

**NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES
OR DISSEMINATION IN THE UNITED STATES**



**CANADA HOUSE CANNABIS GROUP RESTATES PREVIOUSLY ISSUED
FINANCIAL STATEMENTS AND MD&A FOR Q2 2023**

Montréal, Québec – June 21, 2023 (CNW) - Canada House Cannabis Group Inc. (formerly Canada House Wellness Group Inc.) (CSE: CHV) (“**Canada House**” or the “**Company**”) announces the filing of a restatement of the unaudited condensed consolidated financial statements of the Company for the six months ended January 31, 2023 and 2022 (the “**Restated Financial Statements**”), to amend the Company’s original unaudited condensed consolidated financial statements for the same period (the “**Original Financial Statements**”) as filed on March 23, 2023.

Subsequent to the issuance of the Original Financial Statements, the Company identified the following accounting errors that required the restatement of amounts within the statements of financial position, statements of income and comprehensive income, statement of changes in shareholders' equity, and the statements of cash flows related to the comparable six-month period ended January 31, 2022 (amounts expressed in thousands of Canadian dollars):

Investment in associate – The Company used the enterprise value method to measure the value of the Company’s shares used as an investment in Montréal Cannabis Médical Inc. (“**MTL**”) made on August 9, 2022, whereby the Company acquired 24.99% of the issued and outstanding shares of MTL in exchange for 49.99% of the issued and outstanding common shares of the Company. In determining the value of investment, the Company should have used an equity value method which required the deduction of debt from the enterprise value and resulted in an overstatement by approximately \$11,000 of the value of Company’s investment in MTL. In addition, transaction costs associated with this investment of \$905 should not have been expensed. The effect of this correction is to reduce the investment in associate’s carrying value by \$10,095.

Mortgage payable – Mortgage renewal costs of \$60 should not have been expensed.

Promissory notes – The maturity date on one of the Company’s promissory notes with a carrying value of \$4,167 was amended from December 12, 2024 to December 12, 2023 and, accordingly the promissory note should have been classified as current.

2020 convertible debenture – In August 2022, the conversion price of the secured convertible debenture with Archerwill Investments Inc. (the “**Archerwill Debenture**”) and related warrants were amended and, as a result, they no longer met the fixed-for-fixed criteria to qualify as an equity instrument. Accordingly, the Company was required to reassess the fair value of each component of the Archerwill Debenture. The net impact of this reassessment is to increase the carrying value of the host debt instrument by \$60 and reclassify the conversion option and equity from equity to liability with an estimated fair value of \$3,463, and \$640, respectively, upon correction.

The restatement does not have an impact on the Adjusted EBITDA (non-IFRS measure) disclosed in the news release of March 23, 2023.

About Canada House Cannabis Group Inc.

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 that operates a leading medical cannabis marketplace; IsoCanMed Inc., a Licensed Producer in Louiseville, Québec growing best-in-class indoor cannabis, in its 64,000 sq. ft. production facility; and 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.

Canada House Cannabis Group’s goal is to become the leading cultivator of premium craft cannabis and medical cannabis clinic and product solutions. Please visit www.canadahouse.ca or the Company’s public filings at www.sedar.com.

For further information, please contact:

Steven Pearce, Vice-President, Legal

Canada House Cannabis Group

289-980-3584

spearce@canadahouse.ca

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.