



Emerald Health Therapeutics Closes Emerald Health Naturals Joint Venture

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Joint venture to distribute endocannabinoid-supporting products to Canadian natural health product stores and pharmacies

VICTORIA, British Columbia, Jan. 10, 2019 (GLOBE NEWSWIRE) -- Emerald Health Therapeutics, Inc. ("Emerald") (TSXV:EMH; OTCQX:EMHTF) is pleased to announce that, further to its news releases dated April 17, 2018 and November 19, 2018, it has closed its 51:49 joint venture (the "Joint Venture") with San Diego-based Emerald Health Bioceuticals ("EHB"), called Emerald Health Naturals ("EHN").

Emerald has invested \$5,000,000 for 51% equity ownership of EHN. EHB has granted EHN the exclusive Canadian distribution rights to EHB's award-winning product line in exchange for 49% equity ownership of EHN. EHB's product line consists of nutritional supplements that use non-cannabis, non-psychoactive plant-based bioactive compounds to support the body's endocannabinoid system.

Market research commissioned by the Company identified that approximately 60% of legal cannabis users also use natural health products. This strong consumer overlap between the two markets is expected to create a unique opportunity for Emerald to build its health brand through EHN and begin sales of endocannabinoid-supporting products in natural health product channels. These channels are not authorized to sell cannabis under the Canadian federal cannabis regulations for recreational use which came into force on October 17, 2018. However, if these channels are approved in the future, the Company expects to be well positioned to introduce its cannabis-based products into these channels.

The formation of the Joint Venture is a "related-party transaction" as such term is defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("MI 61-101") as EHB is approximately 71% owned by Emerald Health Sciences Inc., which is also the holder of approximately 30.6% of the outstanding common shares of the Company. The Company is relying on the exemption from the formal valuation requirements of MI 61-101 set out in Section 5.5(b) of MI 61-101 and the exemption from the minority shareholder approval requirements of MI 61-101 set out in Section 5.7(a) of MI 61-101 in respect to the creation of the Joint Venture.

In connection with the formation of the Joint Venture, EHN has also acquired the assets of GAB Innovations ("GAB") and has granted non-exclusive sub-distribution rights to Avricore Pharmaceuticals Inc. (formerly VANC Pharmaceuticals Inc.) ("Avricore"). Both GAB and Avricore have established networks and a history of sales success in the natural health product and pharmacy channels. Gaetano Morello, ND, the founder of GAB, has been appointed CEO of EHN.

Emerald also announces that Chris Wagner has resigned as a director of the Company. As previously announced, Mr. Wagner stepped down as CEO effective November 28, 2018. Mr. Wagner will continue to act as a consultant to Emerald and provide assistance when needed.

About Emerald Health Therapeutics, Inc.

Emerald Health Therapeutics, Inc. is a Canadian licensed producer of cannabis. Its 50%-owned Pure Sunfarms joint venture in BC is completing the conversion of its 1.1 million square feet (25 acre) greenhouse for cannabis cultivation in the Lower Mainland and its Agro-Biotech operation in Québec is completing its 75,000 square feet indoor facility. Commercial production is expanding in both facilities. In addition, Emerald secured over 500 acres of hemp harvest in 2018 and has contracted for approximately 1000 acres in 2019 to 2022, with the objective of extracting low-cost cannabidiol. Emerald's team is highly experienced in life sciences, product development, large-scale agri-business, and marketing, and is focused on developing proprietary, value-added cannabis products for medical and adult-use customers. Emerald is part of the Emerald Health group, which represents a broad array of companies focused on developing pharmaceutical, botanical, and nutraceutical products developed to provide wellness and medical benefits by interacting with the human body's endocannabinoid system.

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Cautionary Note Regarding Forward-Looking Statements: Certain statements made in this press release that are not historical facts are forward-looking statements and are subject to important risks, uncertainties and assumptions, both general and specific, which give rise to the possibility that actual results or events could differ materially from our expectations expressed in or implied by such forward-looking statements. Such statements include the operations of the joint venture; establishment of brands; sale of products; regulation of the cannabis industry; production capacity of various facilities; expansion of facilities; increased commercial production; anticipated production costs; and receipt of hemp deliveries.

We cannot guarantee that any forward-looking statement will materialize, and readers are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements involve risks and uncertainties related to, among other things, failure to obtain necessary financing; results of production and sale activities; results of scientific research; regulatory changes; changes in prices and costs of inputs; demand for

labour; demand for products; as well as the risk factors described in the Company's annual information form and other regulatory filings. The forward-looking statements contained in this press release represent our expectations as of the date hereof. Forward-looking statements are presented for the purpose of providing information about management's current expectations and plans and allowing investors and others to obtain a better understanding of our anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes. The Company undertakes no obligations to update or revise such statements to reflect new circumstances or unanticipated events as they occur, unless required by applicable law.

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Source: Emerald Health Therapeutics Inc.