

**FORM 51-102F3
NATIONAL INSTRUMENT 51-102**

MATERIAL CHANGE REPORT UNDER SECTION 7.1 OF NI 51-102

FILED VIA SEDAR

Item 1. Name and Address of Company

Canada House Wellness Group Inc. (the “**Company**”)
1773 Bayly Street
Pickering, ON
L1W 2Y7

Item 2. Date of Material Change

A material change took place on June 12, 2020.

Item 3. News Release

A news release relating to the material change was disseminated via Cision on June 12, 2020. The news release has also been filed on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) and is available at www.sedar.com.

Item 4. Summary of Material Change

The Company closed its 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 the Company’s current demand and drive rapid growth.

Item 5. Full Description of Material Change

The Company closed its strategic acquisition of 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 the Company’s current demand and drive rapid growth.

Pursuant to a share exchange agreement (the “**Acquisition Agreement**”) entered into on May 29, 2020, the Company acquired 100% of the issued and outstanding securities of ICM (the “**Acquisition**”) in exchange for the issuance of approximately 273,500,000 common shares of the Company, representing approximately 40% of the aggregate number of issued and outstanding common shares of the Company, along with the assumption of promissory notes owing by ICM in the aggregate amount of \$12,500,000. The Common Shares issued to the ICM are subject to a customary lock-up agreement pursuant to which the ICM shareholders will only be able to transact in the Company common shares they receive in accordance with a release schedule over a 24 month period following the date of closing. The obligations of the Company under the promissory notes are guaranteed by ICM and are 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.

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 potential 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 the Company. The first delivery under the letter of intent with the SQDC is expected to occur in the second half of calendar year 2020. The Transaction also ensures security of supply to medical patients of Abba Medix Corp. ("**Abba**") 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, the Company intends to relocate its head office to the Province of Quebec.

The increase in production capacity, along with the Company's existing production through its wholly owned subsidiary, Abba, will allow the Company 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.

The Company expects to immediately benefit from improved gross margins, as it replaces supplemental wholesale product with internally produced ICM supply. The Company 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 the Company can continue to accelerate growth.

Item 6. Reliance on Section 7.1(2) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

For further information, please contact Steven Pearce, Vice-President, Legal of Canada House Wellness Group Inc. at 1 844 638 8387 or spearce@canadahouse.ca.

Item 9. Date of Report

June 12, 2020.