vice-President of Staudt Farms Limited, a family-owned farming operation in Leamington, Ontario and is also a member of the Board of Directors of HAVN Life Sciences Inc. (CSE:HAVN).

On March 11, 2021, the Company fully planted the last area intended for flowering at the Cultivation Facility. This last area accounted for approximately 4% of the total flowering space**.** The majority of the greenhouse at the Cultivation Facility was planted in February 2021. Management decided to leave one area unplanted for future development and testing of other genetics in the seed bank. This development area accounts for 1,440 of the total 41,750 square feet floor plan.

On March 31, 2021, the Company closed another tranche of its private placement and issued 4,078,385 common shares from treasury for $0.50 per share, of which 4,072,968 shares were issued for cash, and 5,417 of shares were issued to a director for services rendered. The Company paid finders and administrative fees of $34,255 related to the closing of the tranche of the private placement. The net cash proceeds of $2,002,229 were used for working capital purposes.

On May 5, 2021, the Company closed the last tranche of its private placement and issued 2,458,000 common shares from treasury for $0.50 per share. The Company paid finders and administrative fees of $23,715 related to the closing of the tranche of the private placement. The net cash proceeds of $1,201,285 were used for working capital purposes.

On May 11, 2021, the Company finished harvesting the above-noted, final area of the first crop. At that time, all product was within the processing cycle (drying, bucking, curing, trimming, packaging). Expected yields per plant are in the range of 200 to 300 grams, but management noted that plant yields are dependent on many factors, most importantly the specific genetic strain. The Company may cultivate different genetic strains in the future. The entire grow period, from cloning to harvest, was approximately 18 weeks. Management noted that the length of this grow period was greater than expected in the future, as the period in the Nursery was extended while the Company waited to receive the Health Canada licence for the Cultivation Facility. In future periods, management expects the plants to grow for 4 to 5 weeks in the Nursery and 9-10 weeks in the Cultivation Facility. With an expectation of 9 to 10 weeks for flowering, and extra capacity in the Nursery, the Company expects to produce 5 crop cycles per year.

On June 8, 2021, the Board of Directors approved the preliminary non-offering, long-form prospectus and the draft application for listing to the CSE, amongst other items.

OVERALL PERFORMANCE

The Company has not generated revenues to date from operations as it is in the startup phase; however, the Company commenced growing its first crop of cannabis and harvested it subsequent to year-end.

The Company's first crop is currently being tested by a number of third party, Health Canada approved, licensed labs and is expected to be sold to other Licencees.

The net assets of the Company increased from $8,869,673 as at March 31, 2020 to $10,263,759 at March 31, 2021, an increase of $1,394,086. The assets at March 31, 2021 consist primarily of property, plant and equipment of $20,687,193 (March 31, 2020 - $15,875,741), cash of $3,456,555 (March 31, 2020 – $1,443,259), biological assets of $888,772(March 31, 2020 - $nil), and government remittances receivable and prepaid expenses and deposits of $77,804 (March 31, 2020 - $213,771).

Liabilities as of March 31, 2021 consists of accounts payable and accrued liabilities of $896,024 (March 31, 2020 - $679,284), lease liability of $2,873,478 (March 31, 2020 - $2,963,867), long-term debt of $10,971,563 (March 31, 2020 - $4,841,128), share capital deposits of $105,500 (March 31, 2020 - $59,126), and loan payable to related party of nil (March 31, 2020 - $119,693).

RESULTS OF OPERATIONS

Greenway Greenhouse Cannabis Corporation

Statements of loss and comprehensive loss

Years ended March 31, 2021 and 2020

	2021	2020
	$	$
Operating Expenses		
Amortization	**515,952**	465,315
General and administration	**604,321**	684,373
Share-based compensation	**384,103**	701,439
Professional fees	**184,786**	183,804
Marketing and promotion	**30,858**	41,549
Research and development	**10,932**	-
	1,730,952	2,076,480
Operating loss	**(1,730,952)**	(2,076,480)
Interest income (expense), net	**(239,080)**	(143,560)
Rental income	**250,000**	229,167
Write-off of uncollectible deposit	**-**	(190,000)
Unrealized gain on fair value of biological assets	**487,877**	-
Net loss and comprehensive loss	**(1,232,155)**	(2,180,873)
Weighted average number of common shares - basic	**167,302,996**	165,524,992
Weighted average number of common shares - diluted	**167,302,996**	165,524,992
Loss per share - basic	**(0.01)**	(0.01)
Loss per share - diluted	**(0.01)**	(0.01)

The following highlights the key operating expenditures during the twelve months ended March 31, 2021.

For the twelve months ended March 31, 2021

During the twelve months ended March 31, 2021, the Company incurred a loss and comprehensive loss of $1,232,155 (2020 - $2,180,873). The loss and comprehensive loss for the period consists primarily of the following:

- Amortization expense of $515,952 (2020 - $465,315) consists of the property, plant, and equipment amortization, as well as amortization of the right-of-use asset. This was an increase of $50,637 from the prior period, as the main cultivation facility commenced operations in February 2021, with a portion ($35,000) being capitalized to biological assets.

- General and administration expenses consist of management and directors' fees of $185,396 (2020 - $438,886), office and general of $111,368 (2020 - $134,331), salaries and wages of $65,375 (2020 - $104,431), insurance of $42,254 (2020 – $nil) and repairs and maintenance of $115,355 (2020 - $6,725). The most significant contributor to the net decrease of $80,052 was the inclusion of certain salaries and wages into the determination of biological assets due to the commencement of operations in the current year.

- Share-based compensation of $384,103 (2020 - $701,439) consists of the non-cash fair value as measured by the Black-Scholes option pricing model. The current year expense is based on 1,542,940 (2020 – 1,156,500) stock options granted and vested.

- Professional fees of $184,786 (2020 - $183,804) consists primarily of consulting fees incurred in connection with the Health Canada licence applications, annual audit fees, external corporate secretary services, and legal fees regarding private placements.

- Marketing and promotion expense of $30,858 (2020 - $41,549) consists primarily of website development and promotional materials with respect to cannabis products.

- Research and development expense of $10,932 (2020 – $nil) consists primarily of materials and testing for product development incurred in the cannabis Nursery before operations commenced in the Cultivation Facility.

- Interest expense of $239,080 (2020 - $143,560) consists primarily of interest from long-term debt and the right-of-use-asset. The increase in the expense is attributable to the increase of debt regarding construction of the Cultivation Facility.

- Rental income of $250,000 (2020 - $229,167) primarily consists of renting a separate greenhouse to Sunrite for an annual amount of $250,000. Management noted that in the prior year the lease commenced in the second month of the fiscal year.

- Write-off of uncollectible deposit expense of $nil (2020 - $190,000). Management noted that this expense is non-recurring and is attributable to a discontinued project in the prior year.

- Unrealized gain on fair value of biological assets of $487,877 (2020 – $nil) was recognized for the first time due to operations commencing in the Cultivation Facility in February of 2021. The Company measures its biological assets at their fair value less costs to sell. This is determined using a model which estimates the expected harvest yield in grams for plants currently being cultivated, and then adjusts that amount for the expected selling price less costs to sell per gram. For purposes of this model, management used an expected yield range of 200 to 300 grams per plant and an average price per gram of $1.40.

LIQUIDITY

The Company had cash of $3,456,555 as at March 31, 2021 (March 31, 2020 - $1,443,259). The Company had working capital (deficiency) of $2,868,619 as at March 31, 2021 (March 31, 2020 – ($307,545)).

Operating Activities

The Company used cash of $667,036 in operating activities during the twelve months ended March 31, 2021 (2020 - $366,154), an increase of $300,882 primarily from the increase in biological assets of $365,895.

Investing Activities

The Company used cash of $5,362,404 (2020 - $5,087,418) in investing activities primarily pursuant to construction retrofit of the greenhouse for cultivation.

Financing activities

During the twelve months ended March 31, 2021 the company raised net proceeds of $8,042,736 (2020 - $5,741,623) through issuances of common shares, drawdowns of the long- term debt facility, and receipt of share capital deposits:

a) In connection with closing tranches of the aforementioned private placement, the Company raised $2,275,484 of cash gross proceeds, less $40,930 in finders and administrative fees. No warrants were issued as a result of this private placement.

b) In the prior fiscal year, the Company had $3,900,000 debt owing to a related party - Via Verde Hydroponics Ltd. ("Via Verde"). In March 2021, the Company's majority shareholder, Sunrite Greenhouses Ltd. ("Sunrite"), paid out the debt to Via Verde Hydroponics Ltd. and advanced an additional $1,000,000 to the Company for a total loan of $4,900,000. This subordinated credit facility bears an interest rate of 5.5% per annum, to be paid monthly, with principal payments to begin in April of 2022. Principal payments will be amortized equally over 10 years.

c) During the twelve months ended March 31, 2021, the Company made several drawdowns on its term facility with Bank of Montreal for the construction retrofit of the greenhouse. The total of the drawdowns was $5,083,917. At year end, this credit facility, totaling $6,100,000, required interest only payments, with an interest rate of prime plus 2.0%. On June 30, 2021, the credit facility will meet a conversion point, where it will become a principal plus interest monthly payment. The interest rate terms are expected to remain the same and the principal portion will be amortized equally over 120 monthly payments.

The Company plans to continue raising capital primarily through the private placement of its equity securities as needed. Under such circumstances, there is no assurance that the Company will be able to obtain further funds required for the Company's continued working capital requirements.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Key management personnel are the officers and directors of the Company. Management and directors' fees and share-based compensation for the twelve months ended March 31, 2021 is summarized as follows:

	March 31, 2021		**March 31, 2021**	
Management and directors' fees	$	185,396	$	438,886
Share-based compensation (fair value)	$	188,200	$	309,018
	$	**373,596**	**$**	**747,904**

As at March 31, 2021, $nil (March 31, 2020 - $nil) is owed to certain officers and directors of the Company.

The Company identifies the following as related parties:

Company	Description	Relationship
Sunrite Greenhouses Ltd.	Hydroponic Cultivation	Majority Shareholder of the Company
Via Verde Hydroponics Ltd.	Hydroponic Cultivation	Common Ownership with Majority Shareholder
Del Fresco Produce Ltd.	Produce Marketer	Common Ownership with Majority Shareholder
Delfresco Express Ltd.	Produce Distribution	Common Ownership with Majority Shareholder

The Company shares certain economic resources with related parties resulting in the following expenses billed in the year ended March 31, 2021, from related parties:

			Amount	
Description	Company		2021	2020
			$	$
General labour	Via Verde Hydroponics Ltd.	Biological assets	117,888	-
General labour	Sunrite Greenhouses Ltd.	Biological assets	32,086	-
Utilities	Via Verde Hydroponics Ltd.	Biological assets	58,287	-
Insurance	Via Verde Hydroponics Ltd.	General and admin	943	-
Property taxes	Via Verde Hydroponics Ltd.	General and admin	1,728	-
Executive wages	Del Fresco Produce Ltd.	General and admin	62,019	26,869
Interest	Via Verde Hydroponics Ltd.	Finance expenses	196,625	-

The Company has entered into a lease for approximately 57,000 square feet of greenhouse and warehouse space with Via Verde Hydroponics Ltd. The lease agreement commenced May 1, 2019 and the annual rent is $250,000. The corresponding leased asset has been recorded as a right-of-use asset as described in Note 7 to the financial statements.

On March 31, 2021, the Company paid in full the unsecured $3,900,000 financing from Via Verde Hydroponics Ltd. (2020 - $3,900,000) and replaced it with a $4,900,000 subordinated credit facility from Sunrite Greenhouses Ltd.

The Company has an operating lease agreement with Sunrite Greenhouses Ltd., to whom it leases approximately 667,000 square feet of greenhouse and warehouse space. The operating lease agreement is a 12 month term (May 1 to April 30) and is renewed annually. The annual rent is $250,000 and is paid monthly.

Related party transactions were made in the normal course of business and have been recorded at the exchange amounts.

During the twelve months ended March 31, 2021, the Company recorded:

Equity incentives granted and fees paid to the following for services rendered:	Options	Fair Value	Fees paid
		$	$
Darren Peddle, CFO pursuant to officer services provided	-	-	62,019
Dennis Staudt, a Director of the Company pursuant to director services provided	500,000	97,600	4,167
Martin Komsa, a Director of the Company pursuant to director services provided	-	-	15,625
Konrad Pimiskern, former SVP Business Development for officer services provided	-	-	192,905
		$97,600	$274,716

PROPOSED TRANSACTIONS

There were no proposed transactions other than the planned listing of common shares on the CSE.

SUBSEQUENT EVENTS

On May 5, 2021, the Company closed the last tranche of its private placement and issued 2,458,000 common shares from treasury for $0.50 per share. The Company paid finders and administrative fees of $23,715 related to the closing of the tranche of the private placement. The net cash proceeds of $1,205,285 were used for working capital purposes.

On May 13, 2021, Sunrite Greenhouses Ltd. voluntarily surrendered 52,507,547 common shares to the Company, which were subsequently cancelled.

Effective May 1, 2021, the Company entered into a long-term lease agreement with Sunrite Greenhouses Ltd. for the Nursery. The term is from May 1, 2021 to April 30, 2039. The monthly cash rent fee is $25,000, inclusive of utilities, insurance and property taxes. The lease will be accounted for as a right-of-use asset.

On May 11, 2021, the Company finished harvesting the final area of the first crop and, as of that date, all harvested cannabis was within the processing cycle (drying, bucking, curing, trimming, and packaging). The Company commenced cleaning and preparing for planting the next crop at the Cultivation Facility. The Company expects to harvest five crops per fiscal year. Additional information with respect to yields and costs of production will be provided in subsequent quarterly MD&A filings.

On June 8, 2021, the Board of Directors approved the preliminary non-offering, long-form prospectus and the draft application to the CSE, amongst other items.

Subsequent to March 31, 2021, the Company issued the following stock options:

	Description	Number of options issued	Options exercised	Exercise price	Proceeds
May 1, 2021	Stock options	113,260	-	$0.50	$ Nil
May 5, 2021	Stock options	65,300	-	$0.50	$ Nil

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The following is the Company's accounting policy for financial instruments under IFRS 9: (i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company classifies its financial instruments as follows:

Financial assets and liabilities	
Cash	FVTPL
Government remittances receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Loan payable to related party	Amortized cost
Lease liability	Amortized cost
Long-term debt	Amortized cost

(ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of loss in the period in which they arise.

(iii) Impairment of financial assets at amortized cost.

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

During the twelve months ended March 31, 2021, the Company incurred the following significant expenses:

	2021
Amortization	$ 515,952
Share-based compensation	$ 384,103
Professional fees	$ 184,786
Management and directors' fees	$ 185,396

An analysis of material components of the Company's general and administration expenses, which includes the management and directors' fees, is disclosed in the audited financial statements for the twelve months ended March 31, 2021 to which this MD&A relates as well as the Discussion of Operations section of this MD&A.

Amortization is calculated based on the estimated useful lives of the property, plant, equipment assets, as well as the right-of-use assets. The professional fees consist of the audit and legal fees for services performed to date which include consulting services related to the applications for Health Canada licences. Management and directors' fees consist of the fees paid to the officers and directors for services rendered. Share-based compensation consists of non-cash fair value of stock options.

Adjusted EBITDA

Adjusted EBITDA is a non-IFRS financial measure that does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Management believes this measure provides useful information as it is a commonly used measure in the capital markets and as it is a close proxy for repeatable cash generated by operations.

The Company calculates adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") as net income (loss) plus (minus) income taxes (recovery), plus (minus) interest (income) expense, net, minus rental income, plus write-off of uncollectible deposit, minus unrealized gain on fair value of biological assets, plus amortization, plus share-based compensation, plus transaction costs and certain one-time non-operating expenses, as determined by management.

For the twelve months ended		March 31, 2021		March 31, 2020
NET LOSS AND COMPREHENSIVE LOSS	$	(1,232,155)	$	(2,180,873)
Interest (income) expense, net		239,080		143,560
Rental income		(250,000)		(229,167)
Write-off of uncollectible deposit		-		190,000
Unrealized gain on fair value of biological assets		(487,877)		-
Amortization		515,952		465,315
Share-based compensation		384,103		701,439
ADJUSTED EBITDA	$	(830,897)	$	(909,726)

DISCLOSURE OF OUTSTANDING SHARE DATA

Common Shares

The Company's authorized share capital consists of an unlimited number common shares without par value. As at the date hereof, the Company had 121,632,019 (March 31, 2021 – 171,681,566) common shares issued and outstanding. Subsequent to March 31, 2021, Sunrite voluntarily surrendered 52,507,547 common shares to the Company, which were subsequently cancelled by the Company.

Stock options

As at June 10, 2021, 10,333,000 (March 31, 2021 – 10,154,440) stock options were outstanding as follows:

Expiry Date	Options Outstanding	Options Exercisable	Exercise Price
3rd anniversary from first day of public trading on CSE	6,000,000	5,800,000	$0.25
3rd anniversary from first day of public trading on CSE	4,333,000	3,593,740	$0.50
Total	**10,333,000**	**9,393,740**	**$0.35**

RISK FACTORS

Much of the information included in this report includes or is based upon estimates, projections or other forward-looking statements. Such forward-looking statements include any projections or estimates made by the Company and its management in connection with the Company's business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect the Company's current judgment regarding the direction of its business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein. Except as required by law, the Company undertakes no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of such statements.

Such estimates, projections or other forward-looking statements involve various risks and uncertainties as outlined in the Prospectus. The Company cautions readers of this report that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other forward-looking statements.

BOARD APPROVAL

The Board of Directors of the Company has approved this MD&A.

SCHEDULE B
Audit Committee Charter

(Implemented pursuant to National Instrument 52-110 – *Audit Committees*)

National Instrument 52-110 – *Audit Committees* (the "**Instrument**") relating to the composition and function of audit committees was implemented for reporting issuers and, accordingly, applies to every Canadian Securities Exchange (the "**Exchange**") listed company, including the Corporation. The Instrument requires all affected issuers to have a written audit committee charter which must be disclosed, as stipulated by Form 52-110F2, in the management information circular of the Corporation wherein management solicits proxies from the security holders of the Corporation for the purpose of electing directors to the board of directors. The Corporation, as an Exchange listed company is, however, exempt from certain requirements of the Instrument.

This Charter has been adopted by the board of directors of the Corporation (the "**Board**") in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of the Corporation. Nothing in this Charter is intended to restrict the ability of the Board or the Committee to alter or vary procedures in order to comply more fully with the Instrument or any other such requirement of the Exchange, as applicable from time to time.

PART I

Purpose:

The purpose of the Committee is to:

(a) improve the quality of the Corporation's financial reporting;

(b) assist the Board to properly and fully discharge its responsibilities;

(c) provide an avenue of enhanced communication between the directors and external auditors;

(d) enhance the external auditor's independence;

(e) ensure the credibility and objectivity of financial reports; and

(f) strengthen the role of the directors by facilitating in depth discussions between directors, management and external auditors.

1.1 Definitions

"**accounting principles**" has the meaning ascribed to it in National Instrument 52-107 – *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;

"**Affiliate**" means a Corporation that is a subsidiary of another Corporation or companies that are controlled by the same entity;

"**audit services**" means the professional services rendered by the Corporation's external auditor for the audit and review of the Corporation's financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

"**Charter**" means this audit committee charter;

"**Committee**" means the Audit Committee established by and among certain members of the Board for the purpose of overseeing the accounting and financial reporting processes of the Corporation and audits of the financial statements of the Corporation;

"**Control Person**" means any individual or company that holds or is one of a combination of individuals or companies that holds a sufficient number of any of the securities of the Corporation so as to affect materially the control of the Corporation, or that holds more than 20% of the outstanding voting shares of the Corporation except where there is evidence showing that the holder of those securities does not materially affect the control of the Corporation;

"**financially literate**" has the meaning set forth in Section 1.2;

"**immediate family member**" means a person's spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the person or the person's immediate family member) who shares the individual's home;

"**Instrument**" means National Instrument 52-110 – *Audit Committees*;

"**MD&A**" has the meaning ascribed to it in National Instrument 51-102;

"**Member**" means a member of the Committee;

"**National Instrument 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations*; and

"**non-audit services**" means services other than audit services.

1.2 Meaning of Financially Literate

For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

PART 2

2.1 Audit Committee

The Board has hereby established the Committee for, among other purposes, compliance with the Instrument.

2.2 Relationship with External Auditors and other Parties

The Corporation will require its external auditor to report directly to the Committee and its Members shall ensure that such is the case.

Each Member shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the Corporation from whom he or she receives information, and the accuracy of the information provided to the Corporation by such other persons or organizations.

2.3 Committee Responsibilities

1. The Committee shall be responsible for making the following recommendations to the Board of directors:

   (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation; and

   (b) the compensation of the external auditor.

2. The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting. This responsibility shall include:

   (a) reviewing the audit plan with management and the external auditor;

   (b) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;

   (c) questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;

   (d) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;

   (e) reviewing audited annual financial statements, in conjunction with the report of the external auditor, and obtaining an explanation from management of all significant variances between comparative reporting periods;

   (f) reviewing the post-audit or management letter, containing the recommendations of the external auditor, and management's response and subsequent follow up to any identified weakness;

   (g) reviewing interim unaudited financial statements before release to the public;

(h) reviewing all public disclosure documents containing audited or unaudited financial information before release, including any prospectus, the annual report and management's discussion and analysis;

(i) reviewing the evaluation of internal controls by the external auditor, together with management's response;

(j) reviewing the terms of reference of the internal auditor, if any;

(k) reviewing the reports issued by the internal auditor, if any, and management's response and subsequent follow up to any identified weaknesses; and

(l) reviewing the appointments of the chief financial officer and any key financial executives involved in the financial reporting process, as applicable.

3. The Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the issuer's external auditor.

4. The Committee shall review the Corporation's financial statements, MD&A, and annual and interim earnings press releases before the Corporation publicly discloses this information.

5. The Committee shall ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and shall periodically assess the adequacy of those procedures.

6. When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Instrument 51-102, and the planned steps for an orderly transition.

7. The Committee shall review all reportable events, including disagreements, unresolved issues and consultations, as defined in National Instrument 51-102, on a routine basis, whether or not there is to be a change of auditor.

8. The Committee shall, as applicable, establish procedures for:

   (a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and

   (b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.

9. As applicable, the Committee shall establish, periodically review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer, as applicable.

10. The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities.

11. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements and disclosures are complete and accurate and in accordance with generally accepted accounting principles and applicable rules and regulations, each of which is the responsibility of management and the Corporation's external auditors.

2.4 *De Minimis* Non-Audit Services

The Committee shall satisfy the pre-approval requirement in subsection 2.3(3) if:

(a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent (5%) of the total amount of fees paid by the issuer and its subsidiary entities to the issuer's external auditor during the financial year in which the services are provided;

(b) the Corporation or the subsidiary of the Corporation, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and

(c) the services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.

2.5 Delegation of Pre-Approval Function

1. The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3(3).

2. The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 2.5(1) must be presented to the Committee at its first scheduled meeting following such pre-approval.

PART 3

3.1 Composition

1. The Committee shall be composed of a minimum of three Members.

2. Every Member shall be a director of the issuer.

3. A majority of the Members shall not be employees, Control Persons or executive officers of the Corporation or any affiliate of the Corporation.

4. If practicable, given the composition of the Board, every Member shall be financially literate.

5. If practicable, given the composition of the Board, every Member shall be independent.

6. The Board shall appoint or re-appoint the Members after each annual meeting of shareholders of the Corporation.

PART 4

4.1 Authority

Until the replacement of this Charter, the Committee shall have the authority to:

(a) engage independent legal counsel and other advisors as it determines necessary to carry out its duties;

(b) set and pay the compensation for any advisors employed by the Committee;

(c) communicate directly with the internal and external auditors; and

(d) recommend the amendment or approval of audited and interim financial statements to the Board.

PART 5

5.1 Disclosure in Information Circular

If management of the Corporation solicits proxies from the security holders of the Corporation for the purpose of electing directors to the Board, the Corporation shall include in its management information circular the disclosure required by Form 52-110F2 (Disclosure by Venture Issuers).

PART 6

6.1 Meetings

1. Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.

2. Opportunities shall be afforded periodically to the external auditor, the internal auditor and to members of senior management to meet separately with the Members.

3. Minutes shall be kept of all meetings of the Committee.

4. The quorum for meetings shall be a majority of the Members, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak to and to hear each other. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present.

6.2 Currency of this Charter

This Charter was last approved by the Board on June 8, 2021.

CERTIFICATE OF THE CORPORATION

Dated: June 11, 2021

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the issuer as required by the securities legislation of the Province of Ontario.

(signed) "Jamie D'Alimonte"	*(signed) "Darren Peddle"*
Chief Executive Officer	Chief Financial Officer

On Behalf of the Board of Directors

(signed) "Carl Mastronardi"	*(signed) "Martin Komsa"*
Director	Director

CERTIFICATE OF THE PROMOTERS

Dated: June 11, 2021

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the issuer as required by the securities legislation of the Province of Ontario.

(signed) "Jamie D'Alimonte"
Chief Executive Officer

(signed) "Darren Peddle"
Chief Financial Officer

(signed) "Carl Mastronardi"
President