FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Canada House Wellness Group Inc.

Trading Symbol: CHV

 Number of Outstanding Listed Securities: 45,567,767

Date: September 8, 2022

# Report on Business

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.

**On August 25, 2022, the Company announced the results of its annual general and special meeting of shareholders held on August 23, 2022.**

**All Company matters put forward were approved by the shareholders, including the re-election of Erik Bertacchini, Norman Betts, Chris Churchill-Smith, Shawn Graham, Gaetan Lussier, and Dennis Moir as directors of the Company and the conditional election of Richard Clement and Michel Clement as additional directors, conditional upon the completion of the closing of the first tranche of the Corporation's acquisition of Montreal Cannabis Medical Inc. The directors will hold office until the next Annual General Meeting of Shareholders, or until their successors are elected or appointed.**

**The Company's shareholders also voted in favour of the: (i) reappointing of Ernst & Young LLP as the auditors of the Company until the close of the next annual meeting of shareholders of the Company; and (ii) amendments to the Corporation's investment instruments with Archerwill Investments Inc.**

**The business summary presented at the Annual General Meeting will be available on the Investor Centre section of Canada House's website at** [**https://canadahouse.ca**](https://canadahouse.ca)**.**

**With the receipt of shareholder approval of the foregoing matters, the Company is moving to close the first tranche of its acquisition of Montreal Cannabis Medical Inc. in the coming days and will issue another press release when the same has been concluded. For further information please see the Company's press release dated July 26, 2022.**

**Following the shareholder meeting, the Company completed its previously announced consolidation of its common shares on the basis of thirty (30) pre-consolidation shares for each one (1) post-consolidation share. Fractional shares resulting from the share consolidation were rounded up or down to the nearest whole Common Share. The Company has also officially adopted "Canada House Cannabis Group Inc." as its corporate legal name.**

**On August 30, 2022, Canada House Cannabis Group announced closing of the first tranche of its acquisition of MTL Cannabis.**

**With the closing of the first tranche of the Transaction (the "Initial Closing") the Company acquired approximately 24.99% of the issued and outstanding shares of MTL Cannabis in exchange for 49.99% of the issued and outstanding common shares of the Company. Following the completion of the Company's share consolidation announced on August 25, 2022, the shareholders of MTL Cannabis were issued 22,779,340 Common Shares on the Initial Closing. There are now 45,567,767 Common Shares issued and outstanding.**

**Now that the Initial Closing has been completed, the parties will proceed to satisfying the closing conditions to the second tranche of the Transaction, namely the preparation of the required audited annual and unaudited interim financial statements and related management's discussion and analysis of MTL Cannabis in order for the Company to proceed to a shareholder meeting to approve the Transaction, as required by the rules and policies of the Canadian Securities Exchange. The definitive transaction agreement between the parties provides for the Company to acquire the remaining 75.01 % of the issued and outstanding shares of MTL Cannabis on the second tranche of the Transaction (the "Subsequent Closing") in exchange for such number of Common Shares that when added to the Common Shares issued on the Initial Closing, is equal to 80.0% of the issued and outstanding common shares of the Company.**

**The percentages of Common Shares noted above will be subject to anti-dilution adjustments in favour of the vendors of the MTL Cannabis shares wherein additional Common Shares will be issued up to 49.99% of the Common Shares prior to the Subsequent Closing and up to 80.0% following the Subsequent Closing in the event of the issuance of Common Shares upon the conversion of the principal and accrued interest of the Company's $6.5 million convertible debenture issued to Archerwill Investments Inc. on August 5, 2020.**

**The Transaction constitutes a "reverse takeover" of the Company and it is anticipated that following the Subsequent Closing, the Company will operate under the MTL Cannabis corporate name with shares trading on the CSE under a related ticker symbol. Trading in the common shares of the Company has been halted since the Transaction was initially announced on August 9, 2021 and is expected to remain halted until the Subsequent Closing.**

**The Subsequent Closing is subject to a number of conditions customary for a transaction of this nature, including but not limited to (i) approval by the shareholders of Canada House of the acquisition at a special meeting to be called for these purposes (in the case of the Subsequent Closing), (ii) the completion of the Share Consolidation, (iii) there being no material adverse change in the business of Canada House or MTL Cannabis (as applicable) prior to the Subsequent Closing, and (iv) receipt of applicable third party and regulatory approvals including the approval of the CSE. The Subsequent Closing will occur as soon as possible following the satisfaction of all such closing conditions. A press release will be issued in due course to announce the expected timing of the Subsequent Closing once the parties have progressed the financial statements of MTL Cannabis.**

**With the Initial Closing having been concluded, the amendments to restructure certain debt obligations of the Company as described in the Company's July 26, 2022 press release are now effective.**

1. Provide a general overview and discussion of the activities of management.

# See responses to questions #1 and 10.

1. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

**N/A**

1. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

# None discontinued

1. Describe any new business relationships entered into between the Issuer, the Issuer’s affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

# See responses to questions #1

1. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer’s affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

# No expired or terminated contracts or agreements.

1. Describe any acquisitions by the Issuer or dispositions of the Issuer’s assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

# The Company’s wholly-owned subsidiary, Canada House Clinics (“CHC”), received a $700 credit for leasehold improvements, had $11,000 additions to computer and equipment.

# The Company’s wholly-owned subsidiary, Abba Medix Corp. (“Abba”), had $19,000 additions to leasehold equipment.

# The Company’s wholly-owned subsidiary, IsoCanMed Inc. (“IsoCanMed”), had $1,175,500 additions to leasehold improvements, $1,760 additions to computer equipment and received a credit of $2,500 to manufacturing equipment.

1. Describe the acquisition of new customers or loss of customers.

# Abba’s medical patients increased by 4% during the month.

1. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.

# N/A

1. Report on any employee hiring, terminations or lay-offs with details of anticipated length of lay-offs.

# Two hires and two terminations at Canada House Clinics.

# One hire at Abba Medix.

1. Report on any labour disputes and resolutions of those disputes if applicable.

# N/A

1. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

# N/A

1. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

# N/A

1. Provide details of any securities issued and options or warrants granted.

# N/A

|  |  |  |  |
| --- | --- | --- | --- |
| **Security** | **Number Issued/ (returned to treasury)** | **Details of Issuance** | **Use of Proceeds(1)** |
|  |  |  |  |
|  |  |  |  |

1. Provide details of any loans to or by Related Persons.

|  |  |  |  |
| --- | --- | --- | --- |
| **Nature of loan** | **Receivable** | **Payable** | **Status** |
| **Shareholders or shareholders in common****Non-interest bearing, unsecured, and have no specific terms of repayment.** | **-** | **$3,048** |  |
| **Shareholders or shareholders in common****Interest is payable annually at a rate of eight percent (8%) per annum. unsecured, and have no specific terms of repayment.** | **-** | **$68,345** |  |
| **Shareholders or shareholders in common****Interest is payable annually at a rate of five percent (5%) per annum. The notes are secured by a General Security Agreement over the assets of ICM.** | **-** | **$12,500,000** | **Promissory notes were issued upon closing of the acquisition of the shares of ICM by Canada House on June 12, 2020.** |

1. Provide details of any changes in directors, officers or committee members.

# None

1. Discuss any trends which are likely to impact the Issuer including trends in the Issuer’s market(s) or political/regulatory trends.

# Canada House regularly examines and adjusts its strategy as it pursues a path to profitability, in response to market conditions and new opportunities.

 **Certificate Of Compliance**

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: September 8, 2022

Peili Miao

Name of Director or Senior Officer

*Signed Peili Miao*

Signature

Chief Financial Officer

Official Capacity

|  |  |  |
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| ***Issuer Details*** | For Month | Date of Report |
| Name of Issuer |  Ending |  |
| Canada House Wellness Group Inc. | August 31,  |  September 8, 2022 |
|  |  2022 |  |
| Issuer Address 1773 Bayly Street |
| City/Province/Postal Code | Issuer Fax No. | Issuer Telephone No. |
| Pickering, ON L1W 2Y7 | (905) 492-8420 | (844) 696-3349 |
| Contact Name Peili Miao | Contact Position CFO | Contact Telephone No. (647) 688-6066 |
| Contact Email Address peili.miao@canadahouse.ca | Web Site Address [www.canadahouse.ca](http://www.canadahouse.ca/) |