



Greenway
Greenhouse
Cannabis
Corporation

GREENWAY GREENHOUSE CANNABIS CORPORATION
REVISED CONDENSED INTERIM FINANCIAL STATEMENTS

For the Three and Nine Month Periods Ended
December 31, 2021

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these interim financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Greenway Greenhouse Cannabis Corporation
Amended Condensed Interim Statements of Financial Position
(Unaudited - in Canadian dollars)

		December 31,	March 31,
		2021	2021
	Notes	\$	\$
Assets			
Current assets			
Cash and short-term deposits		9,559,371	3,456,555
Accounts receivable		498,808	-
Government remittances receivable		182,585	50,024
Contractual asset	17	673,530	-
Inventory	5	1,623,800	-
Biological Assets	6	383,923	888,772
Prepaid expenses and deposits		94,663	27,780
		13,016,680	4,423,131
Property, plant and equipment	7	23,309,857	20,687,193
		36,326,537	25,110,324
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	11	1,556,777	896,024
Current portion of lease liabilities	8	331,078	95,488
Current portion of long-term debt	9	6,162,500	457,500
Share capital deposits		-	105,500
		8,050,355	1,554,512
Lease liabilities	8	5,843,763	2,777,990
Long-term debt	9	4,533,393	10,514,063
		18,427,511	14,846,565
Shareholders' Equity			
Share capital	10	22,952,934	13,728,767
Share-based payments reserve	14	5,335,482	5,460,857
Deficit		(10,389,390)	(8,925,865)
		17,899,026	10,263,759
		36,326,537	25,110,324

The accompanying notes are an integral part of these condensed interim financial statements.

 /s/ Jamie D'Alimnote Director

 /s/ Darren Peddel Director

Greenway Greenhouse Cannabis Corporation

Amended Condensed Interim Statements of Income (Loss) and Comprehensive Income (Loss)

(Unaudited - in Canadian dollars)

	Notes	For the three months ended		For the nine months ended	
		December 31,		December 31,	
		2021	2020	2021	2020
		\$	\$	\$	\$
Revenue		512,656	-	1,669,586	-
Cost of sales		285,394	-	910,061	-
Inventory impairment		211,395	-	211,395	-
Gross profit before fair value adjustments		15,867	-	548,130	-
Fair value adjustment on sale of inventory	5	(282,469)	-	(1,083,159)	-
Fair value adjustment on growth of biological assets	6	696,078	-	1,458,455	-
Gross profit		429,476	-	923,426	-
Operating Expenses					
General and administration	16	213,742	144,723	660,290	377,440
Amortization	7	82,495	119,733	457,005	358,869
Share-based compensation	14	102,900	83,619	164,185	253,658
Professional fees		100,811	10,422	234,310	63,121
Marketing and sales		84,186	4,591	159,738	24,998
Research and development		-	5,596	47,730	7,672
Transaction costs		-	-	191,425	-
Bad debt		13,040	-	13,040	-
		597,174	368,684	1,927,723	1,085,758
Operating loss		(167,698)	(368,684)	(1,004,297)	(1,085,758)
Interest income (expense), net	8,9,11	(220,533)	(50,364)	(646,728)	(131,304)
Rental income	8,11	62,500	62,500	187,500	187,500
Net income (loss) and comprehensive income (loss)		(325,731)	(356,548)	(1,463,525)	(1,029,562)
Weighted average number of common shares - basic		122,818,595	167,830,806	129,750,335	167,291,831
Weighted average number of common shares - diluted		122,818,595	167,830,806	129,750,335	167,291,831
Income (loss) per share - basic		(0.00)	(0.00)	(0.01)	(0.01)
Income (loss) per share - diluted		(0.00)	(0.00)	(0.01)	(0.01)

The accompanying notes are an integral part of these condensed interim financial statements.

Greenway Greenhouse Cannabis Corporation
Amended Condensed Interim Statements of Changes in Equity
(Unaudited - in Canadian dollars)

		Number of	Share	Share-based	Deficit	Total
	Notes	common shares	capital	payments		
			amount	reserve		
For the nine months ended December 31, 2020			\$	\$	\$	\$
Balance, March 31, 2020		167,115,439	11,486,629	5,076,754	(7,693,710)	8,869,673
Shares issued	10	487,750	237,200	-	-	237,200
Shares cancelled		-	-	-	-	-
Share-based payments	14	-	-	253,658	-	253,658
Net loss		-	-	-	(1,029,562)	(1,029,562)
Balance, December 31, 2020		167,603,189	11,723,829	5,330,412	(8,723,272)	8,330,969

		Number of	Share	Share-based	Deficit	Total
	Notes	common shares	capital	payments		
			amount	reserve		
For the nine months ended December 31, 2021			\$	\$	\$	\$
Balance, March 31, 2021		171,681,566	13,728,767	5,460,857	(8,925,865)	10,263,759
Shares issued on private placement	10	9,730,728	8,562,107	-	-	8,562,107
Shares cancelled	10	(52,507,547)	-	-	-	-
Stock options exercised	10	970,000	827,750	(455,250)	-	372,500
Share-based payments	14	-	(165,690)	329,875	-	164,185
Net income		-	-	-	(1,463,525)	(1,463,525)
Balance, December 31, 2021		129,874,747	22,952,934	5,335,482	(10,389,390)	17,899,026

The accompanying notes are an integral part of these condensed interim financial statements.

Greenway Greenhouse Cannabis Corporation
Amended Condensed Interim Statements of Cash Flows
(Unaudited - in Canadian dollars)

	For the nine months ended December 31,	
	2021 \$	2020 \$
Cash used in operating activities:		
Net income (loss) for the period	(1,463,525)	(1,029,562)
Items not affecting cash		
Amortization	745,596	358,869
Share-based compensation	164,185	253,658
Amortization of deferred financing fees	29,330	-
Accretion on lease liabilities	240,689	120,175
Fair value adjustment on sale of inventory	1,083,159	-
Fair value adjustment on growth of biological assets	(1,458,455)	-
Changes in non-cash working capital		
Decrease (increase) in:		
Accounts receivable	(498,808)	(70,625)
Government remittances receivable	(132,561)	52,195
Contractual asset	(673,530)	-
Inventory	(547,119)	-
Biological assets	(15,096)	-
Prepaid expenses and deposits	(66,883)	(16,895)
Increase (decrease) in:		
Accounts payable and accrued liabilities	1,135,712	1,469,586
	(1,457,306)	1,137,401
Cash used in investing activity		
Purchase of property, plant and equipment	(576,485)	(5,306,363)
Cash used in financing activities		
Payment of lease liabilities	(387,500)	(187,500)
Proceeds from (repayments of) long-term debt	(305,000)	5,123,917
Share capital deposits	-	(59,126)
Issuance of share capital, net of cash issuance costs	8,829,107	237,200
	8,136,607	5,114,491
Net increase (decrease) in cash	6,102,816	945,529
Cash and short-term deposits, beginning of period	3,456,555	1,443,259
Cash and short-term deposits, end of period	9,559,371	2,388,788

The accompanying notes are an integral part of these condensed interim financial statements.

Greenway Greenhouse Cannabis Corporation

Notes to the Amended Condensed Interim Financial Statements

For the three and nine month periods ended December 31, 2021 and 2020

(Unaudited - in Canadian dollars)

1. Nature of operations

Greenway Greenhouse Cannabis Corporation (the "Company") is licensed to cultivate, process and sell (B2B) under the *Cannabis Act* (Canada), having obtained its standard nursery licence on July 24, 2020 and its standard cultivation licence on February 5, 2021. The Company's majority shareholder is Sunrite Greenhouses Ltd.

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 July 27, 2022.

2. Amendment

The amended condensed interim financial statements for the three and nine months ended December 31, 2021 have been amended as a result of collection criteria not being met under IFRS 15. Inventory of \$673,530 had been transferred to Agro-Greens Naturals Ltd. under an arrangement for which a contract asset was established. The impact of the change in accounting for the transaction on the condensed interim statement of income and comprehensive income for the three and nine months ended December 31, 2021 is set out below:

	For the three months ended December 31, 2021	For the nine months ended December 31, 2021
Previously reported net loss and comprehensive loss	(460,431)	(1,598,225)
Reversal of revenue	673,530	673,530
Reclassification of cost of sales to contractual asset	(673,530)	(673,530)
Reversal of bad debt expense	134,700	134,700
Amended net loss and comprehensive loss	(325,731)	(1,463,525)

The impact on the amended condensed interim statement of financial position is set out below:

	December 31, 2021
Previously reported deficit	(10,524,090)
Reversal of accounts receivable	(565,772)
Reversal of government remittances payable	26,942
Recognition of contractual asset	673,530
Amended deficit	(10,389,390)

Greenway Greenhouse Cannabis Corporation

Notes to the Amended Condensed Interim Financial Statements

For the three and nine month periods ended December 31, 2021 and 2020

(Unaudited - in Canadian dollars)

3. Basis of presentation

a) Statement of compliance

The Company's condensed interim financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting". These condensed interim financial statements do not include all notes of the type normally included within the annual financial report and should be read in conjunction with the audited financial statements of the Company for the year ended March 31, 2021, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

b) Basis of presentation and measurement

These condensed interim 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.

Greenway Greenhouse Cannabis Corporation

Notes to the Amended Condensed Interim Financial Statements

For the three and nine month periods ended December 31, 2021 and 2020

(Unaudited - in Canadian dollars)

4. Significant accounting policies

These condensed interim financial statements have been prepared following the same accounting policies used in the preparation of the audited financial statements of the Company for the year ended March 31, 2021. For comparative purposes, the Company has reclassified certain immaterial items on the condensed interim statements of financial position and the condensed interim statements of income (loss) and comprehensive income (loss) to conform with the current period's presentation.

5. Inventory

The following is a summary of inventory activity for the nine months ended December 31, 2021:

Balance at March 31, 2021	-
Transferred from biological assets on harvest	3,393,540
Processing costs capitalized	897,010
Inventory sold – cash and amortization costs	(1,583,591)
Biological transformation adjustment relieved from inventory	(1,083,159)
Balance at December 31, 2021	\$ 1,623,800

6. Biological assets

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

Balance at March 31, 2020	-
Biological transformation adjustment	487,877
Growing costs capitalized	400,895
Balance at March 31, 2021	888,772
Biological transformation adjustment	1,458,455
Growing costs capitalized	1,430,236
Transferred to inventory upon harvest	(3,393,540)
Balance at December 31, 2021	\$ 383,923

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.

Greenway Greenhouse Cannabis Corporation

Notes to the Amended Condensed Interim Financial Statements

For the three and nine month periods ended December 31, 2021 and 2020

(Unaudited - in Canadian dollars)

6. Biological assets (continued)

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.

The following table quantifies each significant unobservable input:

	December 31, 2021	March 31, 2021
Weighted average expected loss of plants until harvest	1%	1%
Expected dry-bud yield (average grams per plant)	175 - 300 grams	200 - 300 grams
Expected number of growing weeks	14 - 18 weeks	14 - 18 weeks
Estimated selling price of dry bud (per gram)	\$1.20	\$1.40
Post-harvest cost to complete and sell (per gram)	\$0.19	\$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 December 31, 2021 which would be reported on the statements of loss and comprehensive loss:

	December 31, 2021	March 31, 2021
	\$	\$
Weighted average expected loss of plants until harvest	388	901
Expected dry-bud yield (average grams per plant)	38,392	88,880
Expected number of growing weeks	34,902	56,269
Estimated selling price of dry bud (per gram)	35,168	86,654
Post-harvest cost to complete and sell (per gram)	5,568	15,477

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Notes to the Amended Condensed Interim Financial Statements

For the three and nine month periods ended December 31, 2021 and 2020

(Unaudited - in Canadian dollars)

7. Property, plant, and equipment

	Land	Greenhouse	Building	Warehouse equipment	Leasehold improvements	Production equipment	Office furniture and computer equipment	Right-of-use assets	Total
Cost	\$	\$	\$	\$	\$	\$	\$	\$	\$
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
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
Additions	—	—	—	—	50,687	77,448	187,736	3,448,174	3,764,045
Adjustment	(11,001)	(142,174)	(3,200)	(1,600)	(56,370)	—	—	—	(214,345)
December 31, 2021	551,299	7,342,332	200,400	100,200	10,329,932	183,925	217,212	6,490,652	25,415,952
Accumulated amortization									
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
March 31, 2021	—	748,450	25,450	20,360	70,420	4,259	18,549	291,571	1,179,059
Amortization	—	226,668	7,695	6,156	426,951	8,712	21,822	229,032	927,036
December 31, 2021	—	975,118	33,145	26,516	497,371	12,971	40,371	520,603	2,106,095
Net book value									
March 31, 2020	562,300	7,035,436	188,330	89,584	5,086,287	—	10,773	2,903,031	15,875,741
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
December 31, 2021	551,299	6,367,214	167,255	73,684	9,832,561	170,954	176,841	5,970,049	23,309,857

Of the amortization incurred in the three and nine months ended December 31, 2021, \$82,495 and \$457,005 has been allocated to operating expenses (December 31, 2020 - \$119,733 and \$358,869), \$106,224 and \$250,425 to biological assets (December 31, 2020 - \$nil and \$nil), and \$139,467 and \$219,606 to inventory (December 31, 2020 - \$nil and \$nil).

Greenway Greenhouse Cannabis Corporation

Notes to the Amended Condensed Interim Financial Statements

For the three and nine month periods ended December 31, 2021 and 2020

(Unaudited - in Canadian dollars)

8. Lease liabilities

The Company leases two facilities: a greenhouse facility from Via Verde Hydroponics Ltd., a company related by way of common ownership with the majority shareholder of the Company, and an indoor nursery facility from Sunrite Greenhouses Ltd., the majority shareholder. Both leases mature on April 30, 2039.

March 31, 2020	\$	2,963,867
Lease payments		(250,000)
Interest expense		159,611
March 31, 2021		2,873,478
Additions		3,448,174
Lease payments		(387,500)
Interest expense		240,689
December 31, 2021	\$	6,174,841

During the three and nine months ended December 31, 2021, interest expense on lease liabilities of \$84,759 and \$240,689, respectively (December 31, 2020 - \$39,749 and \$120,175) were recognized on the statements of loss and comprehensive loss.

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 December 31, 2021 is as follows:

	\$
Year ending March 31, 2022	137,500
Year ending March 31, 2023	550,000
Year ending March 31, 2024	550,000
Year ending March 31, 2025	550,000
Year ending March 31, 2026	550,000
Thereafter	7,220,833
	9,558,333
Interest due over the term of the lease	3,383,492
	6,174,841
Less Current portion	331,078
	5,843,763

Greenway Greenhouse Cannabis Corporation

Notes to the Amended Condensed Interim Financial Statements

For the three and nine month periods ended December 31, 2021 and 2020

(Unaudited - in Canadian dollars)

9. Long-term debt

	December 31, 2021	March 31, 2021
	\$	\$
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, due in December 2022	5,795,000	6,100,000
Subordinated Credit Facility - \$4,900,000 - 5.50%, with a 10-year amortization commencing April 2022	4,900,000	4,900,000
Other	40,000	40,000
	10,735,000	11,040,000
Deduct		
Unamortized financing fees on bank credit facil	39,107	68,437
Principal portion included in current liabilities	6,162,500	457,500
	4,533,393	10,514,063

Total long-term debt repayments are as follows:

	\$
Next 12 months	6,162,500
2 years	530,000
3 years	490,000
4 years	490,000
5 years	490,000
Thereafter	2,572,500
Balance of obligation	10,735,000

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. Currently the interest rate is prime + 2.0%. Under the terms of the facility, the Company must satisfy certain restrictive covenants which were not met at December 31, 2021. For this reason and because the loan is due within 12 months, the balance has been presented in current liabilities. 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.

During the three and nine months ended December 31, 2021, interest expense on long-term debt of \$133,347 and \$403,733, respectively (December 31, 2020 - \$nil and \$nil) and deferred financing fees of \$9,776 and \$29,330 (2020 - \$nil and \$nil) were recognized on the statements of loss and comprehensive loss.

Greenway Greenhouse Cannabis Corporation

Notes to the Amended Condensed Interim Financial Statements

For the three and nine month periods ended December 31, 2021 and 2020

(Unaudited - in Canadian dollars)

10. Share capital

Authorized

An unlimited number of common shares

Issued

There are 129,874,747 common shares issued and outstanding at December 31, 2021 (March 31, 2021 – 171,681,566). Shares issued during the period ended December 31, 2021 were as follows:

Activity

During the nine month period ended December 31, 2021, the Company issued 2,458,000 common shares at \$0.50 per share for proceeds of \$1,229,000 and 7,272,728 units, with each unit consisting of one common share and one common share purchase warrant for \$1.10 per unit for gross proceeds of \$8,000,000. Share issuance costs during that period amounted to \$666,893.

During the nine-month period ended December 31, 2021, the majority shareholder surrendered 52,507,547 shares of the Company which were subsequently cancelled.

During the nine month period ended December 31, 2021, a total of 970,000 common shares were issued from the exercise of stock options with total gross proceeds of \$372,500. Additionally, \$455,250 has been transferred from share-based payments reserve to share capital.

11. Related party transactions

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

	For the three months ended December 31		For the nine months ended December 31	
	2021	2020	2021	2020
	\$	\$	\$	\$
Management and directors' fees	76,857	19,779	174,984	53,545
Share-based compensation	102,900	49,075	151,700	147,225
	156,681	68,854	303,608	200,770

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

Greenway Greenhouse Cannabis Corporation

Notes to the Amended Condensed Interim Financial Statements

For the three and nine month periods ended December 31, 2021 and 2020

(Unaudited - in Canadian dollars)

11. Related party transactions (continued)

The Company shares certain economic resources with related parties resulting in the following expenses billed in the three and nine-month periods ended December 31, 2021 and December 31, 2020, from related parties:

Description	Company		For the		For the	
			three	2020	nine	2020
			months		months	
			ended		ended	
			December		December	
			31		31	
			2021		2021	
			\$	\$	\$	\$
General labour	Via Verde Hydroponics Ltd.	Cost of sales	191,920	-	711,424	-
General labour	Sunrite Greenhouses Ltd.	Cost of sales	26,775	-	139,104	-
Utilities	Via Verde Hydroponics Ltd.	Cost of sales	97,685	-	241,597	-
Administrative wages	Del Fresco Produce Ltd.	General and administration	-	-	20,846	-
Insurance	Via Verde Hydroponics Ltd.	General and administration	15,547	-	30,647	-
Property taxes	Via Verde Hydroponics Ltd.	General and administration	-	-	-	-
Executive wages	Del Fresco Produce Ltd.	General and administration	31,715	16,134	95,732	45,000
Interest	Sunrite Greenhouses Ltd.	Interest expense	67,375	-	202,125	-

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 6.

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.

December 31, 2021, there was a balance owing to related parties of \$1,139,342 (March 31, 2021 - \$nil) included in accounts payable and accrued liabilities.

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

Greenway Greenhouse Cannabis Corporation

Notes to the Amended Condensed Interim Financial Statements

For the three and nine month periods ended December 31, 2021 and 2020

(Unaudited - in Canadian dollars)

12. Income taxes

No deferred tax provision is required for the period ended December 31, 2021 as the Company continues to sustain losses and deductible temporary differences remain unrecognized.

13. 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 (see note 8). Other than these items related to loans payable, as of December 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.

14. Stock options

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

	Number of Options	Weighted average exercise price \$
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
March 31, 2021	10,154,440	0.35
Granted during the period	678,560	1.13
Exercised during the period	(970,000)	0.38
Outstanding at December 31, 2021	9,863,000	0.40
Exercisable at December 31, 2021	8,923,740	0.36

Greenway Greenhouse Cannabis Corporation

Notes to the Amended Condensed Interim Financial Statements

For the three and nine month periods ended December 31, 2021 and 2020

(Unaudited - in Canadian dollars)

14. Stock options (continued)

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

Expiry date	Options outstanding	Options exercisable	Exercise price \$
September 22, 2023	5,550,000	5,350,000	0.25
September 22, 2024	3,813,000	3,448,740	0.50
November 25, 2024	500,000	125,000	1.35
Balance, December 31, 2021	9,863,000	8,923,740	0.36

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

	December 31,	
	2021	2020
Share price	\$ 0.50 – 1.35	\$ 0.50
Exercise price	\$ 0.50 – 1.35	\$ 0.50
Expected life	3 years	3 - 4 years
Volatility	70%	53%
Dividend yield	0%	0%
Risk – free interest rate	0.73% - 1.16%	0.23% - 0.73%

During the three and nine months ended December 31, 2021, the Company recognized \$102,900 and \$164,185 (December 31, 2020 - \$83,619 and \$253,658) in share-based compensation in connection with the options granted.

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Notes to the Amended Condensed Interim Financial Statements

For the three and nine month periods ended December 31, 2021 and 2020

(Unaudited - in Canadian dollars)

15. Warrants

The Company's warrants as at December 31, 2021 are as follows:

	Number of Warrants	Exercise price \$
March 31, 2020	-	-
Issued during the year	-	-
March 31, 2021	-	-
Issued in December 2021	7,272,728	1.65
Exercised during the period	-	-
Expired during the period	-	-
Outstanding at December 31, 2021	7,272,728	1.65

All of the above warrants expire on September 24, 2022. The company intends to make reasonable efforts to list the warrants for trading on the Canadian Securities Exchange ("CSE").

As at December 31, 2021, the following finders' warrants were outstanding:

	Number of finders' warrants	Exercise price \$
March 31, 2020	-	-
Issued during the year	-	-
March 31, 2021	-	-
Issued in December 2021	502,090	1.65
Exercised during the period	-	-
Expired during the period	-	-
Outstanding at December 31, 2021	502,090	1.65

All of the above finders' warrants expire on December 24, 2023.

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16. General and administrative expenses

	For the three months ended		For the nine months ended	
	December 31,		December 31,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Management and directors' fees	75,992	19,779	174,119	53,545
Office and general	47,094	19,506	184,035	43,975
Salaries and wages	61,945	95,564	185,494	216,203
Insurance	28,711	-	51,311	-
Repairs and maintenance	-	9,874	65,331	63,717
	213,742	144,723	660,290	377,440

For the three months ended December 31, 2021, the Company reclassified repairs and maintenance to cost of sales.

17. Contractual asset

During the year ended March 31, 2022, inventory of \$673,530 was transferred to a customer under an arrangement for which a contract asset was established as collection criteria had not been met under IFRS 15.

18. Earnings (loss) per share

The calculation of earnings (loss) per share for the nine months ended December 31, 2021 and 2020 is calculated as follows:

	2021	2020
Basic loss per share:		
Net income (loss) for the period	\$ (1,463,525)	\$ (1,029,562)
Average number of common shares outstanding during the period	129,750,335	167,291,831
Earnings (loss) per share - basic	\$ (0.01)	\$ (0.01)
	2021	2020
Diluted loss per share:		
Net income (loss) for the period	\$ (1,463,525)	\$ (1,029,562)
Average number of common shares outstanding during the period	129,750,335	167,291,831
"In the money" options outstanding during the period (i)	-	-
	129,750,335	167,291,831
Earnings (loss) per share - diluted	\$ (0.01)	\$ (0.01)

- (i) 9,363,000 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.

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(Unaudited - in Canadian dollars)

19. Risk Management

19.1 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 December 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.

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 December 31, 2021, the most significant financial liabilities are accounts payable and accrued liabilities, lease liability and long-term debt.

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For the three and nine month periods ended December 31, 2021 and 2020

(Unaudited - in Canadian dollars)

19.1 Financial Risk Management (continued)

As at December 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	1,556,777	-	-	-	-	1,556,778
Lease liabilities	550,000	550,000	550,000	550,000	3,974,841	6,174,841
Long-term debt	6,162,500	530,000	490,000	490,000	3,062,500	10,735,000
	8,269,277	1,080,000	1,040,000	1,040,000	7,037,341	18,466,618

d) 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.

19.2 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).

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Notes to the Amended Condensed Interim Financial Statements

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20. Subsequent Events

Subsequent to December 31, 2021, the Company committed to expand its nursery and cultivation facilities, including processing space, with a projected aggregate budget of \$15 million.