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Canada House Wellness Group Inc. Strengthens Balance Sheet, Settles Obligations By Way of Share Issuance at a 67% Premium to Market

Toronto – January 21, 2020 (CNW) - Canada House Wellness Group Inc. (CSE: CHV) (“**Canada House**” or the “**Company**”), announced today that it has issued 30,000,000 common shares at a deemed price per share of \$0.05 to each of Fabian Henry and Michael Southwell pursuant to separate debt settlement agreements entered into between the Company and each such individual for the satisfaction of \$3,000,000 of the Company’s remaining earn-out obligations from its 2016 acquisition of Marijuana for Trauma, which payments were originally due in November 2019. This debt settlement was priced at a premium of 67% to the 10-day volume weighted average trading price of the Common Shares on the Canadian Securities Exchange for the period ended January 17, 2020.

“Having our two founding shareholders settle a major liability on our balance sheet by way of a share issuance at a premium to market not only shows their belief and support in the strength of our business, but also significantly improves the state of our balance sheet,” said Canada House CEO, Chris Churchill-Smith. “We would like to thank Mike and Fabian for their continued support and look forward to working closely with them to grow our business, particularly as it relates to the military veteran community.”

Mr. Southwell and Mr. Henry each have beneficial ownership of or control or direction over securities of the Company carrying more than 10% of the voting rights attached to the Company’s equity securities. Accordingly, each transaction is deemed to be a “related party transaction” as defined under *Multilateral Instrument 61-101- Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). Each debt settlement agreement was unanimously approved by Canada House’s Board of Directors. Each transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 (pursuant to subsections 5.5(a) and 5.7(1)(a)) as the fair market value of each such related party

transaction is not more than 25% of the market capitalization of Canada House. After giving effect to the share issuance, Mr. Southwell now beneficially owns or controls or directs the voting rights in respect of 64,512,505 Common Shares, representing approximately 20.8% of the Company's issued and outstanding Common Shares on a partially diluted basis. Mr. Henry now beneficially owns or controls or directs the voting rights in respect of 61,167,587 Common Shares, representing approximately 19.7% of the Company's issued and outstanding Common Shares on a partially diluted basis. The material change report in connection with the debt settlement agreements was not filed 21 days in advance of the issuance for the purposes of Section 5.2(2) of MI 61-101 on the basis that the definitive agreements were negotiated so as to provide for the issuance of the shares upon signing of the agreements.

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.

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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.

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.