FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Canada House Wellness Group Inc.

Trading Symbol: CHV

 Number of Outstanding Listed Securities: 683,653,630

Date: August 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 July 25, 2022, the Company announced amendment of meeting date for the Annual General and Special Meetings of security holders to August 23, 2022.**

**On July 26, 2022, the Company announced restatement of share exchange agreement for the acquisition of MTL Cannabis over two tranches. The first stage of the Transaction (the "Initial Closing") provides for the acquisition by the Company of approximately 24.99% of the issued and outstanding shares of MTL Cannabis in exchange for 49.99% of the issued and outstanding common shares ("Common Shares") of the Company (currently anticipated to be 683,380,223 Common Shares) post-issuance. The second stage (the "Subsequent Closing") will result in the Company's acquisition of the remaining 75.01 % of the issued and outstanding shares of MTL Cannabis 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 ("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 (the "Archerwill Debenture") issued to Archerwill Investments Inc. ("Archerwill") on August 5, 2020 and any other convertible debentures of the Company outstanding prior to the Initial Closing.**

**The parties have agreed to restructure the Transaction in this manner as MTL Cannabis has to date not been able to deliver the required audited annual and unaudited interim financial statements and related management's discussion and analysis in order for the Company to proceed to a shareholder meeting to approve the Transaction, as is required by the rules and policies of the Canadian Securities Exchange (the "CSE"). To reflect the parties' commitment to the Transaction and in light of the ongoing integration of the business of the Company with the business of MTL Cannabis, the parties have determined to proceed with the Initial Closing and the further integration of the two businesses while the necessary audited annual, unaudited interim financial statements and pro forma financial statements together with the related management's discussion and analysis are prepared to allow the Company to call and hold a special meeting of Shareholders to approve the Subsequent Closing.**

**The Restated Agreement also provides for amendments to the criteria for the cash earnout payment of $5 million (the "Earnout") that may be payable under the Restated Agreement. Originally, the Earnout was conditional upon MTL Cannabis and IsoCanMed Inc. (now employing the genetics and grow methodologies of MTL Cannabis) achieving stand-alone revenue of $20M and production of 10,000 kilograms of merchantable dried flower in each of the first twelve months and the second twelve months following the closing of the Transaction. The Restated SEA provides for the Earnout to be achieved upon gross revenue from the production facilities of MTL Cannabis and of IsoCanMed Inc. net of excise tax being at least $30,000,000 for each of the first twelve months and the second twelve months following the Subsequent Closing.**

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 $900 additions to office furniture and equipment and had $2,900 additions to signage.

# The Company’s wholly-owned subsidiary, Abba Medix Corp. (“Abba”), had $2,720 additions to computer equipment, $1,500 additions to Manufacturing equipment and $17,470 additions to security equipment.

# The Company’s wholly-owned subsidiary, IsoCanMed Inc. (“IsoCanMed”), had $50,600 additions to leasehold improvements, $2,970 additions to computer equipment and additions of $383,100 to manufacturing equipment.

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

# Abba’s medical patients increased by 3% 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 hire and one termination at Canada House Clinics.

# One hire at Abba Medix.

# One hire and one termination at Canada House Wellness.

# Three terminations at IsoCanMed Inc.

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: August 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. | July 31,  | August 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/) |