



Emerald Health Therapeutics Reports 2nd Quarter 2018 Financial Results and Provides Corporate Update

Multiple steps advance large-scale cannabis cultivation and position Emerald for industry-leading value-added manufacturing

VICTORIA, British Columbia, August 30, 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 three and six months ended June 30, 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.

“I am proud of the success we’ve had scaling our business so far this year,” said Chris Wagner, CEO of Emerald Health Therapeutics. “Since the start of the second quarter, we acquired and began cultivating cannabis at our Quebec-based licensed producer Agro-Biotech, substantially increased our licensed cannabis production area at our Pure Sunfarms joint venture to roughly 420,000 square feet, and obtained from Health Canada Pure Sunfarms’ sales license. We signed our first provincial supply agreement with our home province of BC on terms we were very happy with. We also announced a term sheet for a strategic alliance with Factors Group, Canada’s largest nutritional supplement marketer and manufacturer, which we expect to significantly expedite our plans to process large quantities of biomass to extract and encapsulate bioactive compounds from cannabis and other plants.”

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	
	June 30 (\$)	March 31 (\$)	December 31 (\$)	September 30 (\$)
Revenue	284,262	373,218	279,362	211,316
Share-based payments	2,081,661	1,954,047	1,979,553	271,968
Interest revenue	274,436	250,064	43,024	60,997
Share of income (loss) from JV	682,431	(301,793)	(44,562)	(278,016)
Net Loss	(5,610,970)	(5,045,420)	(4,027,569)	(1,939,371)
Net Loss per share (basic and diluted)	(0.04)	(0.04)	(0.04)	(0.02)

	2017		2016	
	June 30 (\$)	March 31 (\$)	December 31 (\$)	September 30 (\$)
Revenue	245,708	201,268	124,251	48,933
Share-based payments	369,788	201,186	137,113	467,878
Net Loss	(1,726,523)	(1,205,858)	(880,424)	(1,009,841)
Net Loss per share (basic and diluted)	(0.02)	(0.02)	(0.01)	(0.02)

BUSINESS UPDATE FOR AND SUBSEQUENT TO THE REPORTING PERIOD

Cannabis Sales Agreements – Adult-use Markets

In July 24, 2018, the Company signed a Memorandum of Understanding (“MOU”) with the British Columbia Liquor Distribution Branch (“BCLDB”) to supply the Company’s high-quality cannabis products to the BCLDB to serve the adult-use market throughout British Columbia.

Expansion Projects

The Company’s joint venture, Pure Sunfarms, continues to move towards achieving its goal of large-scale, high-quality, low-cost cannabis production. On July 27, 2018, Pure Sunfarms received its cannabis sales licence from Health Canada. Additional space continues to be developed for cannabis production at the Pure Sunfarms’ 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.

On August 21, 2018, the Company announced that Mandesh Dosanjh has been appointed President and Chief Executive Officer of Pure Sunfarms.

Supply Agreements

On April 30, 2018, the Company entered into a supply agreement with Pure Sunfarms whereby the Company has agreed to purchase 40% of Pure Sunfarms’ production in 2018 and 2019 at a set price per gram.

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”), and the shareholder loans payable by Agro-Biotech, for total consideration of \$90.0 million, subject to adjustment, payable 50% in cash and 50% in Common Shares.

Agro-Biotech is a Licenced Producer under the ACMPR located in Saint-Eustache, Quebec. Agro-Biotech’s assets include land and a 75,000 square foot indoor grow facility. Agro-Biotech has built out 20,000 square feet of this facility to date and Emerald expects to have the remainder of the 75,000 square foot facility equipped to produce high quality dried cannabis flower and be fully operational by early 2019.

Emerald Health Naturals Inc.

On April 17, 2018, the Company entered into a binding agreement with Emerald Health Bioceticals Inc. (“EHB”, a company related by common ownership), 1160305 BC Ltd., GAB Innovations, Inc. and Dr. Gaetano Morello, a director of the Company’s parent company, Emerald Health Sciences, with respect to the formation of Emerald Health Naturals, Inc. (“EHN”). Subject to regulatory approval, the Company agreed to invest \$5.0 million for 51% ownership of EHN and EHB will grant EHN the exclusive Canadian distribution rights to EHB’s product line for 49% ownership of EHN. EHB’s product line

consists of nutritional supplements, which use non-cannabis, non-psychoactive plant-based ingredients to provide potentially beneficial support to the body's endocannabinoid system. The TSXV has given conditional approval to the transaction subject to receipt and review of material agreements and a news release.

Subsequent to this agreement, the Company signed a term sheet to form a strategic alliance with Factors R&D Technology, Inc. ("FTI"), described below, which includes a provision for EHN to issue shares to FTI representing 25% of its issued share capital. This share issue is expected to reduce the Company's future ownership of EHN to 38%.

The Formation Agreement launches the Company's multi-pronged program to market and sell a proprietary, award-winning non-cannabis line of endocannabinoid-supporting nutritional products in Canadian grocery, natural health product, and pharmacy stores.

Factors R&D Technology, Inc.

On August 27, 2018, the Company signed a term sheet to form a strategic alliance with FTI, a division of Factors Group of Nutritional Companies Inc., in which FTI will provide pharmaceutical-grade, industrial-scale manufacturing capacity as well as expertise in GMP-level extraction, softgel production, and packaging. FTI will provide the Company with access to a facility capable of processing up to 1 million kg of biomass annually and softgel production capacity of up to 600 million capsules per year. The Company will pay an initial \$5 million fee to FTI to cover the initial costs of transition to cannabis extraction.

The term sheet also provides that FTI will enter into an exclusive agreement with EHN (described above). This will enable the companies to collaborate on product innovation, marketing, and distribution strategies to provide a range of products containing cannabinoids, where legal, and other herbal formulations to support the human endocannabinoid system to the Canadian and global health products market. The collaboration will initially focus on manufacturing, distribution, and sales of EHN's current product line. As part of this arrangement, EHN will issue shares to FTI representing 25% of its issued share capital.

The term sheet is non-binding and the strategic alliance is subject to the negotiation and execution of definitive agreements. The strategic alliance and related activities are also subject to obtaining all necessary regulatory approvals.

Northern Vine Canada Inc.

On May 15, 2018, the Company exercised its right to purchase additional common shares of Northern Vine issued from treasury, increasing its ownership of Northern Vine to 65% for \$2.75 million.

On August 15, 2018 the Company increased its ownership in Northern Vine to 100% by purchasing all of the shares of Northern Vine held by Abattis Bioceticals Corp ("Abattis"). The Company paid Abattis \$2.0 million in cash and issued 1,093,938 common shares of the Company.

The Company will pay Abattis a milestone payment of common shares of the Company, valued at \$4.0 million, if Northern Vine and/or the Company receive gross revenue of \$10 million from the sale of products or services introduced by Abattis within thirty-six months ended August 2021.

Northern Vine continues to focus on developing its laboratory services for the cannabis industry and expanding its operations in oil extraction.

Financings

In January, February and May 2018, the Company completed financings that resulted in total gross proceeds from unit issuances and warrant exercises of \$67.8 million (net proceeds – \$67.5 million) and has the potential to raise an additional \$41.8 million if the remaining outstanding warrants from these financings are exercised prior to expiry. The Company intends to use the proceeds of the financings to fund the completion of capital projects and potential future expansion and acquisitions, including

partnership transactions, for research and development, to expand the Company's existing extraction capabilities, and for working capital and general corporate purposes.

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.

Please visit www.emeraldhealth.ca for more information or contact:

Rob Hill
CFO
(800) 757 3536 Ext. #5

Ray Lagace
Investor Relations Manager
(800) 757 3536 Ext. #5
invest@emeraldhealth.ca

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. As a result, we cannot guarantee that any forward-looking statement will materialize and readers are cautioned not to place undue reliance on these forward looking statements. For more exhaustive information on these risks and uncertainties, the reader should refer to the risk factors described in the management's discussion and analysis for the year ended December 31, 2017. The forward-looking statements contained in this press release represent our expectations as of the date hereof. We disclaim any intention and assume no obligation to update or revise any forward-looking statements. 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.