



Emerald Health Therapeutics and DMG Blockchain Solutions Establish LOI to Create Cannabis Supply Chain Management System and E-Commerce Platform

Joint venture Cannachain Technologies would leverage blockchain technology designed to achieve unprecedented seed-to-sale provenance, safety and efficiency for the legal cannabis industry

VICTORIA, BC, January 26th, 2018 – Emerald Health Therapeutics, Inc. (TSXV: EMH) (OTCQX: EMHTF) and Emerald Health Sciences, Inc. (together, “Emerald”) and DMG Blockchain Solutions Inc. (“DMG”) have completed a letter of intent to form a joint venture, to be named CannaChain Technologies (“Cannachain”), to develop a foundational blockchain-based supply chain management system and e-commerce marketplace for the legal cannabis industry.

From Licensed Producers, through testing, distribution and other steps, to the consumer, the cannabis supply chain includes many touchpoints. CannaChain’s supply chain management system platform will aim to provide total transparency and assurances for end consumers about where a cannabis product came from and regarding an array of related attributes. The platform will also assist in ensuring adherence to Health Canada reporting requirements. By logging each step along the supply chain on the blockchain - a decentralized, timestamped, and unhackable digital ledger - this ground-breaking platform is expected to provide an irrefutable record outlining the journey the product has made, from beginning to end.

“There are notable new applications of blockchain technology to validate and assure the source, quality and integrity of products such as diamonds, wine, and art, along with coffee and other food products,” said Avtar Dhillon, MD, Executive Chairman of Emerald Health Therapeutics. “Cannabis is also a prime industry in which to apply blockchain supply management based on the broad spectrum of plant and growing attributes, as well as product innovation potential; the growing trend of medical and in some cases recreational legalization, with the need for licensing as well as high security and confidence; and the possibility to start off such an initiative with relatively small groups of pertinent stakeholders. Canada’s established experience with medical cannabis regulations also lends it to new innovation in areas such as supply chain operations.”

In this joint venture, Emerald would provide its expertise and relationships as one of the earliest Canadian Licensed Producers under Access to Cannabis for Medical Purposes Regulations. DMG Blockchain Solutions, a blockchain supply chain management solution developer and leading crypto mining hosting provider, would build and deploy a blockchain supply chain management solution designed to meet the challenges and opportunities of the cannabis industry. The Cannachain solution is intended to provide extensive plant, growing, third-party testing, and handling data, and offer enhanced trust of origin, quality, and safety based on blockchain’s ability to maintain immutable records as cannabis products flow from seed-to-sale through the supply chain. The solution would serve relevant stakeholders including producers, distributors, shippers, government agencies, and consumers.

Adrian Glover, DMG's Director of Software Engineering, commented, "Supply chain management for cannabis is an ideal use case for blockchain's tamper-proof ledger technology. We are excited to partner with Emerald and, through the formation of CannaChain Technologies, to provide such an integral solution for the Canadian medicinal market."

The parties also intend that Cannachain would develop an e-commerce marketplace based on the blockchain-based supply chain management system to facilitate the sale of a broad product selection backed by unprecedented supporting data and trust.

These solutions would be designed to also provide significant advantages with respect to administration of transactions, payments and reporting.

CannaChain's supply chain management platform will leverage an existing open source blockchain platform, enabling cross-industry collaboration capable of supporting global business transactions with major technology, financial, and supply chain companies. These tools will enable smart contract functionality, imperative to the automation of trust. Regulatory reporting requirements would be automated by the platform, making for a seamless, supply chain management solution for Licensed Producers.

The parties intend to commence negotiation of definitive documentation relating to CannaChain and the development of the supply chain management solution. Key terms such as ownership of the joint venture, fees and commissions have not been finalized at this stage. Development of the supply chain management solution will not commence until after final terms have been settled and definitive documentation has been executed.

About DMG Blockchain Solutions

DMG Blockchain Solutions Inc. is a full service blockchain and cryptocurrency company that manages, operates and develops end-to-end solutions to monetize the blockchain ecosystem. DMG intends to be the global leader in crypto mining hosting, Mining as a Service (MaaS), crypto mining, forensics and diversified blockchain platform development.

About Emerald Health Therapeutics

Emerald Health Therapeutics, Inc. (TSXV: EMH) (OTCQX: EMHTF) operates through Emerald Health Botanicals Inc. ("Botanicals"), a wholly owned subsidiary and Licensed Producer under Canada's Access to Cannabis for Medical Purposes Regulations. Through Botanicals, Emerald is authorized to produce and sell dried medical cannabis flower and medical cannabis oil. It currently operates an indoor facility in Victoria, BC, and is building a 500,000 s.f. greenhouse on 32 acres in Metro Vancouver, with expansion potential to 1 million s.f. to serve the anticipated legal Canadian adult-use cannabis market starting in 2018. Emerald also owns 50% of Pure Sunfarms Inc., a partnership with Village Farms International Inc. that is converting an existing 1.1 million s.f. greenhouse in Delta, BC from growing tomatoes to growing cannabis. Emerald's team is highly experienced in life sciences, product development and large-scale agribusiness. Emerald is part of the [Emerald Health group](#), which is broadly focused on developing pharmaceutical, botanical and nutraceutical products designed to provide wellness and medical benefits by interacting with the human body's endocannabinoid system.

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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, formation of the joint venture, development of a foundational blockchain-based supply chain management system and e-commerce marketplace and the use and benefits thereof, provision of total transparency and assurances for end consumers, ensuring adherence to Health Canada reporting requirements and the unhackable nature of the digital ledger.

The parties do not intend, and do 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 to negotiate and execute definitive agreements, the ability of the parties to reach agreement on key terms, failure to obtain necessary funding, development of the necessary technology, hacking and malicious software, intellectual property disputes, competition, regulatory compliance variations in market conditions; and other risk factors described in filings by Emerald Health Therapeutics Inc. 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.

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