

Monday, December 10, 2018

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**NEWS RELEASE****For Immediate Release  
HERITAGE AND PUREFARMA ANNOUNCE DEFINITIVE AGREEMENT**

Vancouver, B.C., December 10, 2018 – HERITAGE CANNABIS HOLDINGS CORPORATION (CSE: CANN) (“**Heritage**” or “**Company**”) is pleased to announce that further to its press release dated September 20, 2018, it has executed definitive agreements dated December 7, 2018 (together, the “**Definitive Agreement**”) to acquire all of the issued and outstanding shares (the “**Transaction**”) of Purefarma Solutions Inc. (“**Purefarma**”), a private British Columbia company.

In consideration for the Transaction, on the closing date, Heritage will issue 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 former shareholders of Purefarma subject to Purefarma obtaining certain cumulative gross margin targets over the next four calendar years (beginning in 2019). 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.

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. In addition, they are negotiating with several parties for additional long-term supply for 2019 and beyond.

“Today our company added a key element to our growth plan by bringing in a talented group of leaders in the extraction industry.” says Clint Sharples, Chairman and interim CEO of Heritage “We look forward to integrating the Purefarma business into our LP structures, and quickly move into a position that we can begin our wholesale extraction production.”

The Payment Shares and Earn Out Shares will be subject to escrow conditions and/or resale restrictions as required by applicable securities laws.

Closing of the Transaction remains subject to certain closing conditions, including, obtaining all necessary approvals. In connection with the Transaction, the Company will also issue 1,200,000 common shares to an arm’s length third party at a deemed price of \$0.195 per common share as an advisor’s fee.

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About Heritage Cannabis Holdings Corp.

The Company is focused on becoming a vertically integrated cannabis company that currently has two licensed producers, through its subsidiaries PhyeinMed Inc., and CannaCure, under the ACMPR (Access to Cannabis for Medical Purposes Regulations). 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

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***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.

