



Thursday, July 25, 2019

HERITAGE CANNABIS  
Holdings Corp.

CSE: CANN

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## NEWS RELEASE

### For Immediate Release

## HERITAGE ENTERS SUPPLY AGREEMENT WITH CRONOS GROUP

Vancouver, B.C., July 25, 2019 – HERITAGE CANNABIS HOLDINGS CORP. (CSE: CANN) ("**Heritage**" or "**Company**") is pleased to announce that it has entered into a Contract Manufacturing Agreement ("**CMA**") with Cronos Group Inc. ("**Cronos Group**") for the filling and packaging of vaporizer devices for the Canadian cannabis adult-use and medical market. Heritage will provide extract, fill and package vaporizer devices for the Spinach™ and PEACE NATURALS™ brands, utilizing multiple unique and proprietary formulations provided by Cronos Group.

The CMA has a two-year term with an option to extend upon agreement by both parties, at an annual potential contract value of \$35 million. Heritage will be responsible for the costs of supply of cannabis biomass for the production which is estimated to be approximately \$12 million, based upon the total contract value being achieved. In addition to cannabis biomass, Heritage will bear production, general and administrative and associated expenses for manufacture of the vaporizer devices. The contract value is based on future sales projections established by Cronos Group, and are subject to increase or decrease as a result of market demand factors and various other contract component alterations and subject to purchase orders made by Cronos Group in their sole discretion.

Heritage will execute its CMA obligations through its two licensed subsidiaries, CannaCure Corporation ("**CannaCure**") in Fort Erie, Ontario, and Voyage Cannabis Corp ("**Voyage**") in Falkland, British Columbia. Purefarma Solutions Inc ("**Purefarma**"), Heritage's extraction subsidiary, will oversee the extraction operations in these facilities, with first deliveries expected in December 2019.

"Working with the Heritage group of companies gives us the quality and optionality that we are looking for as we introduce our proprietary vape pen formulations." states Mike Gorenstein, CEO of Cronos Group "We are committed to continuing to lead the industry responsibly as derivative products are introduced to the expanding Canadian marketplace."

With the pending introduction of new cannabis regulations in Canada this October, the availability of additional cannabis derivative products and format factors will result in a more diverse and expansive market for Canadian consumers. The Company believes that vape pens will form a substantial part of this new market, in addition to edibles, topicals and beverages. It is Heritage's goal to focus its future expansion on taking advantage of these growth segments.

"This Contract Manufacturing Agreement with Cronos Group is an important, and significant milestone for Heritage as we continue to execute on our plan to establish ourselves as an industry leader for extracted products." says Clint Sharples, CEO of Heritage "We are excited to be working with Cronos Group, which has established itself as a front runner in the global cannabis industry. We believe Cronos Group has an exceptional vision for the vaporizer category, and Heritage will be a key partner in helping them achieve their goals in the Canadian market now and in the future."

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About Heritage Cannabis Holdings Corp.

The Company is focused on becoming a vertically integrated cannabis provider that currently has two Health Canada approved licenced producers, through its subsidiaries Voyage Cannabis Corp. and CannaCure Corp. both regulated under the Cannabis Act Regulations. Working under these two licences, Heritage has two additional subsidiaries, Purefarma Solutions, which provides extraction services, and a Health Services division which is focused on cannabis based medical solutions. Heritage as the parent company, is focused on providing the resources for its subsidiaries to advance their products or services to compete both domestically and internationally.

About Cronos Group Inc.

Cronos Group is an innovative global cannabinoid company with international production and distribution across five continents. Cronos Group is committed to building disruptive intellectual property by advancing cannabis research, technology and product development. With a passion to responsibly elevate the consumer experience, Cronos Group is building an iconic brand portfolio. Cronos Group's portfolio includes PEACE NATURALS™, a global health and wellness platform, and two adult-use brands, COVE™ and Spinach™. To learn more about Cronos Group and its brands, please visit: [www.thecronosgroup.com](http://www.thecronosgroup.com); [www.peacenaturals.com](http://www.peacenaturals.com); [www.covecannabis.ca](http://www.covecannabis.ca); [www.spinachcannabis.com](http://www.spinachcannabis.com).

**ON BEHALF OF THE BOARD OF DIRECTORS OF HERITAGE CANNABIS HOLDINGS CORP.**

*"Clint Sharples"*

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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.