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CANADA HOUSE WELLNESS GROUP ANNOUNCES STRATEGIC ACQUISITION OF ISOCANMED INC., BENEFICIARY OF A LETTER OF INTENT WITH THE SOCIÉTÉ QUÉBÉCOISE DU CANNABIS

Toronto – May 29, 2020 (CNW) - Canada House Wellness Group Inc. (CSE: CHV) (“**Canada House**”, the “**Company**”, or “**CHV**”), is pleased to announce the execution of a definitive agreement for the strategic acquisition of IsoCanMed Inc. (“**ICM**”) a privately owned, fully operational cannabis company located in Louiseville, Quebec. The acquisition provides access to the large and rapidly growing Quebec cannabis market, leading cultivation technologies, and a significant increase in production capacity to meet Canada House’s current demand and drive rapid growth.

Transaction Overview

Canada House has entered into a binding share exchange agreement (the “**Acquisition Agreement**”) dated May 29, 2020 to acquire 100% of the issued and outstanding securities of ICM (the “**Acquisition**”) in exchange for the issuance of approximately 273,500,000 common shares of CHV, representing approximately 40% of the aggregate number of issued and outstanding CHV common shares, along with the assumption of promissory notes owing by ICM in the aggregate amount of \$12,500,000. The CHV common shares issuable to ICM shareholders will be subject to a customary lock-up agreement pursuant to which the ICM shareholders will only be able to transact in the CHV common shares they receive in accordance with a release schedule over a 24 month period following the date of closing. The obligations of CHV under the promissory notes, once assumed, will be guaranteed by ICM and subject to a general security interest over the assets of ICM only. The promissory notes will bear interest at a rate of 5% per annum, paid annually and shall have a maturity date of June 12, 2023. The promissory notes also include terms requiring the earlier repayment of portions of the outstanding principal in certain circumstances.

Strategic Rationale

ICM’s state of the art production facility of 64,000 sq. ft. is capable of producing over 6,000 kgs of low-cost dried flower annually, using state-of-the art aeroponic grow methodologies. ICM also owns 450,000 square feet of adjacent land on which expansion facilities can be built with incremental production capacity of 50,000 kg once fully developed. In addition, ICM has signed a letter of intent with the Société québécoise

du cannabis (“SQDC”) for a potential supply of 3,000 kg of cannabis product, which is expected to represent significant recurring revenues for CHV.

The increase in production capacity, along with CHV’s existing production through its wholly owned subsidiary, Abba Medix Corp. (**Abba**”), will allow CHV to increase the supply of medical cannabis products offered through its robust clinic network primarily focused on servicing military veterans and leverage its established agreements and provincial distribution channels with the AGLC, BC Liquor Distribution Branch, SQDC and European distribution partners.

“As the Cannabis industry continues to advance, companies are being evaluated based on their ability to provide and distribute high quality products and formats and their ability to deliver strong financial performance. The acquisition of IsoCanMed addresses these attributes immediately,” says Canada House CEO, Chris Churchill-Smith. “This transformative acquisition positions Canada House for a rapid increase in revenue and transforms CHV by acquiring a state of the art, operational, Quebec based licensed producer, a remarkable operating team, led by Mr. Erik Bertacchini, and a valuable distribution channel in Quebec. By teaming up, ICM can leverage Abba’s necessary licenses to package and sell ICM product to the SQDC while the Company benefits from leading cultivation technology and cost advantages of ICM’s production.”

Dennis Moir, Chairman of Canada House stated, “This is a transformational transaction for Canada House as it aligns squarely with our strategic vision for the company. With the ICM acquisition, Canada House has a clear view of its future, focused on the cultivation of high quality cannabis, the distribution both medically and recreationally of cannabis products, and the support and servicing of our patients through our clinic network. It is the culmination of many months of work by Chris, his team, and the Board and I welcome Mr. Bertacchini and the broader ICM team to the Canada House family.”

Erik Bertacchini, President of IsoCanMed, added, “At ICM, we have concentrated our efforts on completing and operating our wholly owned licensed facility in Louiseville, Quebec to achieve our ultimate goal of supplying more than 6,000 kg of dried flower production to the “buy local” market of Quebec. We are excited about the clear and immediate synergies that this alliance will bring, specifically as it relates to the acceleration of our distribution to the SQDC. This newly formed group is fully licensed and will be able to ensure our presence in every market. Once again, we are very satisfied and look forward to having Canada House move its head office to Louiseville, Quebec.”

Benefits to CHV Shareholders

Additional Supply to meet Demand and High Value Distribution Channel: ICM is a fully built out, operational, Licensed Producer using novel aeroponic grow methodologies in its state-of-the-art facility to grow and sell high quality cannabis. ICM has signed a Letter of Intent with the SQDC providing for minimum annual delivery of 3,000 kg (the “**Supply Agreement**”). The first delivery under the Supply Agreement is expected to occur in the second half of calendar year 2020. The Transaction also ensures security of supply to Abba’s medical patients and the growing demand from Provincial Distributors across Canada. As part of the Transaction and its strategic plan of having the SQDC become a cornerstone distribution channel and preferred partner, CHV intends to relocate its head office to the Province of Quebec.

Margin Improvement and Stability of Revenue Generation: CHV expects to immediately benefit from improved gross margins, as it replaces supplemental wholesale product with internally produced ICM supply. CHV will leverage Abba’s multiple sales licenses to cultivate, process and sell Abba and ICM products through to end users. In addition, ICM’s agreement with the SQDC represents a well-defined, long term, stable and recurring revenue stream which forms a meaningful part of the foundation on which CHV can continue to accelerate growth.

Board of Directors and Regulatory Matters

Upon the closing of the Acquisition, Erik Bertacchini is to be added to the Company's existing Board of Directors. The ICM shareholders also have the right to nominate one additional director to the Board of CHV at a special meeting of CHV shareholders to be held following closing of the Acquisition. In addition, the existing ICM team members will remain in their current positions with ICM following closing of the Acquisition.

The Acquisition is expected to close on June 12, 2020. No CHV shareholder approval is required in connection with the Acquisition, however, there will be a special meeting of CHV shareholders related to the additional ICM board nominee and a proposed move of CHV's head office to Quebec. The meeting date is yet to be determined but is expected to occur in August 2020 or earlier.

Completion of the proposed transaction is subject to a number of conditions, including, without limitation, receipt of applicable approvals in accordance with applicable securities laws and stock exchange rules, together with any other applicable third party and regulatory or governmental authority consents and approvals, and other customary conditions to closing a transaction of this nature.

Fairness Opinion and Recommendation

CHV's Board of Directors (the "**CHV Board**") has unanimously approved the Acquisition and determined that the Transaction is in the best interests of CHV and its shareholders.

The CHV Board also received a fairness opinion (the "**Fairness Opinion**") provided by Cormark Securities Inc. that, subject to the assumptions, qualifications and limitations contained in the Fairness Opinion, the consideration being paid to ICM pursuant to the Acquisition, is fair, from a financial point of view, to CHV.

Other News

The Company also announced the issuance of 530,875 common shares at a deemed price per share of \$0.05 for medical consulting services rendered pursuant to a consulting agreement with an independent third-party.

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 or the Company's public filings at www.sedar.com.

About IsoCanMed Inc.

IsoCanMed Inc. is a Canadian Licensed producer of cannabis located in Louiseville Quebec. The company focuses on growing best-in-class indoor cannabis, in a safe and controlled environment in its 64,000 sq.ft.

production facility employing state-of-the-art vertical, aeroponic production methodologies. IsoCanMed also plans to release its own brand portfolio by launching a series of recreational cannabis products and formats destined for distribution to the SQDC.

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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 and cannabis based edibles, vapes and oils legal for recreational use on October 17, 2018 and October 17, 2019; 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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