

**EARLY WARNING REPORT
FORM 62-103F1**

Required Disclosure under the Early Warning Requirements

Item 1 - Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the Issuer of the securities.

This report relates to the common shares (the “**Common Shares**”) of Canada House Cannabis Group Inc. (“**Canada House**”).

Canada House’s head office is:

1773 Bayly Street
Pickering, Ontario
L1W 2Y7
Canada

The principal business of the Acquiror is making public and private company investments.

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Not applicable. See response to Item 2.2 below. The transaction to which this report relates did not take place through the facilities of any stock exchange or other marketplace.

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

The acquiror is Archerwill Investments Inc. (the “**Acquiror**”). The Acquiror is a corporation continued and existing under the laws of the Cayman Islands.

The address of the Acquiror is:

3 Brookfield Road
Toronto, Ontario
M2P 1B1
Canada

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

Pursuant to a subscription agreement dated July 15, 2020 (the “Subscription Agreement”) between Canada House and the Acquiror, on August 4, 2020, Canada House issued to the Acquiror, and the Acquiror purchased from Canada House, on a private placement basis (i) a 8.00% secured convertible debenture due August 4, 2025 in the aggregate principal amount of \$6,500,000, convertible into Common Shares at a price of \$0.05 per Common Share (the “**Convertible Debenture**”) pursuant to the terms of the certificate representing and evidencing the Convertible Debenture (the “**Convertible Debenture Certificate**”) and (ii) a warrant entitling the Acquiror, on the exercise thereof, to subscribe for and purchase, acquire, accept and receive from Canada House

up to 130,000,000 Common Shares (subject to certain adjustments) at an exercise price of \$0.06 per Common Share exercisable any time, from time to time, until August 4, 2024 (the “**Warrant**”) pursuant to the terms of the certificate representing and evidencing the Warrant, for an aggregate subscription price of \$6,500,000 (the “**Investment**”).

The above description of certain of the terms and conditions of the Subscription Agreement is a summary only and is qualified in its entirety by the full text of such agreement, a copy of which will be filed by Canada House on Canada House’s SEDAR profile at www.sedar.com.

2.3 State the names of any joint actors.

None.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the Acquiror’s securityholding percentage in the class of securities.

Pursuant to the Investment, the Acquiror acquired the Convertible Debenture and the Warrant. Prior to the Investment, the Acquiror beneficially owned or had control or direction over 3,122,000 Common Shares and 4,973,635 securities of Canada House convertible into or exercisable for 4,973,635 Common Shares. Assuming all of the securities held by the Acquiror, including the Convertible Debenture and the Warrant, were converted or exercised in full on the closing of the Investment, the Acquiror would have beneficially owned or had control and direction over approximately 28.3% of the issued and outstanding Common Shares (calculated on a non-diluted basis).

3.2 State whether the Acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.

See Item 2.2 above. At closing of the Investment, the Acquiror acquired the Convertible Debenture and the Warrant.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the Acquiror’s securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

See Item 3.1 above.

3.5 State the designation and number or principal amount of securities and the Acquiror’s security holding percentage in the class of securities referred to in Item 3.4 over which

- (a) the Acquiror, either alone or together with any joint actors, has ownership and control,**

See Item 3.1 above.

- (b) **the Acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the Acquiror or any joint actor, and**

Not applicable.

- (c) **the Acquiror, either alone or together with any joint actors, has exclusive or Shared control but does not have ownership.**

Not applicable.

- 3.6 If the Acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the Acquiror's securityholdings.**

Not applicable.

- 3.7 If the Acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

Not applicable.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8 If the Acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the Acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

Item 4 – Consideration Paid

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

See Item 2.2 above.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the Acquiror.**

See Item 2.2 above.

4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

Not applicable.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the Acquiror and any joint actors for the acquisition or disposition of securities of the reporting Issuer. Describe any plans or future intentions which the Acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting Issuer, or the disposition of securities of the reporting Issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting Issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting Issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting Issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) a material change in the present capitalization or dividend policy of the reporting Issuer;**
- (f) a material change in the reporting Issuer’s business or corporate structure;**
- (g) a change in the reporting Issuer’s charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting Issuer by any person or company;**
- (h) a class of securities of the reporting Issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**
- (i) the Issuer ceasing to be a reporting Issuer in any jurisdiction of Canada;**
- (j) a solicitation of proxies from securityholders;**
- (k) an action similar to any of those enumerated above.**

The Acquiror entered into the Subscription Agreement as part of a strategic investment in Canada House. The Acquiror intends to review its investment in Canada House on a continuing basis and may, from time to time and at any time, acquire or cause to be acquired additional equity or debt securities or other instruments of Canada House, or dispose or cause to be disposed such equity or debt securities or instruments, through open market transactions, private placements by Canada House and other privately negotiated transactions, or otherwise, in each case in accordance with the Acquiror’s obligations to Canada House pursuant to the Subscription Agreement and the Convertible Debenture Certificate and with applicable securities laws.

In addition, at closing of the Investment, the Acquiror and Canada House entered into an investor rights agreement dated August 4, 2020 (the “**Investor Rights Agreement**”) pursuant to which the Acquiror has been granted certain rights so long as the Acquiror meets certain specified beneficial

ownership thresholds of the then issued and outstanding Common Shares or not less than \$1,000,000 of obligations under the Convertible Debenture remain outstanding, including the right to nominate a specified number of directors to the board of directors of Canada House, the right to match certain acquisition proposals received by Canada House, approval rights over certain actions of Canada House, pre-emptive rights entitling the Acquiror to participate in equity offerings of Canada House in order to maintain its *pro rata* beneficial ownership in Canada House, as well as certain other governance rights in respect of Canada House.

The above description of certain of the terms and conditions of the Investor Rights Agreement is a summary only and is qualified in their entirety by the full text of such agreement, a copy of which will be filed by Canada House on Canada House's SEDAR profile at www.sedar.com.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the Acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Pursuant to the Subscription Agreement, the Acquiror purchased the Convertible Debenture and the Warrant (see Item 2.2 above).

In addition, at closing of the Investment, Canada House and the Acquiror entered into the Investor Rights Agreement (see Item 5 above).

At closing of the Investment, the Acquiror entered into voting support agreements (the "**Voting Support Agreements**") dated August 4, 2020 with certain shareholders of Canada House holding approximately 52.35% of the issued and outstanding Common Shares (the "**Supporting Shareholders**"). Pursuant to the Voting Support Agreements, the Supporting Shareholders, amongst other things, agreed to vote their Common Shares in favour of the election of the individuals nominated by the Acquiror to serve as directors of Canada House.

The above description of certain of the terms and conditions of the Voting Support Agreements is a summary only and is qualified in its entirety by the full text of such agreements, copies of which will be filed by Canada House on Canada House's SEDAR profile at www.sedar.com.

Item 7 – Change in material fact

If applicable, describe any change in a material fact set out in a previous report filed by the Acquiror under the early warning requirements or Part 4 in respect of the reporting Issuer's securities.

Not applicable.

Item 8 – Exemption

If the Acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 – Certification

I, as the acquiror, certify, or I, as the agent filing this report on behalf of the acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

DATED August 6, 2020.

ARCHERWILL INVESTMENTS INC.

By: “Irvine Weitzman”
Name: Irvine Weitzman
Title: President