



Emerald Health Therapeutics Reports 1st Quarter 2018 Financial Results and Provides Corporate Update

Commences commercial production at its Pure Sunfarms Delta 3 joint venture greenhouse operation

VICTORIA, British Columbia, May 29, 2018 -- Emerald Health Therapeutics, Inc. (TSXV:EMH; OTCQX:EMHTF) (“Emerald” or “the Company”) has filed its financial statements and management discussion and analysis for the fiscal quarter ended March 31, 2018. They are available for viewing on www.sedar.com or on the Company’s [website](#). All figures are expressed in Canadian dollars unless otherwise stated.

“Emerald has been very productive year-to-date in executing on three key strategic pillars: production scaling, product innovation, and branding,” said Chris Wagner, CEO of Emerald Health Therapeutics. “We received our cultivation license for our Pure Sunfarms joint venture, completed our first harvest and submitted an amendment to Health Canada for Pure Sunfarms’ sales license, and started commercial production. Emerald also established a supply agreement with Pure Sunfarms and acquired a licensed indoor production facility in Quebec to allow us to strongly serve consumers in Canada’s second largest province as well as add to our capabilities to serve the eastern Canadian market. We are taking progressive steps to advance intellectual property and product development. We are aggressively building our sales and marketing team, retained DDB Canada, a well-respected advertising agency, to help us build out our branding strategy. We also created a unique branding opportunity for Emerald in important, complementary sales channels.”

Selected Quarterly Financial Information

The financial information in the following tables summarize selected financial information for the Company for the last eight quarters which was derived from annual financial statements prepared in accordance with IFRS or interim financial statements prepared in accordance with IFRS applicable to the preparation of interim financial statements, *IAS 34, Interim Financial Reporting*:

	2018		2017	
	March 31 (\$)	December 31 (\$)	September 30 (\$)	June 30 (\$)
Revenue	373,218	279,362	211,316	245,708
Share-based payments	1,954,047	1,979,553	271,968	369,788
Interest revenue	250,064	43,024	60,997	57,497
Share of loss from joint venture	(301,793)	(44,562)	(278,016)	-
Net Loss	(5,045,420)	(4,027,569)	(1,939,371)	(1,669,026)
Net Loss per share (basic and diluted)	(0.04)	(0.04)	(0.02)	(0.02)

	2017	2016		
	March 31 (\$)	December 31 (\$)	September 30 (\$)	June 30 (\$)
Revenue	201,268	124,251	48,933	38,729
Share-based payments	201,186	137,113	467,878	37,618
Net Loss	(1,205,858)	(880,424)	(1,009,841)	(546,336)
Net Loss per share (basic and diluted)	(0.02)	(0.01)	(0.02)	(0.01)

BUSINESS UPDATE FOR AND SUBSEQUENT TO THE REPORTING PERIOD

Expansion Projects

The Company's joint venture, Pure Sunfarms, continues to make great strides towards achieving its goal of large-scale, high-quality, low-cost cannabis production. On March 2, 2018, Pure Sunfarms received its cannabis cultivation licence from Health Canada. It completed its first harvests in May 2018 and has submitted to Health Canada its amendment package to attain its sales licence. Pure Sunfarms is now scaling commercial cultivation.

Pure Sunfarms continues to advance the development of the 1.1-million-square foot (25-acre) greenhouse facility located on a 50-acre parcel of land in Delta, British Columbia ("Delta 3"), with the entire 1.1-million square foot Delta 3 site expected to be in production in 2019. The facility will have 17 grow rooms and is designed to consistently deliver high-quality product and fulfill large-volume supply commitments.

Pure Sunfarms finalized a contract for the short-term rental of generating equipment to power supplemental lighting during the 2018/2019 winter months, while the installation of the approved additional 24MW by the local utility is in process.

Senior growing, financial, human resources and operational personnel, including the established team transferred from Village Farms, are in place.

Pure Sunfarms conservatively projects production of approximately 7,000 to 8,000 kilograms in 2018 and 46,000 to 52,000 kilograms in 2019.

The Company continues to focus on its second expansion project, a 500,000 square foot greenhouse in Metro Vancouver, British Columbia, but has recently experienced delays in obtaining required permitting for this project.

Supply Agreement

On April 30, 2018, the Company entered into a supply agreement with Pure Sunfarms whereby the Company will purchase 40% of Pure Sunfarms' production in 2018 and 2019, approximately 21,000 to 24,000 kilograms using current projected production targets, at a pre-determined price per gram.

This agreement secures a significant source of cannabis for the Company as it endeavours to be an important supplier of high-quality cannabis in the anticipated legalized adult-use cannabis market.

Acquisitions

On May 2, 2018, the Company acquired 100% of the issued and outstanding shares of 8611165 Canada Inc. and its affiliate 9353-8460 Quebec Inc. (together "Agro-Biotech") for consideration of \$90 million, subject to adjustment, payable 50% in cash and 50% in shares. The Company paid \$22.5 million in cash upon closing and \$45 million was satisfied by the issuance of 9,911,894 common shares, of which 4,955,947 common shares will be held in escrow until May 1, 2019, pursuant to an escrow agreement. An additional \$22.5 million in cash is payable on May 1, 2019.

Agro-Biotech is a Licenced Producer under Access to Cannabis for Medical Purposes Regulations. Located in Saint-Eustache, Quebec, Agro-Biotech's assets include land and a 75,000 square foot indoor grow facility. The acquisition will increase the Company's growing capacity and strengthen its ability to market its products in Quebec and Eastern Canada.

The indoor hydroponic growing facility, which has access to very low-cost energy and water, will be capable of high-yield production of Emerald's unique cannabis strains, several of which are currently being grown in Agro-Biotech's facility. Agro-Biotech has built out 20,000 square feet of this facility and expects to have a total of 50,000 square feet equipped for indoor cannabis cultivation by year end. Emerald intends to meet the requirements for an ACMPR sales licence for this facility before the end of August. This operation is estimated to have a full production capacity exceeding 10,000 kg annually in 2019 and beyond.

On April 24, 2018, a statement of claim was served on Agro-Biotech and its former shareholders by a party with whom Agro-Biotech and its former shareholders had previously entered into a non-binding letter of intent with respect to a potential sale of Agro-Biotech. Management believes that the claim is without merit and intends to defend the claim to the fullest extent possible.

Sales and Marketing

In January, Emerald hired Mr. Paul Dillman as VP Sales & Marketing. With three decades of experience in global marketing, sales, and general management, he has held senior leadership positions at The Coca-Cola Company, AB InBev, Philip Morris, and Kraft Foods. Mr. Dillman is building Emerald's sales and marketing team to prepare for the expected initiation of legal recreational cannabis use in Canada in the second half of 2018.

As part of this preparation, Emerald retained DDB Canada to assist with Emerald's branding and marketing. The agency was named 2015 Digital Agency of the Year by Strategy magazine and was ranked #2 agency in Canada by the Gunn Report in 2015.

Emerald Health Naturals

Emerald Health Therapeutics entered into a 51:49 partnership with another Emerald Health group company, San Diego-based Emerald Health Bioceuticals Inc. (EHB), to create Emerald Health Naturals (EHN). EHN has secured exclusive Canadian rights to sell EHB's award-winning non-cannabis health products that support the endocannabinoid system.

Market research shows that 6 of 10 cannabis users also purchase natural health products, which are primarily bought in natural health product, grocery, and pharmacy stores. While cannabis products are not expected to be distributed through these sales channels in the immediate future, EHN will have the opportunity to introduce this new non-cannabis product line into these stores and build brand recognition that may be broadly beneficial for Emerald's cannabis product line.

DMG Blockchain Solutions Joint Venture

On January 28, 2018 the Company and DMG Blockchain signed a non-binding letter of intent to form a joint venture, to be named CannaChain Technologies, for the purpose of developing a blockchain solution to complement cannabis supply chain management and an e-commerce marketplace.

Namaste Technologies Collaboration

On January 30, 2018 the Company and Namaste signed a non-binding letter of intent whereby the Company and Namaste propose to enter into a definitive agreement to collaborate on strategic business opportunities worldwide and develop a fully integrated e-commerce platform to serve as a retail channel for the Company's patients.

TSX Venture 50 Performer

The Company achieved the #1 ranking in the TSX Venture 50 for the clean technology & life science sector in 2017 and was recognized as a top performing company for the second consecutive year. The

TSX Venture 50 is the TSX Venture Exchange's annual ranking of Canada's top 50 emerging publicly traded companies.

Capital Resources

Subsequent to year end, the Company raised additional gross proceeds of \$71.7 million from private placement offerings and warrant exercises, bringing total gross proceeds raised since February 2017 from unit issuances and warrant exercises to \$140.6 million.

The Company had approximately \$74 million in cash and cash equivalents as at May 25, 2018.

As of May 25, 2018, the Company had 135.4 million common shares outstanding and 157.8 million common shares outstanding on a fully diluted basis, after giving effect to outstanding options, warrants, and restricted stock units.

Financial Reports

Full details of the financial reports and operating results for the first quarter of 2018 are described in the Company's consolidated financial statements with accompanying notes and related Management's Discussion and Analysis. These documents and additional information on Emerald are available on SEDAR at www.sedar.com.

About Emerald Health Therapeutics

Emerald Health Therapeutics (TSXV: EMH; OTCQX: EMHTF; Frankfurt: TBD) is a Licensed Producer under Canada's Access to Cannabis for Medical Purposes Regulations and produces and sells dried cannabis and cannabis oil for medical purposes. Emerald is preparing to serve the anticipated legal Canadian adult-use cannabis market starting in 2018. Emerald owns 50% of Pure Sunfarms, which is converting a licensed existing 1.1 million square foot greenhouse in Delta, BC and is now in commercial production. It owns Agro-Biotech, a Quebec-based licensed cannabis grower with a 75,000 square foot indoor facility and is planning to add a 500,000 square foot greenhouse in Metro Vancouver. Emerald's team is highly experienced in life sciences, product development, large-scale agribusiness, and marketing, and is focused on developing value-added cannabis-based products with potential wellness and medical benefits. 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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