

## EARLY WARNING REPORT

### PURSUANT TO NATIONAL INSTRUMENT 62-103 - THE EARLY WARNING SYSTEM AND RELATED TAKE-OVER BID AND INSIDER REPORTING ISSUES

#### Item 1 – Security and Reporting Issuer

**1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.**

**Securities:** Common shares in the capital of Greenway Greenhouse Cannabis Corporation (the “**Common Shares**”)

**Issuer:** Greenway Greenhouse Cannabis Corporation (“**Greenway**”)  
1478 Seacliff Drive  
Kingsville, ON N9Y 2M2

**1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.**

Not applicable. Please see item 2.2 below.

#### Item 2 – Identity of the Acquiror

**2.1 State the name and address of the acquiror.**

Sunrite Greenhouses Ltd. (“**Sunrite**”)  
1414 Seacliff Drive  
Kingsville, ON N9Y 2M2

**2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.**

On September 3, 2021 Greenway filed and received a receipt for its final non-offering long form prospectus filed with the Ontario Securities Commission (the “**Prospectus**”) in order to become a reporting issuer in the Province of Ontario triggering the obligation for Sunrite to file this report.

**2.3 State the names of any joint actors.**

Not applicable.

#### Item 3 – Interest in Securities of the Reporting Issuer

**3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror’s securityholding percentage in the class of securities.**

Both before and after filing of the Prospectus, Sunrite beneficially owns 100,000,000 Common Shares representing 82.22% of the issued and outstanding Common Shares on a non-diluted basis.

**3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.**

Please see item 3.1 above.

**3.3 If the transaction involved a securities lending arrangement, state that fact.**

Not applicable.

**3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.**

Please see item 3.1 above.

**3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which**

**(a) the acquiror, either alone or together with any joint actors, has ownership and control,**

Please see item 3.1 above.

**(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**

Not applicable.

**(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

**3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's security holdings.**

Not applicable.

**3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

**State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.**

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

#### **Item 4 – Consideration Paid**

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

See section 4.2.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

Sunrite is a founding shareholder of Greenway. On August 9, 2018, Greenway 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, Greenway entered into an agreement of purchase and sale with Sunrite providing for the acquisition from Sunrite of the greenhouse facility located at 620 Essex County Road 37, Leamington, Ontario, N0P 2P0 for an aggregate purchase price (the “**Purchase Price**”) of \$8,175,000. 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 Greenway to Sunrite 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. In the intervening years, Sunrite disposed of shares bringing its ownership to 100,000,000 Common Shares.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

Please see item 4.2 above.

#### **Item 5 – Purpose of the Transaction**

**State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:**

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**

- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;
- (f) a material change in the reporting issuer's business or corporate structure;
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

The filing of the Prospectus by Greenway was completed in order to become a reporting issuer in the Province of Ontario. Sunrite acquired the Common Shares for investment purposes. Depending on market and other conditions, or as future circumstances may dictate, Sunrite may increase or decrease the number of securities it holds, or may continue to hold its current position. Sunrite currently has no other plans or intentions that relate to, or would result in the matters listed in clauses (a) to (k), above.

**Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

**Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.**

Not applicable.

**Item 7 – Change in material fact**

**If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.**

Not applicable.

**Item 8 – Exemption**

**If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.**

Not applicable.

**Item 9 – Certification**

I, as the acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

**DATED** this 7 day of September, 2021.

**SUNRITE GREENHOUSES LTD.**

Per: (signed) “Jamie D’Alimonte”  
Jamie D’Alimonte  
Chief Executive Officer