# FORM 51-102F3 NATIONAL INSTRUMENT 51-102

#### **MATERIAL CHANGE REPORT UNDER SECTION 7.1 OF NI 51-102**

#### **FILED VIA SEDAR**

#### Item 1. Name and Address of Company

Canada House Wellness Group Inc. (the "Company") 1773 Bayly Street Pickering, Ontario L1W 2Y7

#### Item 2. <u>Date of Material Change</u>

A material change took place on August 25, 2017.

#### Item 3. News Release

A news release relating to the material change was disseminated via Marketwired on August 25, 2017. The news release has also been filed on the System for Electronic Document Analysis and Retrieval ("SEDAR") and is available at www.sedar.com.

#### Item 4. Summary of Material Change

The Company announced that it has made an application to the Ontario Securities Commission to approve a management cease trade order under National Policy 12-203 - Cease Trade Orders for Continuous Disclosure Defaults, which, if granted, will prohibit trading in securities of the Company by certain insiders of the Company, whether direct or indirect. The Company is unable to file its audited financial statements for the year ended April 30, 2017 and the management's discussion and analysis and related Chief Executive Officer and Chief Financial Officer certificates for this period before the August 28, 2017 filing deadline.

#### Item 5. Full Description of Material Change

The material change is fully described in the Company's press release which is attached as Schedule "A" and is incorporated herein.

### Item 6. Reliance on Section 7.1(2) of National Instrument 51-102

Not applicable.

#### Item 7. Omitted Information

Not applicable.

### Item 8. <u>Executive Officer</u>

For further information, please contact Gerry Goldberg, Interim Chief Executive Officer of the Company at 416-460-3000 or ggoldberg@abbamedix.com.

## Item 9. <u>Date of Report</u>

August 25, 2017.

## SCHEDULE "A"

See attached.

# NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR DISSEMINATION IN THE UNITED STATES



# Canada House Wellness Group Announces Application for Management Cease Trade Order.

Toronto August 25, 2017. Canada House Wellness Group Inc. (CSE: CHV) ("Canada House" or the "Company") announces that it has made an application to the Ontario Securities Commission to approve a management cease trade order ("MCTO") under National Policy 12-203 - Cease Trade Orders for Continuous Disclosure Defaults ("NP 12-203"), which, if granted, will prohibit trading in securities of the Company by certain insiders of the Company, whether direct or indirect. The Company is unable to file its audited financial statements for the year ended April 30, 2017 and the management's discussion and analysis and related Chief Executive Officer and Chief Financial Officer certificates for this period (collectively, the "Required Filings") before the August 28, 2017 filing deadline (the "Filing Deadline").

The Company will be unable to make the Required Filings because it has been denied access to certain records relating to its wholly-owned subsidiary Ananda Clinics Inc. ("Ananda") that are necessary in order to complete the preparation and audit of the audited annual financial statements for the year ended April 30, 2017. The access to the necessary records has been denied since May 17, 2017 by a former director and a former officer of the Company who are claiming an ownership entitlement to Ananda.

The Company has initiated legal proceedings against such individuals to establish it as the owner of Ananda. As part of the legal proceedings, the Company has requested an order requiring such individuals to produce the records of Ananda necessary to enable the Company to complete the Required Filings. Although the Company is confident the evidence before the court supports a ruling in favour of the Company, the Company is in negotiations to arrive at a settlement of the legal proceedings in order to complete the Required Findings expeditiously. The settlement of the legal proceedings or the receipt by the Company of an order requiring the production of the relevant records will enable the Company to complete and file the Required Filings.

The Company anticipates that it will be a position to remedy the default by filing the Required Filings on or before October 28, 2017. The MCTO will be in effect until the Required Filings are filed.

The Company intends to satisfy the provisions of the alternative information guidelines set out in Sections 9 and 10 of NP 12-203 so long as the Required Filings are outstanding.

#### **Canada House Wellness Group Inc.**

Canada House is the parent company of Marijuana for Trauma Inc., Knalysis Technologies and Abba Medix Corp. The Company's goal is to become a marketplace leader through strategic partnerships, mergers, and acquisitions to create a fully integrated cannabis therapy company. For more information please

### For further information, please contact:

Boom Capital Markets Steve Low 647-620-5101 steve@boomcapitalmarkets.com

Canada House Wellness Group, Inc. Gerry Goldberg (416) 460-3000 mailto:ggoldberg@abbamedix.com

Cautionary Statement Regarding Forward Looking Information. Certain statements within this news release pertaining to the Company constitute "forward looking statements", within the meaning of applicable securities laws, including without limitation, statements regarding future estimates, business plans and/or objectives, sales programs, forecasts and projections, assumptions, expectations, and/or beliefs of future performance, are "forward looking statements". Such "forward looking statements" involve known and unknown risks and uncertainties that could cause actual and future events to differ materially from those anticipated in such statements. Forward looking statements include, but are not limited to, statements with respect to the anticipated effects of the financing, regulatory changes, timeliness of government approvals for the granting of permits and licenses, changes in medical marijuana prices, actual operating performance of facilities, competition and other risks affecting the Company in particular and the medical marijuana industry generally, including those set out in the Company's public disclosure record. The Company assumes no responsibility to update or revise forward looking information to reflect new events or circumstances unless required by law.

Neither the CSE nor its Regulation Services Provider (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.