GREENWAY GREENHOUSE CANNABIS CORPORATION

MANAGEMENT'S DISCUSSION & ANALYSIS

For the Year Ended
March 31, 2022

Greenway Greenhouse Cannabis Corporation

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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 year ended March 31, 2022, and the comparable period in 2021. It is supplemental to, and should be read in conjunction with, the Company's audited annual financial statements and the accompanying notes for the year ended March 31, 2022 (the "Financial Statements"), and the audited annual financial statements for the year 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 ("Adjusted 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 tax expense (recovery), plus (minus) interest expense (income), net, minus rental income, plus (minus) non-cash fair value adjustment on sale of inventory, plus (minus) non-cash fair value adjustment on growth 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.

This 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 July 29, 2022.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A 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", "Highlights for the Period", "Results of Operations", and "Liquidity." 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. 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 Company's long form non-offering prospectus dated September 3, 2021 and filed under the Company's profile at www.sedar.com (the "Prospectus"). Some of the risks which could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein include:

- impact of novel coronavirus "COVID-19";
- ability to raise required additional capital;
- limited operating history;
- ability to achieve revenue growth and development;
- ability to realize growth targets;
- forward looking statements may prove to be inaccurate;
- costs related to its investment in infrastructure, growth, research and development, regulatory compliance and operations;
- inability to turn a profit or generate immediate revenues;
- operating in a novel industry;
- supply and demand fluctuations;
- inaccuracy of market data;
- regulatory risks and uncertainties;
- supply chain issues;
- reliance on a single facility;
- uncertainty of licensing and regulatory approvals;
- regulatory compliance risks;
- marketing limitations in regulated industry;
- effect of rapid growth and consolidation on key relationships;
- industry competition;
- effect of negative publicity;
- effect of end of product for consumer;
- product development and profitability;
- novel products and market competition;
- effect of clinical research on public perception and medical efficacy, safety and social acceptance;
- consumer preference and customer retention;
- impact of Canadian Free Trade Agreement;
- compliance with import and export laws;
- attraction and retention of key personnel;
- impact of entering into strategic alliances, contractual relationships, joint ventures or other relationships;
- impact of future acquisitions or dispositions;
- agricultural risks;
- disruption of key utilities and lack of skilled labour;
- rising energy costs;
- efficacy of quality control systems;
- product recalls;
- product liability;

- safety, health and environmental laws and regulations;
- fraudulent or illegal activity by employees, contractors and consultants;
- litigation;
- reliance on information technology systems and potential impact of cyber-attacks;
- liability or the threat of liability in relation to personal and confidential information;
- protection and enforcement of intellectual property rights, or intellectual property it licensed from others;
- breaches of security;
- incurring additional indebtedness;
- adequate internal controls over financial reporting;
- material weakness in its internal controls and loss of confidence;
- negative operating cash flow;
- credit risk;
- changes to tax and accounting requirements;
- securing adequate insurance;
- accuracy of forward looking statements;
- the price of the Common Shares in public markets may experience significant fluctuations;
- impact of published content and research from industry analysts;
- dilution of current shareholders through additional share issuances from treasury;
- no anticipated dividends; and
- ongoing reporting requirements under applicable securities laws and stock exchange policies.

Although the forward-looking statements contained in this MD&A are based upon what management currently believes to be reasonable assumptions, the Company cannot provide any assurance that actual results, performance or achievements will be consistent with these forward-looking statements. In particular, management of the Company have made assumptions regarding, among other things:

i. the availability of financing at all or on reasonable terms;
ii. the Company's ability to successfully execute its plans and intentions, including with respect to expansion of the Company'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 Company's ability to attract and retain skilled staff;
vi. market competition, including the products and technology offered by the Company'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. The above risks, uncertainties, assumptions and other factors could cause Greenway's actual results, performance, achievements and experience to differ materially from Greenway's expectations, future results, performances or achievements expressed or implied by the forward-looking statements.

In addition to the factors set out above and those identified under "Risk Factors" in this MD&A, other factors not currently viewed as material could cause actual results to differ materially from those described in the forward-looking statements. Although Greenway has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to be anticipated, estimated or intended. Accordingly, readers should not place any undue reliance on forward-looking statements.

DESCRIPTION OF BUSINESS

Greenway is licensed to cultivate, process and sell (B2B) under the Cannabis Act (Canada), having obtained its nursery licence and standard cultivation licence (collectively, the "Licences") pursuant thereto. 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 ("Licensees"). 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 has a licensed indoor nursery as well as a separate licensed greenhouse for standard cultivation. The nursery is currently used to safely store and maintain mother plants and genetics, as well as to propagate clones and vegetative plants for the greenhouse. Due to the propagation services being conducted at the nursery, nearly the entire footprint of the greenhouse is used for flowering cannabis plants. The licensed greenhouse facility is approximately 41,750 square feet (excluding processing and office space) within a produce greenhouse facility that is currently operating an aggregate of approximately 1,800,000 square feet (inclusive of Greenway's cultivation facility). Greenway has the right to expand within the facility and may do so in the future. The estimated production capacity is 6,000 kilograms per year or approximately 150 grams per square foot per annum. The Company is currently selling the following cannabis strains: Sun County Kush, Lemon Pound Cake, Blackberry Gelato and GG9.

The Company is a reporting issuer in the Province of Ontario and its common shares (the "Common Shares") are currently listed on the Canadian Securities Exchange ("CSE") under the symbol "GWAY", and warrants of the Company are listed under "GWAY.wt".

HIGHLIGHTS FOR THE PERIOD

The following highlights occurred during the twelve month period ended March, 2022:

On May 5, 2021, the Company closed the final tranche of a private placement and issued 2,458,000 Common Shares from treasury for $0.50 per share. The Company paid aggregate finders fees and administrative fees of $16,214 related to the tranche. The net cash proceeds of $1,212,786 were used for working capital purposes.

On May 11, 2021, the Company finished harvesting the final area of its first crop of cannabis. At June 30, 2021, all product was within the processing cycle (drying, bucking, curing, trimming, packaging). The entire grow period, from cloning to harvest, was approximately 18 weeks. The length of this grow period was greater than expected, as the period in the Company's nursery located at 1478 Seacliff Drive, Kingsville, Ontario (the "Nursery") was extended while the Company waited to receive the standard cultivation license from Health Canada for the greenhouse and processing facility located 1102 Mersea Road 5 in Leamington, Ontario (the "Cultivation Facility"). In future periods, management expects the plants to grow for 4 to 5 weeks in the Nursery and 9 to 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 July 28, 2021, the first shipment of bulk packaged, dried cannabis was received by a customer and the first cannabis revenue was recorded by the Company. During the three months ended September 30, 2021, the Company sold and shipped 1,008,765 grams of cannabis to six customers, representing approximately 64% of its first harvested crop.

The Company harvested its second crop during this period, which was still in processing at quarter-end. The Company experienced challenging growing conditions in the summer of 2021 due to unusually high temperatures and humidity levels. Yields are expected to be lower in summer crops, and the Company expects to compensate for this with improved yield rates for the remainder of the fiscal year.

On September 3, 2021, the Company filed the Prospectus and on September 21, 2021, the Common Shares began trading on the CSE.

The Company announced via press release on October 19, 2021, that its unique strains, *Sun County Kush* and *Blackberry Gelato,* are now available on the Ontario Cannabis Store ("OCS") and retail stores via white labelled retail store products. They are also available in Alberta, Manitoba, Saskatchewan, and British Columbia.

On December 24, 2021 the Company announced the closing of a non-brokered private placement of 7,272,728 units (the "Units") at an issuance price of $1.10 per Unit, with each Unit consisting of one Common Share and one common share purchase warrant (the "Warrants"), and with each Warrant being exercisable for one Common Share at an exercise price of $1.65 per share for a period of nine months from the date of issuance (the "December 2021 Offering"). In connection with the December 2021 Offering, the Company announced that it entered into an exclusive fiscal advisory agreement with Abingdon Capital Corporation, an exempt market dealer. The December 2021 Offering was fully subscribed, raising aggregate gross proceeds of $8,000,000.

The Company acknowledged via a press release on February 21, 2022 one year of operation since receiving their cultivation license on February 5, 2021. Over that time, the Company saw a 33% increase in THC potency and a 25% increase in terpene production and retention on its dried bud products.

The Company announced via a press release on February 28, 2022 a plan to expand both their Cultivation and Nursery facilities. In total, the increased capacity would see a 300% increase in output and production capacity. The project has a budget of $15,000,000, an expected completion and utilization date of Q1 2024 and will see a 300% increase in flowering space, a 46.6% increase in processing space, and a 430% increase to the Nursery. Combined, this will increase the Company's production capacity to 24, 000 kilograms per year, and an estimated potential of $20m EBITDA when running at full capacity.

The Company acknowledged via a press release on March 24, 2022 that Greenway had been included in the CSE 25 Index™ ("CSE25"), a subset of the Canadian Securities Exchange (CSE) Composite Index containing the securities of the twenty-five largest index companies by market capitalization.

As of the year ended March 31, 2022, inventory of $673,530 had been transferred to Agro-Greens Naturals Ltd. under an arrangement for which the contract asset was established. As collection criteria had not been met under IFRS 15, it was subsequently determined that the value of goods transferred is not expected to be recoverable. The balance of the contract asset is considered to be fully impaired as at March 31, 2022.

In the three month period ended March 31st, 2022, the Company realized less revenue than prior periods as it was in the process of onboarding new customers for products that had previously been allocated to Agro-Greens Naturals Ltd. In the last few days of the period ending March 31, 2022, a substantial amount of cannabis was in transit to these new customers, of which will be recorded as revenue in the subsequent period.

OVERALL PERFORMANCE

During the year ended March 31, 2022, the Company generated cannabis revenue of $1,984,317, which consists of $1,742,334 from cannabis flower and kief, and $241,983 from trim. Cost of sales was $1,020,319 resulting in a gross margin before inventory impairment and fair value adjustments of 48.6%. Inventory impairment in the period was $211,395.

The net assets of the Company increased from $10,263,759 as at March 31, 2021 to $16,860,191 at March 31, 2022, an increase of $6,596,432. The assets at March 31, 2022 consist primarily of property, plant and equipment of $24,643,771 (March 31, 2021 - $20,687,193), cash and short-term deposits of $7,480,082 (March 31, 2021 – $3,456,555), accounts receivable of $288,634 (March 31, 2021 - $nil), inventory of $2,325,518 (March 31, 2021 - $nil), biological assets of $459,442 (March 31, 2021 - $888,772), and government remittances receivable and prepaid expenses and deposits of $434,542 (March 31, 2021 - $77,804).

Liabilities as of March 31, 2022 consist of accounts payable and accrued liabilities of $2,097,258 (March 31, 2021 - $896,024), share capital deposits of $nil (March 31, 2021 - $105,500), lease liabilities of $5,900,370 (March 31, 2021 - $2,777,990), and long-term debt of $4,900,000 (March 31, 2021 - $10,514,063). The current portion of lease liabilities and long-term debt were $221,000 (March 31, 2021 - $95,488) and $5,653,170 (March 31, 2021 - $457,500) respectively.

RESULTS OF OPERATIONS

Greenway Greenhouse Cannabis Corporation

Statements of Loss and Comprehensive Loss

(expressed in Canadian dollars)

	For the three months ended March 31		For the year ended March 31	
	2022	2021	**2022**	2021
	$	$	**$**	$
Revenue	**314,731**	-	**1,984,317**	-
Cost of sales	**110,258**	-	**1,020,319**	-
Inventory impairment	**-**	-	**211,395**	-
Gross profit before fair value adjustments	**204,473**	-	**752,603**	-
Fair value adjustment on sale of inventory	**575,458**	-	**(507,701)**	-
Fair value adjustment on growth of biological assets	**(859,339)**	487,877	**599,116**	487,877
Gross profit	**(79,408)**	**487,877**	**844,018**	**487,877**
Operating Expenses				
General and administration	**205,558**	226,881	**865,848**	604,321
Amortization	**81,002**	157,083	**538,007**	515,952
Share-based compensation	**148,599**	130,445	**312,784**	384,103
Professional fees	**86,699**	121,665	**321,009**	184,786
Marketing and sales	**43,915**	5,860	**203,653**	30,858
Research and development	**-**	3,260	**47,278**	10,932
Impairment of contractual asset	**673,530**	-	**673,530**	-
Transaction costs	**-**	-	**191,425**	-
Bad debt	**-**	-	**13,040**	-
	1,239,303	645,194	**3,166,574**	1,730,952
Operating loss	**(1,318,711)**	(157,317)	**(2,322,556)**	(1,243,075)
Interest expense	**(203,630)**	(107,776)	**(850,358)**	(239,080)
Rental income	**62,500**	62,500	**250,000**	250,000
Loss and comprehensive loss	**(1,459,841)**	**(202,593)**	**(2,922,914)**	**(1,232,155)**
Weighted average number of common shares - basic	**129,905,231**	167,302,996	**129,905,231**	167,302,996
Weighted average number of common shares - diluted	**129,905,231**	167,302,996	**129,905,231**	167,302,996
Loss per share - basic	**(0.01)**	**(0.00)**	**(0.02)**	**(0.01)**
Loss per share - diluted	**(0.01)**	**(0.00)**	**(0.02)**	**(0.01)**

The following highlights the key operating results during the year ended March 31, 2022.

During the year ended March 31, 2022, the Company incurred a loss and comprehensive loss of $2,922,914 (2021 - $1,232,155). The loss and comprehensive loss for the period consists primarily of the following:

- Revenue of $1,984,317 from the sale of cannabis products (2021 – $nil). This consists of $1,742,334 from flower and kief, and $241,983 from trim.

- Cost of sales was $1,020,319 (2021 – nil), which consisted of: $636,340 cash inventory expenses (2021 – nil), $175,293 depreciation inventory expenses (2021 – nil), $66,544 shipping expenses (2021 – nil), and $142,142 repairs and maintenance (2021 – nil).

- Inventory impairment of $211,395 (2021 - $nil) arose from a cultivar that was grown in our nursery, and when transferred to our cultivation facility upon licensing did not meet our stringent specifications for sale. As such, it has been discontinued and is not considered to be a routine cost.

- Fair value adjustment on sale of inventory was ($507,701) (2021 - $nil) to recognize that cannabis products were allocated fair value recognition in prior periods, based on management's prior assumptions, and were sold in the current twelve month period.

- Fair value adjustment on growth of biological assets of $599,116 (2021 - $487,877) represents the fair value portion to adjust the asset to fair market value less costs to sell.

- General and administration expenses consist of management and directors' fees of $263,220 (2021 - $185,396), office and general of $247,191 (2021 - $111,368), salaries and wages of $277,172 (2021 - $149,948), insurance of $78,265 (2021 – $42,254) and repairs and maintenance of $nil (2021 - $115,355. The net increase of $261,527 was driven by an increase in the number of employees and directors, increased cash compensation for independent directors, and general overhead as the Company commenced operations, offset by repairs and maintenance expenses that have been reclassified to cost of sales commencing in the second quarter.

- Amortization expense of $538,007 (2021 - $515,952) consists of the property, plant, and equipment amortization, as well as amortization of the right-of-use asset. This was an increase of $22,055 from the prior period.

- Share-based compensation of $312,784 (2021 - $384,103) consists of the non-cash fair value as measured by the Black-Scholes option pricing model. The current period expense is based on 1,061,387 (2021 – 1,542,940) stock options granted and vested.

- Professional fees of $321,009 (2021 - $184,786) consist primarily of quarterly review and annual audit fees from external auditors, corporate secretary services and other miscellaneous legal fees. Legal and auditor services have increased due to the Company listing its Common Shares on the CSE.

- Marketing and sales expense of $203,653 (2021 - $30,858) consists primarily of sales commissions, public relations services and promotional materials with respect to the Company and to cannabis products.

- Research and development expense of $47,278 (2021 – $10,932) consists primarily of labour, materials, utilities and lab testing services for production development of cannabis strains but did not occur in this period. In the prior period, minimal activity was conducted in the Nursery, as the main facility (greenhouse) did not receive its licence until February 2021.

- Impairment of $673,530 (2021 - $nil) on a contractual asset for inventory that was transferred under an arrangement for which a contract asset was established as revenue recognition criteria under IFRS 15 was not met. It was subsequently determined that the value of the goods transferred is not expected to be recoverable, and, as such, the balance of the contract asset is considered to be fully impaired as at March 31, 2022. The Company transferred the last batch of inventory to the respective customer in

December of 2021 and has no intention to enter into a comparable contract or incur an expense of this nature in the future.

- Bad debt expense of $13,040 (2021 - $nil) has been provided on an outstanding accounts receivable balance and is not considered to be a routine cost.

- Interest expense of $850,358 (2021 - $239,080) consists primarily of interest from long-term debt and lease liabilities. The increase in the expense is attributable to the increase of debt regarding construction of the Cultivation Facility and the additional right-of-use asset/liability recognized in the current period.

- Rental income of $250,000 (2021 - $250,000) consists of renting a separate greenhouse to Sunrite Greenhouses Ltd. for an annual amount of $250,000.

LIQUIDITY

The Company had cash and short-term deposits of $7,480,082 as at March 31, 2022 (March 31, 2021 - $3,456,555). The Company had working capital of $3,016,790 as at March 31, 2022 (March 31, 2021 – $2,868,619). The Company has a credit facility with a major bank of $6,100,000 and, pursuant to such facility, the Company must satisfy certain restricted covenants which were not met as of March 31, 2022. Subsequent to year end, the Company received a waiver for the respective covenants.

Operating Activities

The Company recognized a decrease in cash of $1,972,813 from operating activities during the year ended March 31, 2022 (2021 – $592,081), the decrease of $1,380,732 was primarily due to the fact that business operations were significantly lower in the prior year, as the cultivation licence was awarded in February of 2021.

Investing Activities

The Company used cash of $2,122,222 (2021 - $5,362,404) in investing activities primarily for processing equipment and new software.

Financing activities

During the year ended March 31, 2022, the Company raised aggregate net proceeds of $8,118,562 (2021 - $7,967,781) through the issuance of securities and exercise of stock options, offset by repayments of lease liabilities and long-term debt:

a) In connection with closing a private placement in May 2021 and the December 2021 Offering, the Company raised $9,229,000 of gross cash proceeds, less $666,893 in finders and administrative fees. During the twelve month period, options to purchase 2,020,000 Common Shares were exercised for $647,500.

b) The Company paid $525,000 in lease payments for the Nursery and Greenhouse assets.

c) The Company made $457,500 in principal payments related to its long-term debt to its bank

The Company's Common Shares are listed on the CSE to gain access to the capital markets for further equity financing. 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 three months and year ended March 31, 2022 are summarized as follows:

	For the three months ended March 31,		For the year ended March 31,	
	2022	2021	**2022**	2021
			$	$
Management and directors' fees	**88,236**	131,851	**263,220**	185,396
Share-based compensation	**78,500**	40,975	**230,200**	188,200
	166,736	**172,826**	**493,420**	373,596

As at March 31, 2022, $nil (March 31, 2021- $nil) is owed to 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 the above-noted related parties resulting in the following expenses billed in the year ended March 31, 2022, from related parties:

Description	Related Party		Amount 2022	2021
			$	$
General labour	Via Verde Hydroponics Ltd.	Cost of sales	**825,654**	117,888
General labour	Sunrite Greenhouses Ltd.	Cost of sales	**179,229**	32,086
Utilities	Via Verde Hydroponics Ltd.	Cost of sales	**353,133**	58,287
Administrative Wages	Del Fresco Produce Ltd.	General and admin	**54,509**	-
Insurance	Via Verde Hydroponics Ltd.	General and admin	**32,476**	943
Property taxes	Via Verde Hydroponics Ltd.	General and admin	**-**	1,728
Executive wages	Del Fresco Produce Ltd.	General and admin	**124,432**	62,019
Interest	Sunrite Greenhouses Ltd.	Interest expense	**269,500**	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 Company has also entered into a lease for approximately 10,000 square feet of warehouse space with Sunrite Greenhouses Ltd. for an indoor nursery. The lease agreement commenced May 1, 2021 and the annual rent is $300,000. The corresponding leased assets has been recorded as a right-of-use assets as described in Note 5.

The Company has an operating lease agreement with Sunrite Greenhouses Ltd. ("Sunrite"), 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. The corresponding leased asset has been recorded as a right-of-use asset as described in Note 6 to the Financial Statements.

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

During the year ended March 31, 2022, the Company recorded:

Equity incentives granted and fees paid to the following for services rendered:	Options	Fair Value	Fees paid
		$	$
Carl Mastronardi, Co-Chair and President	-	-	30,289
Jamie D'Alimonte, Co-Chair and CEO	-	-	30,289
Darren Peddle, CFO	-	-	102,642
Dennis Staudt, a Director	500,000	314,000	50,000
Martin Komsa, a Director	-	-	50,000
	500,000	314,000	$263,220

PROPOSED TRANSACTIONS

There are no proposed transactions to disclose.

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	**Classification and measurement under IFRS 9**
Cash	FVTPL
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	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.

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 EBITDA as net income (loss) plus (minus) income tax expense (recovery), plus (minus) interest expense (income), net, minus rental income, plus (minus) non-cash fair value adjustment on sale of inventory, plus (minus) non-cash fair value adjustment on growth 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.

	For the three months ended				**For the year ended**	
	June 30 2021	**Sep. 30 2021**	**Dec 31 2021**	**March 31 2022**	**March 31 2022**	2021
LOSS AND COMPREHENSIVE LOSS	130,762	(1,268,104)	(325,731)	(1,459,841)	(2,922,914)	(1,232,155)
Interest expense	205,195	221,000	220,533	203,630	850,358	239,080
Rental income	(62,500)	(62,500)	(62,500)	(62,500)	(250,000)	(250,000)
Fair value adjustment on sale of inventory	-	800,690	282,469	(575,458)	507,701	-
Fair value adjustment on growth of biological assets	(756,279)	(6,098)	(696,078)	859,339	(599,116)	(487,877)
Amortization - operating	80,255	294,255	82,495	81,002	538,007	515,952
Amortization - cost of sales	-	96,891	77,519	883	175,293	-
Share-based compensation	36,885	24,400	102,900	148,599	312,784	384,103
Transaction costs	19,515	171,910	-	-	191,425	-
Impairment of inventory	-	-	211,395	-	211,395	-
Bad debt	-	-	13,040	-	13,040	-
Impairment of contractual asset	-	-	-	673,530	673,530	-
ADJUSTED EBITDA	**(346,167)**	**272,444**	**(93,958)**	**(130,816)**	**(298,497)**	(830,897)

Inventory impairment arose from a cultivar that was grown in our nursery, and when transferred to our cultivation facility upon licensing did not meet our stringent specifications for sale. As such, it has been discontinued and is not considered to be a routine. Bad debt expense is also considered to be a non-recurring expense.

DISCLOSURE OF OUTSTANDING SHARE DATA

Common Shares

The Company's authorized share capital consists of an unlimited number of Common Shares without par value. As at March 31, 2022 the Company had 130,924,747 (March 31, 2021 – 171,681,566) Common Shares issued and outstanding. The Company closed a private placement and issued 2,458,000 Common Shares on May 5, 2021. On

May 13, 2021, Sunrite voluntarily surrendered 52,507,547 Common Shares to the Company, which were subsequently canceled by the Company.

During the year ended March 31, 2022 the Company issued 7,272,728 Units at $1.10 per Unit for proceeds of $8,000,000. Each Unit consisted of one Common Share and one Warrant. Share issuance costs during that period amounted to $666,893.

During the year ended March 31, 2022, a total of 2,020,000 Common Shares were issued from the exercise of stock options for total gross proceeds of $647,500. Additionally, $927,750 has been transferred from share-based payments reserve to share capital.

Stock options

As at the date hereof, options to purchase up to 8,938,000 Common Shares were outstanding as follows:

Expiry date	Options outstanding	Options exercisable	Exercise price $
Options			
September 22, 2024	4,550,000	4,550,000	0.25
September 22, 2024	3,763,000	3,620,856	0.50
November 25, 2024	500,000	250,000	1.35
February 3, 2025	125,000	-	
Balance, March 31, 2022	**8,938,000**	**8,420,856**	**0.39**

Warrants

As at the date hereof the Company has the following Warrants issued and outstanding:

	Number of Warrants	Exercise price $
March 31, 2021	-	-
Issued in December 2021	7,272,728	1.65
Exercised during the period	-	-
Expired during the period	-	-
Outstanding at March 31, 2022	**7,272,728**	**1.65**

	Number of finders' warrants	Exercise price $
March 31, 2021	-	-

Issued in December 2021	502,090	1.65
Exercised during the period	-	-
Expired during the period	-	-
Outstanding at March 31, 2022	**502,090**	**1.65**

ADDITIONAL INFORMATION

Additional information regarding the Company is contained in the Prospectus which may be viewed under Greenway's SEDAR profile at www.sedar.com.

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. The risks and uncertainties below are not the only ones Greenway faces. Additional risks and uncertainties not presently known to us or that we believe to be immaterial may also adversely affect our business.

SUBSEQUENT EVENTS

Subsequent to March 31, 2022,

- In the month of April 2022, the Company commenced construction of the new expansion to the cultivation facility, termed "GW1". The expansion will increase the cultivation facilities flowering space from 41,750 square feet to approximately 167,000 square feet, as well as increasing the processing space to 22,000 square feet.
- On May 2, 2022, the Company's warrants, of which 7,272,728 units were issued in the non-brokered private placement that closed on December 24, 2021, were listed for trading on the CSE.
- During July 2022, the Company engaged an agent for the purposes of marketing and selling the surplus greenhouse that is currently being leased to Sunrite Greenhouses Ltd. The asset is not being used for commercial production of cannabis. The use of proceeds will be to pay off the Bank Credit Facility and the balance to be used for working capital.

BOARD APPROVAL

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