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**CANADA HOUSE CANNABIS GROUP ANNOUNCES CLOSING OF THE FIRST TRANCHE  
OF ITS ACQUISITION OF MTL CANNABIS**

*Amending Agreements to Restructure Certain Debt Obligations Now Effective*

*Montréal, Québec – August 30, 2022 (CNW) -* Canada House Cannabis Group (CSE: CHV) (“**Canada House**” or the “**Company**”), a fully integrated medical cannabis company, and Montréal Cannabis Médical Inc. (“**MTL Cannabis**”), a Montreal based “flower-first” Licensed Producer, today announced the closing of the first tranche of Canada House’s previously announced acquisition of all of the issued and outstanding shares of MTL Cannabis (the “**Transaction**”) (*see the press releases of the Company dated August 9, 2021 and July 26, 2022*).

With the closing of the first tranche of the Transaction (the “**Initial Closing**”) the Company acquired approximately 24.99% of the issued and outstanding shares of MTL Cannabis in exchange for 49.99% of the issued and outstanding common shares (“**Common Shares**”) of the Company. Following the completion of the Company’s share consolidation announced on August 25, 2022, the shareholders of MTL Cannabis were issued 22,779,340 Common Shares on the Initial Closing. There are now 45,567,767 Common Shares issued and outstanding.

Now that the Initial Closing has been completed, the parties will proceed to satisfying the closing conditions to the second tranche of the Transaction, namely the preparation of the required audited annual and unaudited interim financial statements and related management’s discussion and analysis of MTL Cannabis in order for the Company to proceed to a shareholder meeting to approve the Transaction, as required by the rules and policies of the Canadian Securities Exchange (the “**CSE**”). The definitive transaction agreement between the parties provides for the Company to acquire the remaining 75.01% of the issued and outstanding shares of MTL Cannabis on the second tranche of the Transaction (the “**Subsequent Closing**”) in exchange for such number of Common Shares that when added to the Common Shares issued on the Initial Closing, is equal to 80.0% of the issued and outstanding common shares (“**Common Shares**”) of the Company.

The percentages of Common Shares noted above will be subject to anti-dilution adjustments in favour of the vendors of the MTL Cannabis shares wherein additional Common Shares will be issued up to 49.99% of the Common Shares prior to the Subsequent Closing and up to 80.0% following the Subsequent Closing in the event of the issuance of Common Shares upon the conversion of the principal and accrued interest of the Company’s \$6.5 million convertible debenture issued to Archerwill Investments Inc. on August 5, 2020.

The Transaction constitutes a “reverse takeover” of the Company and it is anticipated that following the Subsequent Closing, the Company will operate under the MTL Cannabis corporate name with shares trading on the CSE under a related ticker symbol. Trading in the common shares of the Company has been halted since the Transaction was initially announced on August 9, 2021 and is expected to remain halted until the Subsequent Closing.

The Subsequent Closing is subject to a number of conditions customary for a transaction of this nature, including but not limited to (i) approval by the shareholders of Canada House of the acquisition at a special meeting to be called for these purposes (in the case of the Subsequent Closing), (ii) the completion of the Share Consolidation, (iii) there being no material adverse change in the business of Canada House or MTL Cannabis (as applicable) prior to the Subsequent Closing, and (iv) receipt of applicable third party and regulatory approvals including the approval of the CSE. The Subsequent Closing will occur as soon as possible following the satisfaction of all such closing conditions. A press release will be issued in due course to announce the expected timing of the Subsequent Closing once the parties have progressed the financial statements of MTL Cannabis.

With the Initial Closing having been concluded, the amendments to restructure certain debt obligations of the Company as described in the Company’s July 26, 2022 press release are now effective.

A copy of the Restated SEA has been filed on SEDAR and is available under the Company’s profile at [www.sedar.com](http://www.sedar.com). For further information on the transaction see the press releases of the Company dated August 9, 2021, November 26, 2021, March 22, 2022 and July 26, 2022.

### **About MTL Cannabis:**

MTL Cannabis is a privately owned Canadian License Holder located in Montreal, Quebec. As a flower-first company built for the modern street, MTL Cannabis is a 57,000 sq ft licensed facility with room to expand to 130,000 sq ft in the existing 2 buildings and possible expansion to over 300,000 sq ft. Under the existing footprint, the indoor facility uses proprietary hydroponic growing methodologies supported by handcrafted techniques to produce products that are truly craft for the masses. MTL Cannabis currently produces over 13,000 kgs annually, yielding over 2kg per light. With supply deals in all ten Canadian provinces, the company is currently in the top 5 in dried flower sales in almost all markets.

MTL Cannabis’ goal has been clear from the start, be the brand that brings the best of the street to the shelves by staying committed to the craft. Please visit <http://www.mtlcannabis.ca/>

### **About Canada House Cannabis Group**

Canada House Cannabis Group is a 24.99% shareholder of MTL Cannabis and is the parent company of Abba Medix Corp., a Licensed Producer in Pickering, Ontario that produces high quality medical grade cannabis; IsoCanMed Inc., a Licensed Producer in Louiseville, Québec growing best-in-class indoor cannabis, in its 64,000 sq. ft. production facility; 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 Cannabis 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) or the Company’s public filings at [www.sedar.com](http://www.sedar.com).

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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 closing of the transaction with Montreal Cannabis and the receipt of all necessary regulatory and shareholder approvals associated therewith, 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.

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.