

Emerald Health Therapeutics Receives TSX Venture Conditional Approval of 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, Nov. 19, 2018 (GLOBE NEWSWIRE) -- Emerald Health Therapeutics, Inc. ("Emerald") (TSXV:EMH; OTCQX:EMHTF) is pleased to announce that it has received conditional approval of the TSX Venture Exchange regarding its 51:49 joint venture (the "Joint Venture") with San Diego-based Emerald Health Bioceuticals ("EHB"), to be called Emerald Health Naturals ("EHN").

The Company will invest \$5,000,000 for 51% equity ownership of EHN. EHB will grant 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, which 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 creates a unique opportunity for the Company to establish 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 32% 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.

The parties are in the process of finalizing definitive documentation with respect to the Joint Venture. Formation of the Joint Venture is conditional upon final regulatory approval and settlement of the definitive documentation.

About Emerald Health Therapeutics, Inc.

Emerald Health Therapeutics, Inc. (TSXV: EMH; OTCQX: EMHTF; Frankfurt: TBD) is a Canadian licensed producer of cannabis. Its 50%-owned Pure Sunfarms joint venture in BC is completing a sophisticated 1.1 million square feet greenhouse; its Agro-Biotech operation in Québec is completing a 75,000 square feet indoor facility. Commercial production is expanding in both facilities. Emerald has secured approximately 500 acres of hemp harvest in 2018 and has contracted for approximately 1000 acres in 2019 to 2022 with the goal of extracting low-cost cannabidiol (CBD). 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 is broadly focused on developing pharmaceutical, botanical, and nutraceutical products that may provide wellness and medical benefits by interacting with the human body's endocannabinoid system.

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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 final closing of the joint venture; production capacity of various facilities; expansion of facilities; increased commercial production; anticipated production costs; and receipt of hemp deliveries.

Actual results may vary from forward-looking statements. 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 regulatory approvals; failure to settle final documentation; 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; future distribution agreements; failure of counterparties to perform contractual obligations; 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.



Source: Emerald Health Therapeutics Inc.