



Emerald Health Provides Corporate Update

VICTORIA, BC, July 6, 2017 – Emerald Health Therapeutics Inc. (TSXV:EMH; OTCQX:TBQBF) ("Emerald" or the "Company") is pleased to provide a corporate update on recent developments as well as reiterate the Company's vision for growth in 2017 and onward.

Emerald's vision is to be a leading provider of cannabis products. As the eighth licensed producer in Canada, Emerald's methodical approach to building its business has focused on its core competency: clinical research and the development of intellectual property for downstream cannabis products. The Company recently announced several substantial developments and is pursuing multiple opportunities to fulfill its strategy.

Emerald is focused on four pillars to meet the current needs of the Canadian medical marijuana market and future demand in the therapeutic and non-therapeutic adult-use market:

- 1) Significant production expansion
- 2) Research & development and clinical work
- 3) Extraction expertise and downstream product development
- 4) Expanding nationwide distribution channels.

Rapidly and Cost Effectively Scaling Capacity

Emerald is undergoing two major expansion projects that will greatly increase production capacity, supporting the Company's flower and extract production. These projects will enable us to produce high quality, low cost cannabis and provide the backbone for all of Emerald's medical and adult-use endeavours.

Metro Vancouver: Subsequent to the [announcement](#) last November of the Letter of Intent, the Company has entered into a 30 year lease agreement for 32 acres of land in Metro Vancouver. We broke ground on Phase 1 in April and construction is underway on a 50,000 sq. ft. state-of-the-art, purpose built cultivation space that is expected to support the production of at least 5,000 kg cannabis flower per annum. As an already-licensed producer, we expect to rapidly advance through the new licensing process and have product ready for sale ahead of the anticipated non-therapeutic adult-use market, with first harvest expected in the first half of 2018.

Joint Venture with Village Farms: On June 6th we [announced](#) a transformational joint venture (JV) with Village Farms Inc., one of North America's largest vertically integrated greenhouse growers. Village Farms has contributed a 1.1 million sq. ft. operating greenhouse facility which is currently configured to produce tomatoes (with the option for the JV to acquire a total of 4.8 million sq. ft.) while we will contribute \$20 million in funding. The transaction combines decades of industrial-scale greenhouse growing experience and well-established, optimized management systems with Emerald's regulatory, technical and science-based experience. We believe that converting an existing facility will greatly accelerate the execution of our go-to-market strategy as we prepare for the adult-use market, while considerably reducing operational scaling risk. We've begun the application process to obtain a Health Canada license for a portion of the initial 1.1 million sq. ft. greenhouse (estimated to yield more than 75,000kg per annum



once full production capacity is achieved) and have commenced converting part of the greenhouse for cannabis cultivation. We foresee applying for a production license in the fall, providing ample time to ramp production and seek a sales license ahead of legalization of the adult-use market.

Advancing Cannabis Science

Through a research program supported by a contribution from the National Research Council of Canada's Industrial Research Assistance Program (IRAP), Emerald has characterized a rich collection of cannabis strains from its extensive genetic library, creating a strong base for its ongoing product development efforts to serve varying client preferences. From its collection of cannabis seeds, the Company selected a number of unique strains with a high CBD level and high CBD ratio, as well as other desirable cannabinoids and terpene profiles. These strains allowed us to provide cannabis oils with the highest CBD potency in Canada. CBD is a primary constituent of cannabis that anecdotally and in initial clinical studies by third parties has displayed medical benefit, without being psychoactive.

Additionally, Emerald was one of the first Licensed Producers to provide THCA oils. THCA is the native constituent of cannabis plants that is the precursor to THC. While both THCA and THC have been reported to provide analgesic effects, THCA is non-psychoactive.

More recently Emerald [announced](#) the formation of an Advisory Board that will provide strategic guidance to the company as it continues product and market development, pushes forward in developing pharmaceutical formulations, and conducts observational studies and clinical trials. We have started our research through data collection from patients using our cannabis oils, and plan to commence prospectively designed clinical trials later this year.

Focusing on Downstream Product Development

The extract-based market continues to rapidly grow and is expected to be a meaningful part of the adult use market. Emerald believes that beyond simple extraction, pharmaceutical-quality formulations supported by clinical R&D will be the next evolution in the medical cannabis market. Such formulations are able to offer repeatedly predictable, consistent dosing and other characteristics desired by the medical community. We believe that achieving such attributes represents an important opportunity and necessity in developing a valuable portfolio of intellectual property that will strengthen the company's position as a recognizable and valued medical brand in Canada and may lead to future international opportunities.

Emerald already has extraction-based products serving the medical market but important steps are necessary to achieve industrial-scale extraction and the processing capability and quality benchmark for pharmaceutical-quality formulations. Emerald undertook a vital first step by forming its JV with Village Farms, which will optimize raw material supply and cost for downstream extraction-based product development. We are also taking steps toward scaling extraction and other processes to meet the demand and product criteria for future medical and non-medical extraction-based products.

Expanding Distribution Channels

Our end vision is for Emerald to be a leading Canadian supplier of both branded and wholesale cannabis products. Emerald has the systems in place to support clients nationwide and has sales across the



country, with an excellent customer service record. With significantly expanded consumer demand expected in conjunction with legalization of the adult-use market in 2018, Emerald is working toward multi-channel distribution to fully support the eminent production position we are striving for with our internal and joint venture capacity expansion as well as our product development initiatives.

Join us on our journey of making lives better through cannabis science.

Emerald Health Therapeutics Inc.

Emerald Health Therapeutics, Inc. (TSXV: EMH; OTCQX:TBQBF) operates primarily through Emerald Health Botanicals Inc. ("Botanicals"), a wholly owned subsidiary of the Company and a Licensed Producer under the Access to Cannabis for Medical Purposes Regulations (the "ACMPR"). Botanicals is authorized to produce and sell both dried medical cannabis flowers and medical cannabis oils in Canada. Botanicals currently operates an indoor facility in Victoria, British Columbia, with plans for expansion on a 32-acre property in Metro Vancouver and a joint venture with Village Farms utilizing 25 acres of greenhouse complex in Delta, BC. Botanicals is one of Canada's most medically focused licensed producers, with a team of highly qualified management experienced in pharmaceutical drug discovery, development and distribution. Emerald's vision is to be a leading provider of cannabis products through its production capabilities, proprietary genetics and intellectual property, value-added products and branding, and superb customer experience.

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Cautionary Statements Regarding Forward Looking Information

Certain statements in this press release constitute forward-looking statements, within the meaning of applicable securities laws. All statements that are not historical facts, including without limitation, statements regarding future estimates, plans, programs, forecasts, projections, objectives, assumptions, expectations or beliefs of future performance, are "forward-looking statements".

We caution you that such "forward-looking statements" involve known and unknown risks and uncertainties that could cause actual and future events to differ materially from those anticipated in such statements.

Forward-looking statements include, but are not limited to, statements with respect to legalization of non-therapeutic cannabis sales in Canada; participation in the legalized non-therapeutic cannabis industry; growth in the extract-based market; increased production of cannabis; commercial operations; construction or conversion of production facilities; applications for licensing; obtaining such licenses; commencement of production of cannabis at the Company's facilities; estimates of production capacity at such facilities; contributions of cash to the JV; international opportunities for the Company; commencement of clinical trials; the Company becoming a leading Canadian supplier



of cannabis products; expected timing of any of the above matters; and other information that is based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Emerald Health Therapeutics Inc. does not intend, and does not assume any obligation, to update these forward-looking statements except as required by law. These forward-looking statements involve risks and uncertainties relating to, among other things, failure of the federal government to approve legislation legalizing sales of non-therapeutic adult-use cannabis; failure to obtain Health Canada and other regulatory approvals; failure to obtain necessary financing; results of production and sale activities; the Company's historical experience with medical marijuana operations; results of scientific research; uninsured risks; regulatory changes; difficulties in construction or in obtaining qualified contractors to complete construction or conversion of facilities; availability of production facilities; timeliness of government approvals and the granting of permits and licenses; changes in prices and costs; actual operating and financial performance of facilities; equipment and processes relative to specifications and expectations; as well as the other risk factors set out in the Company's annual information form and other filing with the applicable Canadian securities regulators, which may be viewed at www.sedar.com. Actual results may differ materially from those expressed or implied by such forward-looking statements.