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## **Canada House Wellness Group Inc. Builds off Sales License, Executes Convertible Security Funding Agreement**

**Toronto – September 10, 2019 (CNW)** - Canada House Wellness Group Inc. (CSE: CHV) (“**Canada House**” or the “**Company**”), announced today that it has entered into a funding agreement (the “**Funding Agreement**” or “**Agreement**”) for the issue of convertible securities for gross proceeds of up to \$14,587,500 CAD (the “**Investment**”) with an entity managed by The Lind Partners, a New York-based institutional fund manager (the “**Investor**”). At the first closing, the Company will issue a convertible security (the “**First Convertible Security**”) to the Investor with a face value of \$3,105,000 CAD.

“This investment from The Lind Partners is a strong validation of the fundamentals of our business and further accelerates our Path to Profitability,” said Chris Churchill-Smith, CEO, Canada House. “Along with our sales license amendment which allows us to sell our own Abba Medix branded cannabis to patients and consumers, this investment bolsters our balance sheet as we continue to transform our business.”

“We were impressed by Canada House’s plan for the organization and its mission of helping Veterans with PTSD,” said Jeffrey Easton, Founder of The Lind Partners. “Canada House’s leadership, structure, and plans for vertical integration sets them up for success and we are excited to see where this investment will take them.”

The First Convertible Security will have a term of 24 months and be convertible into common shares of the Company at a fixed conversion price per share of \$0.08 CAD, being the last closing

price of the Company's common shares on the Canadian Securities Exchange (the "**Exchange**") prior to execution of the Convertible Security Funding Agreement.

The \$3,105,000 CAD face value of the First Convertible Security is comprised of a principal amount of \$2,587,500 CAD and a pre-paid interest amount of \$517,500 CAD. The Company is required to repay the principal amount of the First Convertible Security in 18 equal monthly payments commencing the seventh month after closing, except that the repayment amount will be reduced in any month by any amount converted by the Investor into the Company's common shares.

Pre-paid interest will accrue monthly with the Investor having the right to convert accrued interest into the Company's common shares once accrued at a conversion price equal to the last closing market price of the shares on the Exchange on the day prior to conversion. Upon receiving an accrued interest conversion notice from the Investor, the Company may elect to satisfy that conversion in cash.

Upon issuance of the First Convertible Security, the Investor will also receive 16,171,875 warrants of the Company, with each warrant entitling the Investor to purchase one common share at an exercise price of \$0.15 CAD. The warrants expire 36 months from their date of issue, provided that if the volume weighted average price of the Company's common shares is at least \$0.60 CAD for 20 consecutive trading days, then the expiry date of the warrants may be accelerated by the Company.

The Company has the right to buy-back the First Convertible Security and the pre-paid interest at any time with no penalty (the "Buy-Back Right"). Should the Company exercise its Buy-Back Right, the Investor will have the right to convert 25 percent of the outstanding principal amount and 100 percent of the pre-paid interest into the Company's common shares.

The First Convertible Security is secured by a general security agreement from the Company and certain of its subsidiaries.

Under the Funding Agreement, the Company and the Investor may agree for the Investor to advance up to an additional \$12,000,000 CAD in gross proceeds to the Company in exchange

for an increase of the First Convertible Security and the issuance of a second convertible security on the same terms as the First Convertible Security.

The closing of the investment is expected to occur on or about September 13, 2019. Closing of the Investment is subject to customary closing conditions.

**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 simple and 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. Please visit [www.canadahouse.ca](http://www.canadahouse.ca).

**About The Lind Partners, LLC**

The Lind Partners is a New York-based institutional fund manager focused on small- and mid-cap companies listed in the United States, Canada, Australia, and the UK focused on high-growth sectors such as mining, oil and gas, biotech, and technology. Lind has completed over 70 direct investments for more than \$850 million in total value and has an established reputation as a flexible and supportive capital partner to investee companies. Please visit [www.thelindpartners.com](http://www.thelindpartners.com).

**For further information, please contact:**

**Liana Del Medico, Director of Communications & Investor Relations**

Canada House Wellness Group Inc.  
289-980-3584  
[liana.delmedico@canadahouse.ca](mailto:liana.delmedico@canadahouse.ca)

**Cautionary Statement Regarding Forward-Looking Information.** This press release contains forward-looking statements, including statements that relate to, among other things, issuance of the First Convertible Security 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.

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.