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**WDBX**

**Canada House Wellness Group Inc. Announces Partnership with Weedbox Inc.**

- Agreement leverages Canada House cultivation expertise with Weedbox's extensive brand and retail experience
- Relationship establishes first cannabis retail location for both organizations under the Weedbox retail brand, *Somewhere Variety*<sup>®</sup>, in Edmonton, Alberta
- Companies will work together to launch signature brands of top-grade cannabis products into the recreational market
- Companies plan to develop flower, vapes, topical and sublingual products, pre-rolls, concentrates, and edibles (subject to applicable legislation and regulations) under four categories - *Wellness, Skin Care & Beauty, Apparel & Home, and Accessories*

**Toronto, July 15, 2019 (CNW)** - Canada House Wellness Group Inc. (CSE: CHV) ("**Canada House**" or the "**Company**") today announced it has entered into a binding agreement on July 12, 2019 (the "**Agreement**") with Weedbox Inc. ("**Weedbox**").

The Agreement outlines details for the completion and operation of its previously announced licensed Cannabis Dispensary in Edmonton, Alberta (the "**Dispensary**"). Site plans and construction of the Dispensary under the Weedbox lifestyle brand, *Somewhere Variety*<sup>®</sup>, will begin in the fall of 2019 with an anticipated opening in spring 2020.

"We are extremely excited to be collaborating with Weedbox and its stellar team of industry veterans. Their collective retail experience includes Lululemon, Roots Canada, Tokyo Smoke, Paul Frank, and Last Gang Records, to name a few. This partnership allows Canada House to

leverage Weedbox’s extensive retail experience and its leading consumer brand as we enter into the recreational space in Canada,” said Michael Orrbrooke, Chief Revenue Officer, Canada House. “We will also work with Weedbox to share our expertise in cannabis production and bring signature brands of top-grade cannabis and cannabis products to the recreational market.”

“As a leading cannabis lifestyle company with expertise in branding and retail, cannabis stores and premium cannabis products are the logical next steps for us,” said Jeremy Potvin, CEO, Weedbox. “After meeting with Canada House, we knew instantly this was the organization we wanted to partner with. Together, we will create something unique in the recreational market.”

## **Transaction Highlights**

### ***Building the Dispensary, Product Development, and Marketing***

As part of the agreement, Weedbox will acquire a 49 percent interest in the Dispensary in exchange for a three-year non-interest-bearing promissory note in the amount of \$500,000 CAD.

Capital required for the Edmonton store buildout, including working capital for its operations, will be provided by Canada House and Weedbox in proportion to their shareholdings.

Weedbox will contribute \$250,000 CAD of in-kind marketing, product development, and customer relations expertise to help market the Edmonton location and the co-branded cannabis products.

### ***Supply Agreement***

Canada House will become Weedbox’s exclusive supplier of cannabis derived, finished, branded, cobranded, manufactured, and white label products including, but not limited to, flower, vapes, topical and sublingual products, pre-rolls, concentrates, and edibles (subject to applicable legislation and regulations).

Weedbox agrees to carry a listing of products produced or distributed by Canada House for the recreational and health and wellness markets in the *Somewhere Variety*<sup>®</sup> store in Edmonton and across Canada as other locations open.

### ***Canada House Investment in Weedbox***

Canada House will cause shares (priced at a 25 percent discount to the volume-weighted average price of Canada House's common shares for the five days prior to the closing date of the transaction with Weedbox) with an aggregate value of \$250,000 CAD to be issued to Weedbox in exchange for a five-year term convertible promissory note in the principal amount of \$250,000 CAD, bearing interest at 10 percent per annum and a warrant certificate entitling Canada House to purchase \$250,000 CAD of common shares in Weedbox.

Upon completion of the capital expenditure related to the build out of the Dispensary, Canada House will issue an additional number of shares (priced at a 25 percent discount to the volume-weighted average price of Canada House's common shares for the five days prior to the completion of such capital expenditure) with an aggregate value of \$250,000 CAD to be issued to Weedbox in exchange for a further five-year term convertible promissory note in the principal amount of \$250,000 CAD, bearing interest at 10 percent per annum and a warrant certificate entitling Canada House to purchase \$250,000 CAD of common shares in Weedbox.

### ***Board of Director Recommendations***

The deal is subject to necessary consents and approvals, and the approval of the Canada House and Weedbox boards.

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

Canada House Wellness Group Inc. is the parent company of Abba Medix Corp., a Licensed Producer in Pickering, Ontario that produces high quality medical grade cannabis; Canada House Clinics Inc., with clinics across the country that work directly with primary care teams to provide specialized cannabinoid therapy services to patients suffering from complex medical conditions; and Knalysis Technologies, a provider of fully customizable, cloud-based software that links physician, provider, and patient to data that supports treatment with medical cannabis.

Canada House Wellness Group's goal is to become the leading cultivator of premium craft cannabis and provider of cannabinoid therapy, targeting the medical cannabis markets globally. For more information, please visit [www.canadahouse.ca](http://www.canadahouse.ca).

### **About Weedbox**

Weedbox is a vertically-integrated cannabis company with a subsidiary lifestyle store and brand, Somewhere Variety®, home to in-house brands ranging from cannabis and accessories to hemp apparel and homewares. There will also be a focus on infused skincare products and apothecary.

For more information, please visit [www.weedbox.io](http://www.weedbox.io).

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**Cautionary Statement Regarding Forward-Looking Information.** This press release contains forward-looking statements, including statements that relate to, among other things, the Company's clinic, production and technology businesses, its 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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