



Canada House Announces Further Details of Vegreville Acquisition and Second Tranche of Funding from Alumina Partners

TORONTO, Jan. 04, 2019 -- Last month, Canada House Wellness Group Inc. ("Canada House" or the "Company") was pleased to announce the acquisition through its wholly owned subsidiary Abba Medix Corp., of all the assets of an Alberta based cannabis production license applicant, including approximately 54 acres of property in the town of Vegreville, Alberta. The purchased assets are the first step in the development of a custom-built production facility to support the Company's medical and recreational cannabis sales across Western Canada.

As previously announced, the Company will pay a total of \$1 million for the acquisition, including an initial cash payment of \$160,000 on the closing of the acquisition and \$465,000 paid in cash or stock in the Company, at the election of the Company, over the 120 days following closing. The remaining \$375,000 in purchase price is payable in stock in the Company, \$125,000 of which will be awarded upon receipt of the cultivation license for the facility and \$250,000 of which will be awarded upon the completion of the first full harvest from the facility.

The acquisition includes two properties located 200 metres outside the town of Vegreville. The property has been approved for cannabis production by the county and assigned the zoning of Marijuana Processing Facility-Direct Control District, in accordance with local land use by-laws. The property is serviced with natural gas, water, sewer, and power and is expected to be annexed by Vegreville in the near future. The Town of Vegreville and County of Minburn welcome the opportunities offered by this acquisition with a quality, skilled agricultural workforce.

In addition to the land, the acquisition agreement includes the vendor's Standard Cultivation and Processing Application currently in the review and security stage with Health Canada as well as an approved conceptual scheme, site surveys, geotechnical survey, and Development Permit Application.

"The initial custom-built production module on this property will produce more than 5,000 kg annually with a consistent output of 100 kg per week," said Canada House's CEO Chris Churchill-Smith. "We will continue to add additional production modules strategically. As of now, the property will support up to 8 modules, with a total annual production of more than 40,000 kg. This facility dramatically increases Canada House's production potential, positioning us to serve Western Canada properly."

The Company will aim for the completion of Phase 1 construction by the end of 2019, with full production by Q2 of 2020. "This facility will provide great efficiencies to Canada House as we scale production to meet our known demand for medical and recreational cannabis," said Churchill-Smith.

This accelerated growth in Canada House's production capabilities continues to be possible as a result of the financing commitment of up to \$25,000,000 with Alumina Partners (Ontario) Ltd. ("Alumina") as further detailed in the Company's press release dated September 20, 2018. Following the completion of a first tranche of funding for \$999,999.96, less fees of \$6,000 as announced on October 4, 2018, a second tranche was recently closed, with Canada House issuing to Alumina 4,761,904 units at the price of \$0.105 per unit for gross proceeds of \$499,999.92, less fees of \$3,433.

Canada House Wellness Group Inc.

Canada House is an experienced, integrated medical cannabis company providing patient-specific cannabinoid therapy products and services through its clinics and licensed producer. Canada House is the parent company of Canada House Clinics Inc., Knalysis Technologies and Abba Medix Corp. For more information, please visit www.canadahouse.ca or www.sedar.com.

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future plans, the Company's markets, objectives, goals, strategies, intentions, beliefs, expectations and estimates, and can generally be identified by the use of words such as "may", "will", "could", "should", "would", "likely", "possible", "expect", "intend", "estimate", "anticipate", "believe", "plan", "objective" and "continue" (or the negative thereof) and words and expressions of similar import. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements.

Certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements. Material assumptions used to develop forward-looking information in this news release include, among other things, the regulations related to cannabis use under the Access to Cannabis for Medical Purposes Regulations and the act respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and other Acts, passed by the Canadian Federal government, making cannabis legal for recreational use by October 17, 2018; Company liquidity and capital resources, including the availability of additional capital resources to fund its activities; level of competition; the ability to adapt products and services to the changing market; the ability to attract and retain key executives; and the ability to execute strategic plans. Additional information about material factors that could cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in the Company's most recent annual and interim Management's Discussion and Analysis under "Risk and Uncertainties" as well as in other public disclosure documents filed with Canadian securities regulatory authorities. The Company does not undertake any obligation to update publicly or to revise any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except as required by law.

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