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: December 7, 2021

# 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 November 26, 2021, the Company announced that the transaction of reverse takeover (RTO) with Montreal Cannabis Medical Inc. (MTL Cannabis) is now expected to close in calendar Q1 2022, subject to the satisfaction of customary closing conditions, including the receipt of applicable regulatory approvals and the shareholder approval described below.**

**Transaction Update**

**Significant progress has been made regarding the Transaction, whereby MTL Cannabis will acquire Canada House’s extended sales and processing licensing capabilities, provincial supply deals, profitable online medical business with a direct-to-patient model focused on military veterans, and clinic network with fourteen (14) locations nationwide. The finalization of the circular and satisfaction of condition precedents, including confirmatory due diligence, and company audits are nearing completion, alongside internal integration work of Canada House and MTL Cannabis as we approach the closing of the Transaction.**

**The Transaction requires the approval of at least 66 2/3% of the votes cast by the shareholders of Canada House present at a special meeting of Canada House shareholders to be called to approve the Transaction (the “Special Meeting”). The Special Meeting is currently anticipated to be held in February 2022. Canada House is pleased to announce that, at this time, it has entered into voting and support agreements in favor of the Transaction with shareholders of Canada House representing more than 61% of Canada House’s total issued and outstanding shares.**

**For further details on the Transaction, see the Company's press release dated August 9, 2021 available on SEDAR at** [**www.sedar.com**](http://www.sedar.com)**.**

**Integration and Commercialization Update**

**Canada House’s wholly owned subsidiaries, IsoCanMed Inc. (“ICM”), a Québec-based Health Canada licence holder, and Abba Medix Corp. (“Abba”), have facilitated the successful launch of MTL Cannabis dried flower SKUs through four (4) of the nine (9) Canadian provinces in which they currently have distribution relationships. The initial launch includes MTL Cannabis’s signature strain Sage n’ Sour as well as an exclusive offering of Cookies n’ Crème. Initial sales of MTL Cannabis SKUs through Abba and ICM’s sales licenses have been strong and reflect MTL Cannabis’ history as a top 5 selling dried flower SKU in almost all of the markets it has entered.**

**In addition to the above, MTL Cannabis has participated and has been successful in obtaining listings in various product calls from 3 of Canada’s largest recreational markets. These accepted SKUs have launch dates on Canada House’s licenses (ICM and Abba) between December 2021 and June 2022.**

**Medical LP Patient Growth - Over 1400 active patients**

**With respect to Abba’s medical platform, Canada House is pleased to announce that Abba has now more than doubled its registered patient count since January 2021, recently surpassing 800 registered veteran patients and 1,400 total medical patients.**

**Other Medical Cannabis Updates.**

**Abba and Canada House Clinics (“CHC”) have been working together to ensure Abba has the most effective portfolio of products which has allowed Abba to become the LP with the second highest number of Veterans amongst the twenty LP’s that CHC works with. With this growth and the previously reported acquisition of Margaree Health Group, CHC has grown from under 3,100 Veterans in January 2021 to over 3,800 Veterans. Abba and CHC will be expanding efforts in Quebec in the coming year, starting with the launch of Abba’s new bilingual shopping portal in Dec 2021.**

**Financing Update**

**Canada House announces that it has issued a $700,000 principal amount secured debenture (the “Debenture”) to DMMB (Pty) Holdings Ltd. in connection with a debt financing transaction. The Debenture has a two-year term and bears interest at 18% per annum. The proceeds from the issuance of the Debenture will be used for working capital purposes and for transaction costs.**

**The Company also announces that its board of directors has unanimously approved the extension of the expiry date of 97,342,857 (subject to adjustment) outstanding common share purchase warrants of the Company issued on March 4, 2020 (the “Warrants”) from March 3, 2023, to December 31, 2026. Aside from the extension of the expiry date, all other terms of the Warrants will remain unchanged. The extension**

**of the Warrants is subject to acceptance by the CSE.**

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.

**Canada House’s wholly owned subsidiaries, IsoCanMed Inc. (“ICM”), a Québec-based Health Canada licence holder, and Abba Medix Corp. (“Abba”), have facilitated the successful launch of MTL Cannabis dried flower SKUs through four (4) of the nine (9) Canadian provinces in which they currently have distribution relationships. The initial launch includes MTL Cannabis’s signature strain Sage n’ Sour as well as an exclusive offering of Cookies n’ Crème. Initial sales of MTL Cannabis SKUs through Abba and ICM’s sales licenses have been strong and reflect MTL Cannabis’ history as a top 5 selling dried flower SKU in almost all of the markets it has entered.**

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, received a $700 credit for leasehold improvements.

# The Company’s wholly-owned subsidiary, Abba, had $3,000 additions to computer equipment, $2,300 additions to manufacturing equipment, $870 additions to security equipment.

# The Company’s wholly-owned subsidiary, IsoCanMed, had $6,100 additions to manufacturing equipment.

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

# Abba Medix Corp’s medical patients increased by 1% during the month.

# CHC medical patients increased by 1% 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.

# The Company’s wholly-owned subsidiary, Abba Medix Corp., had $12,700 of additions to its website development.

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

# One hire and two terminations at Abba, and one termination at CHC.

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.

# No new legal proceedings during the month.

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: December 7, 2021

Peili Miao

Name of Director or Senior Officer

*Signed Peili Miao*

Signature

Chief Financial Officer

Official Capacity

|  |  |  |
| --- | --- | --- |
| ***Issuer Details*** | For Month | Date of Report |
| Name of Issuer |  Ending |  |
| Canada House Wellness Group Inc. | November 30,  | December 7, 2021 |
|  |  2021 |  |
| 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 Peil 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/) |