

# FORM 62-103F1

## REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS

### 1. Security and Reporting Issuer

#### 1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

Common shares ("**Common Shares**"), convertible debentures ("**Debentures**"), stock options ("**Options**") and common share purchase warrants ("**Warrants**", together with the Common Shares, the Debentures and the Options, the "**Securities**") of:

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

#### 1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

The Common Shares were acquired through the facilities of the Canadian Securities Exchange ("**CSE**"), the Warrants and the Debentures were acquired by private placement and the Options were granted further to a stock option plan.

### 2. Identity of the Acquiror

#### 2.1 State the name and address of the acquiror.

Mr. Michael Southwell ("**Mr. Southwell**" or the "**Acquiror**")  
71 Pheasant Drive  
Waasis, New Brunswick

#### 2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On December 6, 2017, Debentures convertible for up to 5,263,158 Common Shares and Warrants to acquire up to 5,263,000 Common Shares were purchased by the Acquiror by way of private placement.

#### 2.3 State the names of any joint actors.

MWS Holdings Inc., a holding company controlled by the Acquiror.

### 3. Interest in Securities of the Reporting Issuer

#### 3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror's securityholding percentage in the class of securities.

On or about November 7, 2016, the Acquiror was issued 24,832,682 Common Shares pursuant to a share exchange agreement with the Issuer representing approximately 15% of the Issuer's outstanding Common Shares. Since then, on November 1, 2017, Mr. Southwell acquired 1,000,000 Common Shares on a private placement basis representing an additional 0.6% of the Issuer's outstanding shares.

On November 7, 2016, the Acquiror was granted 1,200,000 Options exercisable into one Common Share per Option at an exercise price of \$0.25 until November 7, 2021, which, if exercised in full would represent approximately 0.7% of the Issuer's outstanding Common Shares.

On December 6, 2017, the Acquiror acquired Debentures convertible for up to 5,263,158 Common Shares and Warrants to acquire up to 5,263,000 Common Shares, which, if converted and exercised in full would represent approximately 6% of the Issuer's outstanding Common Shares.

Assuming the conversion in full of the Debentures and the exercise in full of the Warrants and the Options, the Acquiror would hold an aggregate of 37,558,840 Common Shares representing approximately 21% of the Issuer's Common Shares.

The Warrants are exercisable into one Common Share at an exercise price of \$0.30 for a period of 12 months; at an exercise price of \$0.40 from 12 months to 24 months; at an exercise price of \$0.60 from 24 months to 36 months; and at an exercise price of \$0.80 from 36 months to 48 months following the closing date.

**3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.**

Mr. Southwell acquired ownership or control or direction over the Common Shares, Debentures and Warrants.

**3.3 If the transaction involved a securities lending arrangement, state that fact.**

Not applicable.

**3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.**

See Item 3.1.

**3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which**

**(a) the acquiror, either alone or together with any joint actors, has ownership and control,**

See item 3.1 above.

**(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**

Not applicable.

**(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

**3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

Not applicable.

- 3.7 **If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

Not applicable.

- 3.8 **State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.**

Not applicable.

- 3.9 **If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

#### **4. Consideration Paid**

- 4.1 **State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

Mr. Southwell indirectly purchased, through MWS Holdings Inc., an aggregate of \$1,000,000 of Debentures representing 5,263,158 Common Shares and 5,263,000 Warrants.

- 4.2 **In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

See 4.1 above.

- 4.3 **If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

Not applicable.

#### **5. Purpose of the Transaction**

**State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:**

- (a) **the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**

The Acquiror acquired the Securities for investment purposes and may, depending on market and other conditions, increase, decrease or change its beneficial ownership over the Common Shares or other securities of the Issuer through market transactions, private agreements, treasury issuances, exercise of convertible securities or otherwise.

- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;
- (f) a material change in the reporting issuer's business or corporate structure;
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

**6. Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

The Acquiror is donating 20,000,000 of his 25,832,682 Common Shares to a charity that is being created, named Global Alliance Foundation Fund. It is currently expected that such donated Common Shares will be fully allocated and that this first of its kind in the world veteran owned and operated charity will be active by November 2019.

**7. Change in material fact**

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

**8. Exemption**

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

**9. Certification** Date: As of May 25, 2018

I, as the acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

*(s) Michael Southwell*

**Michael Southwell**