

Monday, December 17, 2018

---

**NEWS RELEASE****For Immediate Release**  
**HERITAGE COMPLETES ACQUISITION OF PUREFARMA SOLUTIONS**

Vancouver, B.C., December 17, 2018 – HERITAGE CANNABIS HOLDINGS CORPORATION (CSE: CANN) (“**Heritage**” or “**Company**”) is pleased to announce that further to its press release dated December 7, 2018, the Company has completed the acquisition (the “**Acquisition**”) of all of the issued and outstanding shares of Purefarma Solutions Inc. (“**Purefarma**”), a private British Columbia company, pursuant to the terms of definitive agreements dated December 7, 2018 (together, the “**Definitive Agreement**”).

Pursuant to the Definitive Agreement and in consideration for the Acquisition, as of the date hereof Heritage issued an aggregate of 33,333,333 common shares of the Company (the “**Payment Shares**”) at a deemed price of \$0.195 per Payment Share.

In addition, pursuant to the terms of the Definitive Agreement, Heritage will issue additional common shares of the Company (the “**Earn Out Shares**”) to certain former shareholders of Purefarma subject to Purefarma obtaining certain cumulative gross margin targets over the next four calendar years (beginning in 2019). Based on these gross margin targets, the company will calculate the amount of Earn Out Shares owed on an annual basis, being awarded within 120 days of the year end, in conjunction with the annual audit being completed. If fully achieved, a maximum of 21,100,000 Earn Out Shares will be issued, which would require Purefarma to earn \$100 million in cumulative gross margin by December 31, 2023.

Finally, pursuant to the Definitive Agreement and in exchange for a future royalty stream over the next four years (beginning in 2019), Heritage will pay an annual royalty based on that fiscal year’s gross margin. The royalty is set at 12% for the first year, diminishing to 9%, 6% and 3% each year following.

In connection with the Acquisition, the Company also issued 1,200,000 common shares to an arm’s length third party at a deemed price of \$0.195 per common share as an advisory fee. These shares are subject to a statutory hold period ending on April 15, 2019.

About Purefarma Solutions Inc.

Purefarma, based in Kelowna, BC, brings an experienced extraction team, which is a key aspect to the overall growth strategy for Heritage. The Purefarma team will expand its premium CBD and THC oil offerings within the PhyeinMed and CannaCure Licensed Producer infrastructure, as both LPs intend to obtain amended licenses to include extraction in the near future. Purefarma has an existing supply agreement for 1,600 acres of hemp available through partner farmers, which has been harvested this season and available for the 2019 consumer market.

About Heritage Cannabis Holdings Corp.

The Company is focused on becoming a vertically integrated cannabis provider that currently has two Health Canada approved licensed producers, through its subsidiaries PhyeinMed Inc. and CannaCure Corp. both regulated under the Cannabis Act Regulations, and its subsidiary Purefarma Solutions, which will be

Tel: (604) 628-1767 email: [info@heritagecann.com](mailto:info@heritagecann.com) website: [www.heritagecann.com](http://www.heritagecann.com)

providing extraction services within the Company. Heritage is focused on advancing its scale and technology footprint to compete both domestically and internationally.

**ON BEHALF OF THE BOARD OF DIRECTORS OF HERITAGE CANNABIS HOLDINGS CORPORATION**

*“Clint Sharples”*

Clint Sharples  
Chairman and interim CEO

For more information contact:

Clint Sharples  
Tel: 416-705-8529  
[info@heritagecann.com](mailto:info@heritagecann.com)

***The Canadian Stock Exchange does not accept responsibility for the adequacy or accuracy of this release.***

This news release contains forward-looking information, which involves known and unknown risks, uncertainties and other factors that may cause actual events to differ materially from current expectation. Important factors - including the availability of funds, the results of financing efforts, the results of exploration activities -- that could cause actual results to differ materially from the Company's expectations are disclosed in the Company's documents filed from time to time on SEDAR (see [www.sedar.com](http://www.sedar.com)). Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. The company disclaims any intention or obligation, except to the extent required by law, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

