



Emerald Health Therapeutics Secures Long-term Supply of Hemp for CBD Extraction

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Emerald to leverage low-cost CBD supply, and large scale extraction and softgel encapsulation facility

VICTORIA, British Columbia, Sept. 26, 2018 (GLOBE NEWSWIRE) -- Emerald Health Therapeutics, Inc. (TSXV:EMH; OTCQX:EMHTF) ("Emerald") has agreed to purchase from Emerald Health Hemp Inc. (EHH) CBD-containing hemp biomass for extraction into CBD oil. EHH has established agreements to purchase approximately 500 acres of harvested hemp chaff, plant material consisting mainly of flower and leaf, in Manitoba and Prince Edward Island in 2018, with a plan to expand field operations in 2019. Emerald has signed an agreement with EHH to purchase approximately 500 acres of chaff in 2018 and approximately 1,000 acres in 2019 to 2022, with an option to renew for an additional two-year period. The hemp chaff will be processed via Emerald's exclusive alliance with Factors R&D Technologies Ltd., a division of Factors Group of Nutritional Companies Inc., which has extensive extraction experience and large capacity.

In conjunction with Bill C-45, Health Canada recently issued an exemption to holders of Industrial Hemp licenses to begin collecting, drying, storing and transporting the chaff of hemp. After October 17, farmers will be able to sell hemp chaff to licensed processors under Bill C-45.

"We see non-smoked, non-psychoactive CBD consumption as a major growth opportunity in both the medical and adult-use market in Canada, and our Factors Group alliance uniquely positions us with the largest biomass extraction and softgel encapsulation facility in Canada to produce value-added products to serve this market," said Chris Wagner, CEO of Emerald. "Our intent is to secure significant low-cost cannabinoid supply to serve all our manufacturing and marketing goals and hemp is expected to be our lowest cost source of CBD. We are very pleased with the rapid advancement of our Pure Sunfarms production joint venture with Village Farms and our St. Eustache facility in Quebec. Our collaboration with Emerald Health Hemp now expands our ability to produce CBD products."

"Canada is one of the largest producers of hemp in the world and with Bill C-45 the value of hemp will continue to grow," said the Honourable Robert L. Henderson, Minister of Agriculture and Fisheries for the Province of Prince Edward Island. "I am pleased that farmers in Prince Edward Island are embracing the commercial opportunities that this plant brings to the region with the investment and assistance of businesses like Emerald. We will encourage and support our farmers as this industry matures, while continuing to implement appropriate policies in our Province to protect the public health and safety of our citizens."

Emerald is finalizing the terms of an exclusive arrangement with Factors R&D Technologies Ltd. (FTI) to initially provide Emerald with access to a facility with operating extraction infrastructure capable of up to 1 million kg of biomass processing and 600 million softgel capsule production capacity annually. Apart from providing pharmaceutical-grade, industrial-scale manufacturing and expertise, the plan for this collaboration is to also leverage the Factors Group's decades of experience in product development, formulation and innovation.

FTI is a division of Factors Group of Nutritional Companies Inc., Canada's largest nutritional supplement marketer and manufacturer, and has over 1 million square feet of production facilities, R&D, and quality control laboratories and distribution centres. Factors Group has established deep roots and relationships in Canada and worldwide in the nutrition industry and sells its products under multiple brands.

EHH is a wholly owned subsidiary of Emerald Health Sciences, which also owns approximately 32% of the issued and outstanding shares of Emerald Health Therapeutics, Inc.

About Emerald Health Therapeutics, Inc.

Emerald Health Therapeutics, Inc. (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 owns 50% of Pure Sunfarms, which is converting a licensed existing 1.1 million square foot greenhouse in Delta, BC, and is in commercial production. It owns Agro-Biotech, a Québec-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 agri-business, 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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actual results or events could differ materially from our expectations expressed in or implied by such forward-looking statements. Such statements include legalization of nonmedicinal cannabis; production capacity of various facilities; expansion of facilities; and anticipated production costs.

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 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; 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.