



ALTERNATE HEALTH OBTAINS CALIFORNIA CANNABIS DISTRIBUTION, MANUFACTURING AND CULTIVATION LICENSES THROUGH ACQUISITION

TORONTO. October 17, 2018: Alternate Health Corp., (“Alternate Health” or the “Company”) (CSE:AHG) (OTCQB:AHGIF), an international leader in technology solutions for the regulated cannabis industry, announced today that the Company signed an arms length agreement on October 16, 2018, to acquire 100% of Four Twenty Inc., receiving coveted cannabis distribution, manufacturing, processing and cultivation permits as part of the agreement. Four Twenty Inc. also holds a five-year lease with an extension and purchase option on a 14,800 square foot, licensed facility in Humboldt County, California.

“With this acquisition, Alternate Health has the potential to take a leadership position in California’s cannabis industry,” says Dr. Murphy, Chairman and CEO of Alternate Health. “Based in the heart of Humboldt County, Four Twenty Inc. is strategically located giving Alternate Health the capacity to capture a dominant portion of the distribution market in one of the world’s most famous and well-respected cultivation areas.”

Four Twenty Inc. was established in 2015 by George Mull, a distinguished attorney and one of California’s foremost experts in the legal cannabis industry. Originally founded to provide consulting and legal advice for cannabis licensing and operations, Four Twenty Inc. has developed strong relationships with an extensive network of premiere cultivators throughout Humboldt County. These relationships form a key competitive advantage as Alternate Health and Four Twenty Inc. expand into cannabis distribution and product development.

Highlights of the Four Twenty Acquisition:

- As part of the acquisition, Alternate Health will receive valid California distribution, manufacturing, processing and cultivation permits and licenses. The formal Request to Transfer permits/licenses to the Company’s designated subsidiary is expected to be processed by Humboldt County in less than 30 days.
- Four Twenty Inc.’s lease is on a 14,800 square foot facility on nine acres in Humboldt County, fully licensed for commercial cannabis activity with plans to immediately commence operations.
- The facility is strategically located in the heart of California’s *Emerald Triangle*, an award-winning growing region famous for AAA grade cannabis.
- The agreement includes the **Humboldt Ave. Cannabis** label, with plans to immediately distribute Humboldt Ave. branded products across the state.
- Four Twenty Inc. maintains professional relationships with the region’s top cultivators, providing expert legal advice and consulting services.
- According to reporting in the San Francisco Chronicle, cannabis production contributes nearly \$400 million* annually to the local economy. With its strategic location in Humboldt County, coupled with its extensive cultivator relationships, Alternate Health is well positioned to secure exclusive cannabis distribution contracts from this significant market.

Peter Fimrite: "Allure of Legal Weed is fueling a land rush in Emerald Triangle." **San Francisco Chronicle**, May 27, 2016

Alternate Health plans on operating the Four Twenty Inc. subsidiary primarily as a distribution and packaging consulting company. Four Twenty Inc. will continue its management consulting and compliance advice activities with cultivators, but with a focus on incentivizing exclusive distribution deals. The manufacturing, processing, distribution and cultivation permits will be transferred to subsidiaries of Alternate Health. Alternate Health will earn revenues from associated distribution, processing, packaging and transport fees.

Alternate Health intends to establish retail distribution channels to dispensary partners in Los Angeles County. According U.S. Census Bureau data, the combined Los Angeles – Orange County metropolitan area has economy of over \$1 trillion. Alternate Health recognizes the tremendous potential the Humboldt brand has among Los Angeles customers.

"Now is the perfect time to expand into California's cannabis distribution market," says Dr. Murphy. "The state's cannabis regulations are just beginning to come into effect and, with our new permits and facility, we are well positioned to capture cannabis revenues as California phases out grey market sales."

About *Humboldt Ave. Cannabis*

Alternate Health. is focused on growing the ***Humboldt Ave.*** brand, distributing high quality cannabis from Humboldt to dispensary partners in the Greater Los Angeles area. With hundreds of cultivators in Humboldt County, Four Twenty Inc. has provided Alternate Health with the network to supply high quality cannabis to the world's most valuable cannabis market.

In an industry driven by quality, Humboldt Ave Cannabis enjoys the following benefits:

- Other California producers focus on mass-market cannabis, but Humboldt County has a large, experienced cultivation community with a reputation for producing extremely high quality product.
- Humboldt County's artisan approach to cannabis cultivation appeals to knowledgeable customers who are willing to pay more for a premium product.
- As stricter cannabis testing rules come into effect in 2019, Humboldt County's expert cultivators already meet many standards, unlike much of the mass-market production.
- Humboldt County cultivators prioritize organic and natural farming methods that resonate with environmentally conscious customers.

For more information on the Humboldt Ave. brand, visit www.HumboldtAve.com.

Terms of the Agreement

As consideration for the acquisition, Four Twenty Inc. founder, George Mull, will receive 1,000,000 warrants for common stock in Alternate Health Corp. The warrants have a five-year term with an exercise price per share of CDN\$ 0.57. In addition, the Company is entering a management contract with George Mull or an entity controlled by George for a fee equal to 20% of net income, defined as revenue less all expenses from certain operations of Alternate Health to be mutually agreed.

About Alternate Health

Alternate Health Corp. (CSE: AHG, OTCQB: AHGIF) Alternate Health has established multiple arms-length operations within the medical cannabis industry, each of which drives consumers, data and strategic opportunities to the company's other verticals. Through its software solutions, data analytics, and patented delivery systems, Alternate Health's goal is to be the global authority on scientific and clinical support for cannabis in regulated markets. Alternate Health is well positioned to reinvest internal operating cash flow in its platform over the long term, creating an attractive investment profile for its shareholders.

Alternate Health resides in the cannabis sector along with companies like GW Pharmaceuticals, AXIM Biotechnologies Inc., Canopy Growth Corporation, and Aphria Inc. For more information about Alternate Health Corp., visit www.alternatehealth.ca.

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