

This amended and restated prospectus is a short form base shelf prospectus. This amended and restated short form base shelf prospectus has been filed under legislation in each of the provinces of Canada except Quebec that permit certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities, except in cases where an exemption from such delivery has been obtained.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This amended and restated short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws. These securities may not be offered or sold in the United States and this amended and restated short form base shelf prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities in the United States. See "Plan of Distribution".

Information has been incorporated by reference in this amended and restated short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Emerald Health Therapeutics, Inc. at PO Box 24076, 4420 West Saanich Road, Victoria, British Columbia V8Z 7E7, Telephone (250) 818-9838, and are also available electronically at www.sedar.com.

**AMENDED AND RESTATED SHORT FORM BASE SHELF PROSPECTUS
(AMENDING AND RESTATING THE SHORT FORM BASE SHELF PROSPECTUS
DATED JANUARY 25, 2017 FOR ALL PROVINCES OF CANADA OTHER THAN QUEBEC)**

New Issue

July 13, 2017



EMERALD HEALTH THERAPEUTICS, INC.

\$150,000,000

**Common Shares
Preferred Shares
Warrants
Subscription Receipts
Units
Debt Securities**

This amended and restated short form base shelf prospectus (the "**Prospectus**") relates to the offering for sale by Emerald Health Therapeutics, Inc. (the "**Company**") from time to time, during the 25-month period commencing January 25, 2017 that this Prospectus, including any amendments hereto, remains valid, of up to \$150,000,000 (or the equivalent in other currencies based on the applicable exchange rate at the time of the offering) in the aggregate of: (i) common shares ("**Common Shares**") in the capital of the Company; (ii) preferred shares ("**Preferred Shares**") in the capital of the Company, issuable in series; (iii) warrants ("**Warrants**") of the Company to purchase other Securities (as defined below); (iv) subscription receipts ("**Subscription Receipts**") of the Company convertible into other Securities; (v) units ("**Units**") of the Company comprised of one or more of any of the other Securities, or any combination of such Securities; and (vi) debt securities (the "**Debt Securities**") of the Company (the Common Shares, Preferred Shares, Warrants, Subscription Receipts, Units and Debt Securities are collectively referred to herein as the "**Securities**"). The Securities may be offered in amounts, at prices and on terms to be determined based on market conditions at the time of sale and set forth in an accompanying prospectus supplement (each, a "**Prospectus Supplement**"). In addition, the Securities may be offered and issued in consideration for the acquisition of other businesses, assets or securities by the Company or one of its subsidiaries. The consideration for

any such acquisition may consist of the Securities separately, a combination of Securities or any combination of, among other things, Securities, cash and assumption of liabilities.

This Prospectus amends and restates the Company's base shelf prospectus dated January 25, 2017 (the "**Original Base Shelf Prospectus**") pursuant to which the Company qualified for distribution from time to time, during the period ending February 25, 2019, up to \$50,000,000 of Securities. As of the date of this Prospectus, the Company has issued an aggregate of \$40,940,673 of Securities under the Original Base Shelf Prospectus and therefore, prior to the filing of this Prospectus, had an aggregate of \$9,059,327 of Securities unallocated under the Original Base Shelf Prospectus. This Prospectus qualifies the distribution of an additional \$100,000,000 of Securities, which in the aggregate, will allow the Company to offer, from time to time, up to \$150,000,000 of Securities (of which \$109,059,327 will be unallocated as of the date of the receipt for this Prospectus) during the period ending February 25, 2019 that this Prospectus remains effective.

The specific terms of any Securities offered will be described in the applicable Prospectus Supplement including, where applicable: (i) in the case of Common Shares, the number of Common Shares offered, the offering price, whether the Common Shares are being offered for cash, and any other terms specific to the Common Shares; (ii) in the case of Preferred Shares, the designation of the particular series, the number of Preferred Shares offered, the offering price, any voting rights, any rights to receive dividends, any terms of redemption, any conversion or exchange rights and any other specific terms; (iii) in the case of Warrants, the number of Warrants being offered, the offering price, whether the Warrants are being offered for cash, the designation, number and terms of the other Securities purchasable upon exercise of the Warrants, and any procedures that will result in the adjustment of those numbers, the exercise price, the dates and periods of exercise and any other terms specific to the Warrants being offered; (iv) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price, whether the Subscription Receipts are being offered for cash, the terms, conditions and procedures for the conversion of the Subscription Receipts into other Securities, the designation, number and terms of such other Securities, and any other terms specific to the Subscription Receipts; (v) in the case of Units, the number of Units being offered, the offering price and the number and terms of the Securities comprising the Units; and (vi) in the case of Debt Securities, the specific designation, aggregate principal amount, the currency or the currency unit for which the Debt Securities may be purchased, the maturity, interest provisions, authorized denominations, offering price covenants, events of default, any terms for redemption or retraction, any exchange or conversion terms, whether the debt is senior or subordinated and any other terms specific to the Debt Securities being offered. A Prospectus Supplement relating to a particular offering of Securities may include terms pertaining to the Securities being offered thereunder that are not within the terms and parameters described in this Prospectus. Where required by statute, regulation or policy, and where the Securities are offered in currencies other than Canadian dollars, appropriate disclosure of foreign exchange rates applicable to the Securities will be included in the Prospectus Supplement describing the Securities.

All shelf information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus except in cases where an exemption from such delivery has been obtained. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains.

The Company may offer and sell the Securities to or through underwriters or dealers purchasing as principals, and may also sell directly to one or more purchasers or through agents or pursuant to applicable statutory exemptions. See "*Plan of Distribution*". The Prospectus Supplement relating to a particular offering of Securities will identify each underwriter, dealer or agent, as the case may be, engaged by the Company in connection with the offering and sale of the Securities, and will set forth the terms of the offering of such Securities, including, to the extent applicable, any fees, discounts or any other compensation payable to underwriters, dealers or agents in connection with the offering, the method of distribution of the Securities, the initial issue price (in the event that the offering is a fixed price distribution), the proceeds that the Company will, or expects to receive and any other material terms of the plan of distribution.

The Securities may be sold from time to time in one or more transactions at a fixed price or prices or at non-fixed prices. If offered on a non-fixed price basis, the Securities may be offered at market prices prevailing at the time of

sale, at prices determined by reference to the prevailing price of a specified Security in a specified market or at prices to be negotiated with purchasers, in which case the compensation payable to an underwriter, dealer or agent in connection with any such sale will be decreased by the amount, if any, by which the aggregate price paid for Securities by the purchasers is less than the gross proceeds paid by the underwriter, dealer or agent to the Company. The price at which the Securities will be offered and sold may vary from purchaser to purchaser and during the period of distribution.

In connection with any offering of Securities, other than an “at-the-market distribution” (as defined under applicable Canadian securities legislation), unless otherwise specified in a Prospectus Supplement, the underwriters, dealers or agents, as the case may be, may over-allot or effect transactions which stabilize, maintain or otherwise affect the market price of the Securities at a level other than those which otherwise might prevail on the open market. Such transactions may be commenced, interrupted or discontinued at any time. A purchaser who acquires Securities forming part of the underwriters’, dealers’ or agents’ over-allocation position acquires those Securities under this Prospectus and the Prospectus Supplement relating to the particular offering of Securities, regardless of whether the over-allocation position is ultimately filled through the exercise of the over-allotment option or secondary market purchases. See “*Plan of Distribution*”. No underwriter or dealer involved in an “at-the-market distribution” under this Prospectus, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such underwriter or dealer will over-allot Securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of the Securities.

The issued and outstanding Common Shares of the Company trade on the TSX Venture Exchange (the “**Exchange**”) under the symbol “EMH”. On July 12, 2017, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the Exchange was \$1.18.

Unless otherwise specified in the applicable Prospectus Supplement, each series or issue of Securities (other than Common Shares) will not be listed on any securities exchange. Accordingly, there is currently no market through which the Securities (other than Common Shares) may be sold and purchasers may not be able to resell such Securities purchased under this Prospectus. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of such Securities and the extent of issuer regulation relating to such Securities. See “*Risk Factors*”.

Prospective investors should be aware that the purchase of Securities may have tax consequences that may not be fully described in this Prospectus or in any Prospectus Supplement, and should carefully review the tax discussion, if any, in the applicable Prospectus Supplement and in any event consult with a tax adviser.

An investment in the Securities is subject to a number of risks. See “*Risk Factors*” for a more complete discussion of these risks.

No underwriter has been involved in the preparation of this Prospectus or performed any review of the contents hereof.

The Company is not making an offer of the Securities in any jurisdiction where such offer is not permitted.

The Company’s head office address is PO Box 24076 - 4420 West Saanich Road, Victoria, British Columbia, V8Z 7E7 and its registered office is located at 2600 – 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1.

Dr. Avtar Dhillon and Mr. Punit Dhillon, each of whom is a director of the Company, reside outside of Canada and have appointed McCullough O’Connor Irwin LLP at 2600 - 1066 West Hastings Street, Vancouver, British Columbia V6E 3X1, as their agent for service of process in Canada. Prospective investors are advised that it may not be possible for investors to enforce judgements obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

No person is authorized by the Company to provide any information or to make any representation other than as contained in this Prospectus in connection with the issue and sale of the Securities offered hereunder.

Prospective investors should rely only on the information contained or incorporated by reference in this Prospectus and any applicable Prospectus Supplement in connection with an investment in Securities. Prospective investors should assume that the information appearing in this Prospectus or any Prospectus Supplement is accurate only as of the date on the front of those documents and that information contained in any document incorporated by reference is accurate only as of the date of that document unless specified otherwise. The Company's business, financial condition, results of operations and prospects may have changed since those dates.

Market data and certain industry forecasts used in this Prospectus or any applicable Prospectus Supplement and the documents incorporated by reference herein or therein were obtained from market research, publicly available information and industry publications. The Company believes that these sources are generally reliable, but the accuracy and completeness of the information is not guaranteed. The Company has not independently verified this information and does not make any representation as to the accuracy of this information.

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CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this Prospectus and the documents incorporated by reference herein constitute forward-looking information or forward-looking statements under applicable securities laws (collectively, “**forward-looking statements**”). These statements relate to future events or future performance, business prospects or opportunities of the Company. All statements other than statements of historical fact may be forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “forecast”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions) are not statements of historical fact and may be “forward-looking statements”.

Examples of forward-looking statements in this Prospectus and the documents incorporated by reference herein include, but are not limited to, statements in respect of: potential increases in the number of registered patients of the Company and increases in the Company’s sales as a result; the eventual profitability of the business of the Company; benefits received by the Company from its transactions with Emerald Health Sciences Inc. (“**Sciences**”), a control person of the Company, and the opportunities that such transactions will provide; the expansion of the Company’s current production facility and the development of a new production facility; the timing, cost and implementation of the Company’s multi-phase expansion plan; the purchasing by the Company of additional strains of dried medical marihuana from another producer who is licensed as a producer (a “**Licensed Producer**”) under the Access to Cannabis for Medical Purposes Regulations (“**ACMPR**”); the expectation of the impact of the ACMPR; the introduction by the Company of new strains of cannabis oils; the Company’s longer term strategy to become a leading provider of quality products for the broader marihuana market; the Company’s intention to continue to communicate with and provide education and services to medical doctors and other healthcare professionals; the continued increase of the Company’s client base and revenue as a result of the introduction of cannabis oils; the Company’s continued research and development of cannabis strains and products; clinical trials to be undertaken by the Company; the acquisition by the Company of pre-approval applications from other ACMPR applicants; the expansion at the Company’s current facility and development of new production facilities and the potential resulting increase to the Company’s production capacity of dried product and oils; the Company’s multi-phase expansion plan; the use and funding of the Company’s research and development project related to strains of medical cannabis; the implementation of the Cannabis Act (as defined herein) by the federal government of Canada; amendments to the Excise Tax Act relating to the possible taxation of cannabis; completion and expected timing of licensing for the Initial Greenhouse (as defined herein) and related additional facilities; conversion and expected timing of the conversion of the Initial Greenhouse and related additional facilities to ACMPR-compliant cannabis production; rapid production capacity expansion; estimates of production of cannabis at the Initial Greenhouse and the related additional facilities; contributions and expected timing of contributions of cash to the Joint Venture (as defined herein); the production gap for medical and non-therapeutic adult-use cannabis; commencement of clinical research on our products; development of pharmaceutical formulations to provide patients with high-quality pharmaceutical-based cannabis products; evolution in the medicinal cannabis market; future availability of pharmaceutical formulations; increases in the number of physicians willing to prescribe cannabis; building valuable intellectual property in Canada which could lead to accelerated sales growth and profit margins; and future sales opportunities in other emerging medical markets and the effect that each risk factor will have on the Company.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Prospective investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. These forward-looking statements involve risks and uncertainties relating to, among others: market price of medical marihuana; the absence of a market through which the Securities of the Company, other than the Common Shares, may be sold; continued availability of capital financing and general economic, market or business conditions; the Company’s reliance on the Licence (as defined herein) to produce and sell medical marihuana and cannabis oils issued to it under the ACMPR and its ability to maintain the Licence; the Company’s ability to increase registered patients and sales and to make the Company profitable; regulatory risks relating to the Company’s compliance with the ACMPR; regulatory approvals for expansion of the Company’s current production facility and development of new production facilities and the greenhouse retrofits; the Company’s ability to execute its multi-phase expansion plan and Joint Venture; the

estimated costs associated with the Company's multi-phase expansion plan; changes in laws, regulations and guidelines relating to medical marihuana including the possible adoption of the Cannabis Act and potential changes to the Excise Tax Act by the federal government of Canada; changes in government; changes in government policy; increased competition in the marihuana market; the limited operating history of the Company; the Company's reliance on a single production facility; the Company's reliance on management; difficulties in securing additional financing; unfavourable publicity or consumer perception of the medical marihuana industry; the impact of any negative scientific studies on the effects of cannabis; changes in the Company's over-all business strategy; restrictions of the Exchange on the Company's business; difficulties in construction or in obtaining qualified contractors to complete greenhouse retrofits; actual operating and financial performance of facilities, equipment and processes relative to specifications and expectations; the Company's ability to develop and commercialize pharmaceutical products; failure to obtain regulatory approval for pharmaceutical products; actual operating and financial performance of facilities, equipment and processes relative to specifications and expectations; and changes in the Company's over-all business strategy. Additional factors that could cause actual results to differ materially include, but are not limited to, the risk factors described herein and as discussed in the Company's financial statements and other filings, under the heading "Risk Factors" in the Company's annual information form for the year ended December 31, 2016 dated March 31, 2017 and under the section "Risks and Uncertainties" in the Company's management discussion and analysis for the year ended December 31, 2016.

The Company believes that the expectations reflected in any forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in, or incorporated by reference into, this Prospectus should not be unduly relied upon. These statements speak only as of the date of this Prospectus. The Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable laws. Actual results may differ materially from those expressed or implied by such forward-looking statements.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in each of the provinces of Canada except Quebec (the "Qualifying Provinces"). Copies of the documents incorporated herein by reference or a copy of the Company's permanent information record may be obtained on request without charge from the Chief Financial Officer of the Company at PO Box 24076, 4420 West Saanich Road, Victoria, British Columbia V8Z 7E7 or by accessing the disclosure documents available through the Internet on the System for Electronic Document Analysis and Retrieval (SEDAR), which can be accessed at www.sedar.com.

As at the date hereof, the following documents of the Company, filed with the securities commissions or similar authorities in each of the Qualifying Provinces, are specifically incorporated by reference into and form an integral part of this Prospectus, provided that such documents are not incorporated by reference to the extent that their contents are modified or superseded by a statement contained in this Prospectus or in any other subsequently filed document that is also incorporated by reference in the Prospectus, as further described below:

- (a) the annual information form of the Company dated March 31, 2017 for the year ended December 31, 2016;
- (b) the audited consolidated annual financial statements of the Company as at and for the years ended December 31, 2016 and December 31, 2015, together with the notes thereto and the independent auditor's report thereon;
- (c) the management's discussion and analysis of the Company for the year ended December 31, 2016;
- (d) the unaudited consolidated interim financial statements of the Company as at March 31, 2017 and for the three months ended March 31, 2017 and March 31, 2016, together with the notes thereto (the "**Interim Financial Statements**");

- (e) the management's discussion and analysis of the Company for the three months ended March 31, 2017 (the "**Interim MD&A**");
- (f) the management information circular of the Company dated May 12, 2017 regarding the annual general meeting of shareholders of the Company held on June 15, 2017;
- (g) the material change report of the Company dated February 3, 2017 in respect of the announcement of the offering of up to 10,235,000 units of the Company at a price of \$1.35 per unit on a bought deal basis and the entering into of an engagement letter with Dundee Capital Markets (now Eight Capital) in respect of such offering (the "**February Prospectus Offering**");
- (h) the material change report of the Company dated February 10, 2017 in respect of the closing of the February Prospectus Offering;
- (i) the material change report of the Company dated April 11, 2017 in respect of the announcement of the April Prospectus Offering (as defined herein);
- (j) the material change report of the Company dated April 25, 2017 in respect of the closing of the April Prospectus Offering; and
- (k) the material change report of the Company dated June 15, 2017 in respect of the announcement of the Joint Venture with Village Farms International, Inc. ("**Village Farms**").

Any document of the type referred to in the preceding paragraph (excluding confidential material change reports), and all other documents of the type required to be incorporated by reference in a short form prospectus by National Instrument 44-101 - *Short Form Prospectus Distributions* of the Canadian Securities Administrators, filed by the Company with a securities commission or similar regulatory authority in Canada after the date of this Prospectus and prior to the termination of any offering of Securities hereunder shall be deemed to be incorporated by reference into this Prospectus.

Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference in this Prospectus shall be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference in this Prospectus modifies or supersedes that statement. Any such modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be considered in its unmodified or superseded form to constitute part of this Prospectus; rather only such statement as so modified or superseded shall be considered to constitute part of this Prospectus.

Upon a new annual information form and related annual audited consolidated financial statements and management's discussion and analysis being filed by the Company with, and where required, accepted by, the applicable securities regulatory authorities during the term of this Prospectus: (i) the previous annual information form, the previous annual audited consolidated financial statements and related management's discussion and analysis; (ii) all interim financial statements and related management's discussion and analysis, all material change reports and all business acquisition reports filed by the Company prior to the commencement of the Company's financial year in respect of which the new annual information form is filed; and (iii) any business acquisition report for acquisitions completed since the beginning of the financial year in respect of which the new annual information form is filed (unless such report is incorporated by reference into the current annual information form or less than nine months of the acquired business or related businesses operations are incorporated into the Company's current annual audited consolidated financial statements) shall be deemed no

longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder.

Upon new interim financial statements and related management's discussion and analysis being filed by the Company with the applicable securities regulatory authorities in Canada during the term of this Prospectus, all interim financial statements and related management's discussion and analysis filed prior to the new interim consolidated financial statements shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder.

Upon a new information circular relating to an annual meeting of shareholders being filed by the Company with applicable securities regulatory authorities in Canada subsequent to the date of this Prospectus and prior to the date on which this Prospectus ceases to be effective, the information circular for the preceding annual meeting of shareholders and any other information circular filed by the Company prior to the commencement of the Company's financial year in respect of which the new annual information form is filed shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of offers and sales of Securities under this Prospectus.

A Prospectus Supplement containing the specific terms of any Securities offered thereunder will be delivered to purchasers of such Securities together with this Prospectus to the extent required under applicable securities laws except in cases where an exemption from such delivery has been obtained and will be deemed to be incorporated by reference into this Prospectus as of the date of such Prospectus Supplement solely for the purposes of the Securities offered thereunder.

In addition, certain marketing materials (as that term is defined in applicable Canadian securities legislation) may be used in connection with a distribution of Securities under this Prospectus and the applicable Prospectus Supplement(s). Any "template version" of "marketing materials" (as those terms are defined in applicable Canadian securities legislation) pertaining to a distribution of Securities, and filed by the Company after the date of the Prospectus Supplement for the distribution and before termination of the distribution of such Securities, will be deemed to be incorporated by reference in that Prospectus Supplement for the purposes of the distribution of Securities to which the Prospectus Supplement pertains.

The Company has not provided or otherwise authorized any other person to provide investors with information other than as contained or incorporated by reference in this Prospectus or any Prospectus Supplement. If an investor is provided with different or inconsistent information, he or she should not rely on it.

MEANING OF CERTAIN REFERENCES

For simplicity, the Company uses terms in this Prospectus to refer to the investments and operations of the Company and its direct subsidiary, Botanicals as a whole. Accordingly, in this Prospectus, unless the context otherwise requires, the "Company" is referring to Emerald Health Therapeutics, Inc. and its direct subsidiary, Emerald Health Botanicals Inc. ("**Botanicals**").

SUMMARY OF THE BUSINESS

The Company is a Licensed Producer of medical marihuana under the ACMPR, and was a Licensed Producer under its predecessor, the Marihuana for Medical Purposes Regulations (the "**MMPR**"). On November 7, 2016, the Company received a new licence (the "**Licence**") from Health Canada under the ACMPR which is valid until May 7, 2018 (the "**Licence Period**"). The Licence supersedes and replaces the former licences granted to the Company under the MMPR and the ACMPR. The Licence was amended to permit the sale of marihuana seeds by the Company on February 2, 2017.

The Licence allows the Company to produce for medical purposes dried marihuana, cannabis oils, cannabis resins, marihuana plants and marihuana seeds. The License permits the Company to sell dried marihuana and cannabis oils to clients for medical purposes and to other Licensed Producers. The Company is also permitted to sell marihuana plants and marihuana seeds to other Licensed Producers and to individuals who are registered to grow marihuana

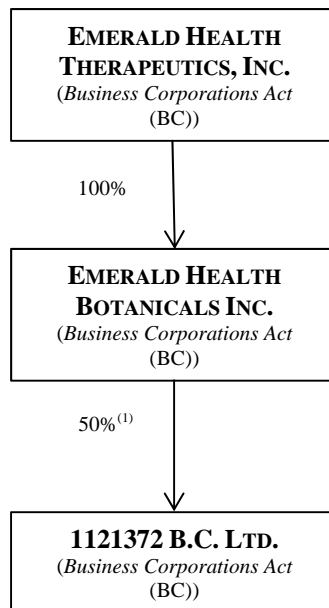
plants under Part 2 of the ACMPR. Individuals may become clients of the Company by registering with the Company through its secure online portal or via telephone after the individual has received a medical document signed by a licensed health care practitioner setting out the daily quantity of dried marihuana, in grams, that the practitioner authorizes for the person (which will be converted by the Company using an equivalency factor in the case of purchases of oils).

During the Licence Period, the Company is permitted to produce up to 150kg of dried marihuana, up to 648kg of cannabis oils and up to 10kg of cannabis resin. The Company is also permitted to sell smaller quantities of dried marihuana, cannabis oil, units of marihuana plants, marihuana seeds and/or cannabis resin to other Licensed Producers, licensed dealers and other individuals permitted under the ACMPR and larger quantities of dried marihuana, cannabis oil, units of marihuana plants, marihuana seeds and/or cannabis resin to clients, individuals who are responsible for clients, hospital employees and health care providers, all on the terms of the Licence.

The Company currently offers for sale a variety of dried marihuana strains and cannabis oils each with varying levels of Tetrahydrocannabinol oil (“**THC**”) and cannabidiol (“**CBD**”). There is no limit imposed by the ACMPR on the amount of THC or CBD a strain of dried marihuana may contain nor does the ACMPR set out specific requirements for pricing of dried marihuana or cannabis oils. Currently, pursuant to the ACMPR, cannabis oils are limited to 30 mg per ml, or 3%, THC for oil and 10 mg per capsule. There is no limit on the amount of CBD in cannabis oil.

Inter-Corporate Relationships

The following chart (as of the date hereof) illustrates the Company’s corporate structure.



(1) Joint venture with Village Farms International Inc.

More detailed information regarding the business of the Company, its operations and its assets can be found in the Company’s annual information form and other documents which are incorporated in this Prospectus by reference. See “*Documents Incorporated by Reference.*”

Recent Developments

Development of Second Facility

The Company intends to significantly increase its production capacity through a multi-phase expansion plan that leverages its experience in building, growing and selling cannabis under Health Canada regulations for Licensed Producers.

The Company has been in negotiations with a corporation controlled by Dr. Avtar Dhillon, the Executive Chairman of the Company, to lease at current market rates up to 32 acres of lands in metro Vancouver, British Columbia, on which the Company plans to construct a modular hybrid greenhouse growing facility (the “**Facility**”) with 50,000 square feet of production space using its team of builders, designers, and growers. The lease is currently under negotiation by independent members of the Company’s board of directors.

Following execution of the lease, the Company intends to significantly increase its production of cannabis and cannabis oils through a multi-phase expansion plan that leverages its experience in building, growing, and selling cannabis under Health Canada regulations for Licensed Producers. In phase one, the Company proposes to build a modular hybrid greenhouse growing facility with 50,000 square feet of production space using its team of builders, designers, and growers. The Company’s proposed expansion plans will require approval from Health Canada. Expansion is planned to continue in a modular fashion, with an additional 50,000 square feet anticipated to be added in 2018. Planning and feasibility work continued on the facility expansion during the three months ended March 31, 2017 and consulting and planning expenses of \$153,000 were incurred during the first quarter. Preliminary site prep at the new location began in April 2017 and construction of the Facility commenced in June 2017. The Company also expects to submit the application to Health Canada by the end of August 2017. Construction costs of up to \$20 million are expected to be incurred by the end of 2017 depending on the stage of construction of the first two modular greenhouses

Each phase of the Company’s expansion plan will require Health Canada approval. The Company will be required to apply for and obtain an additional license under the ACMPR for the Facility before it can begin growing medical cannabis and for any expansions of the Facility. The Company has not yet applied for any such approvals or licenses.

Bought-Deal Financing April 2017

On April 12, 2017, the Company entered into an underwriting agreement with Eight Capital (the “**Underwriter**”) and filed a prospectus supplement (the “**Prospectus Supplement**”) to the short-form base shelf prospectus of the Company dated January 25, 2017 qualifying the distribution of 13,170,000 units of the Company (the “**Units**”) plus an over-allotment option (the “**Over-Allotment Option**”) of 1,975,500 Units (the “**April Prospectus Offering**”). The April Prospectus Offering was conducted on a bought-deal basis by the Underwriter. Each Unit consisted of one Common Share and one-half of one Warrant. Each Warrant entitles the holder thereof to acquire one Common Share at a price of \$2.60 per Common Share for a period of 24 months following the closing of the Prospectus Offering. In the event that the closing price of the Common Shares on the Exchange, or such other principal Canadian stock exchange on which the Common Shares are then listed, is greater than \$3.50 per Common Share for a period of 20 consecutive trading days, the Company may accelerate the expiry date of the warrants by giving notice to the holders thereof and in such case the warrants will expire on the 30th day after such notice is given.

On April 20, 2017, the Company completed the April Prospectus Offering and issued a total of 13,170,000 Units. On April 21, 2017, the Company completed the partial exercise of the Over-Allotment Option and issued a further 1,465,100 Common Shares at a price of \$1.755 per share and 987,750 warrants at a price of \$0.19 per warrant.

Pursuant to the April Prospectus Offering, the Company issued an aggregate of 14,635,100 Common Shares and 7,572,750 warrants for gross proceeds of \$27,123,423. In addition, the Company issued to the Underwriter 439,053 compensation options exercisable into Units at \$1.85 per Unit for a period of twenty-four months.

Introduction of the Cannabis Act

On April 13, 2017, the federal government of Canada introduced before parliament Bill C-45 *An Act respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and Other Acts* (the “**Cannabis Act**”), the draft legislation setting out the federal regulatory framework for legalization of cannabis for non-medical purposes. On June 8, 2017, the Cannabis Act passed second reading in the House of Commons.

The federal government of Canada has set a target date of July 2018 for the implementation of the Cannabis Act. However, the Cannabis Act must be passed by both houses of Parliament before it can be enacted. It is likely that the draft Cannabis Act will be revised and amended prior to being passed into law. Further, many aspects of the regulatory regime will be determined by regulations that still need to be drafted and published. In addition, many other aspects regarding the distribution, sale and taxation of non-medical cannabis are not within the power of the federal government and will be subject to provincial or municipal jurisdiction. No drafts of any required provincial or municipal legislation are available at this time. There are therefore no guarantees as to if, when, or how non-medical cannabis will be legalized and regulated. Until the Cannabis Act is in force, existing laws remain in place and the provisions discussed below are subject to change. The Cannabis Act also provides for licensing of the import or export of cannabis in respect of medical or scientific purposes only.

A summary of key provisions of the Cannabis Act are set out below.

Licensing – The Cannabis Act provides for a licensing and permitting scheme for the production, testing, packaging, labelling, sending, delivery, transportation, sale, possession or disposal of commercial cannabis. The details relating to the licensing and permitting scheme will be governed by regulations which have yet to be released by the federal government. It is unknown at present whether the system for licensing and permitting will be similar to those currently in place under the ACMPR.

Products – Only cannabis produced pursuant to a licence under the Cannabis Act is permitted to be sold under the Cannabis Act, and products containing cannabis in combination with nicotine, caffeine or alcohol are prohibited. Commercial products under the Cannabis Act are limited to fresh and dried cannabis, cannabis oil, cannabis seeds and cannabis plants. The federal government has stated that the production and distribution of edible cannabis products will not be permitted at first, however, it plans to implement regulations with respect to such products in the future.

Packaging & Labelling – Packaging and labelling requirements will be determined primarily by regulations which have yet to be released by the federal government. The Cannabis Act prohibits packaging that is false, misleading or deceptive, and that is appealing to young persons, contain testimonials or endorsements, depict persons or characters (whether real or fictional), or associates a product with certain lifestyle imagery.

Advertising – The Cannabis Act permits informational-type promotion which is restricted to factual and accurate information about cannabis products and their characteristics. Information enabling consumers to tell the difference between brands will also be permitted. Promotion will only be allowed where it will not be seen by young persons. The Cannabis Act also contains restrictions on advertising relating to sponsorships, endorsements and testimonials, price, depiction of persons or characters, lifestyle advertising, and advertising in a way that could be appealing to young persons. The Cannabis Act provides for regulation-making powers and regulations which could affect what is permitted or require the inclusion of specific information such as health risk information.

Tax – It is expected the government will amend the Excise Tax Act to tax cannabis. The report prepared for the federal government entitled “A Framework for the Legalization of Cannabis In Canada” suggested taxing higher-potency THC at a higher rate, and using revenue generated from cannabis sales for drug prevention, education and treatment goals. The Cannabis Act itself does not set out a taxation scheme for cannabis.

Provincial Discretion – The Cannabis Act defers significant powers to the provinces including the power to authorize the distribution, sale and retailing of cannabis and cannabis products, establishing the minimum age for purchase and possession (which may not be below 18), restrictions on where adults can consume cannabis, lowering

of the personal possession limit within their jurisdiction, and the creation of additional rules for growing cannabis at home.

Criminal Law Changes – In connection with the introduction of the Cannabis Act, the federal government also introduced Bill C-46 *An Act to amend the Criminal Code (offences relating to conveyances) and to make other consequential amendments to other Acts* (the “**Criminal Code Amendment Act**”). The Cannabis Act together with the Criminal Code Amendment Act propose various amendments to the Criminal Code relating to the adoption of the Cannabis Act. Certain amendments to the Criminal Code relate to decriminalizing possession and distribution of certain smaller amounts of cannabis and the possession and distribution of a specified number of cannabis plants. Other amendments address issues relating to, among others, drug-impaired driving, police powers and road-side bodily substance testing and additional offences for distribution of cannabis to minors.

Omnibus Incentive Plan

In May 2017, the board of directors of the Company approved the adoption of an Omnibus Incentive Plan (the “**New Plan**”) which was approved by the Company’s shareholders at the Company’s annual general meeting on June 15, 2017. The New Plan replaces the stock option plan that was previously approved by the shareholders (the “**Previous Plan**”) and no new options will be granted under the Previous Plan if the New Plan is approved, however any options granted under the Previous Plan will remain outstanding and governed by the terms of the Previous Plan. If the New Plan is not approved by the shareholders of the Company, the Previous Plan will remain in place and options may continue to be granted under the Previous Plan. The New Plan is also subject to approval by the Exchange and must be confirmed by shareholders at each annual general meeting after its initial approval.

Under the New Plan, the maximum number of common shares issuable upon the exercise or redemption and settlement of all awards granted under the New Plan shall not exceed 10% of the issued and outstanding Common Shares at the time of granting of such award less the number of Common Shares reserved for issuance under all other security based compensation arrangements of the Company. Under the New Plan, the following types of awards can be issued: stock options, performance awards exercisable into a maximum of 500,000 Common Shares, restricted share units exercisable into a maximum of 1,000,000 Common Shares, other share-based awards exercisable into a maximum of 500,000 Common Shares, and stock appreciation rights which may be settled into a maximum of 500,000 Common Shares.

Joint Venture with Village Farms

On June 6, 2017, the Company entered into a definitive agreement (the “**JV Agreement**”) with Village Farms to form a joint venture (the “**Joint Venture**”) for large-scale, high-quality and low-cost cannabis production. On closing, Village Farms contributed a 1.1 million-square foot (25-acre) greenhouse facility located on a 50-acre parcel of land in Delta, British Columbia (with ancillary buildings) (the “**Initial Greenhouse**”) pursuant to the terms of a lease between the Joint Venture and Village Farms (with an option to buy). Emerald advanced \$2 million to the Joint Venture on closing and will contribute an additional \$18 million to the Joint Venture in tranches upon satisfaction of certain milestones to be determined by the board of directors of the Joint Venture to fund conversion of the Initial Greenhouse. The Company and Village Farms each have a 50% ownership stake in the Joint Venture.

Subject to obtaining necessary licensing, including under the ACMPR, the Initial Greenhouse will be converted to ACMPR-compliant production and, if permitted by applicable law and stock exchange requirements, production for the non-therapeutic adult-use market. The Joint Venture also entered into an agreement with Village Farms for options to lease or purchase from Village Farms a second 1.1 million square foot greenhouse (25 acre) and a 2.6 million square foot (60 acre) greenhouse, both located adjacent to the Initial Greenhouse. Combined, these three greenhouse assets could provide the Joint Venture with total potential aggregate production capacity of approximately 4.8 million square feet (110 acres).

OTCQX

On June 12, 2017, the Company began trading on the OTCQX Best Market, operated by the OTC Markets Group, under the ticker symbol “TBQBF”.

USE OF PROCEEDS

The use of proceeds from the sale of Securities will be described in the applicable Prospectus Supplement relating to a specific offering and sale of Securities. Among other potential uses, the Company may use the net proceeds from the sale of Securities for general corporate purposes, including funding ongoing operations and/or working capital requirements, to repay indebtedness outstanding from time to time, capital projects and potential future acquisitions.

Management of the Company will retain broad discretion in allocating the net proceeds of any offering of Securities under this Prospectus and the Company's actual use of the net proceeds will vary depending on the availability and suitability of investment and development opportunities and its operating and capital needs from time to time. All expenses relating to an offering of Securities and any compensation paid to underwriting dealers or agents as the case may be, will be paid out of the proceeds from the sale of Securities, unless otherwise stated in the applicable Prospectus Supplement.

The Company may, from time to time, issue securities (including Securities) other than pursuant to this Prospectus.

EARNINGS COVERAGE RATIO

Earnings coverage ratios will be provided as required in the applicable Prospectus Supplement with respect to the issuance of Debt Securities pursuant to this Prospectus.

CONSOLIDATED CAPITALIZATION OF THE COMPANY

Other than as set out below, there has been no material change in the share and loan capital of the Company on a consolidated basis, since March 31, 2017, the date of the Interim Financial Statements. The following table sets forth the Company's cash, indebtedness and shareholders' equity as of March 31, 2017 on an actual basis and as adjusted to give effect to the April Prospectus Offering as though they had occurred on such date. This table should be read in conjunction with the Company's Interim Financial Statements and Interim MD&A.

Description of Capital	As at March 31, 2017 before giving effect to the April Offering ⁽¹⁾	As at March 31, 2017 after giving effect to the April Offering
Cash.....	\$14,753,474	\$40,043,341
Indebtedness	-	-
Number Common shares outstanding	78,179,698	92,814,798
Number of Warrants outstanding	13,606,951	21,179,701
Shareholders' Equity		
Share Capital	\$21,824,050	\$42,843,544
Warrants.....	\$409,400	\$4,679,773
Contributed Surplus.....	\$3,334,317	\$3,334,317
Accumulated other comprehensive loss.....	-	-
Deficit	(\$10,303,395)	(\$10,303,395)
Total Shareholders' Equity.....	\$15,264,372	\$40,554,239

Notes:

⁽¹⁾ Under the April Prospectus Offering, the Company issued to subscribers 13,170,000 units consisting of one common share and one half of one common share purchase warrant at a price of \$1.85 per unit, 1,465,100 common shares at \$1.755 per share and 987,750 common share purchase warrants at \$0.19 per warrant.

PLAN OF DISTRIBUTION

The Company may from time to time during the 25-month period commencing January 25, 2017 that this Prospectus, including any amendments hereto, remains valid, offer for sale and issue up to an aggregate of \$150,000,000 in Securities hereunder. As of the date of this Prospectus, the Company has issued an aggregate of \$40,940,673 of Securities under the Original Base Shelf Prospectus and therefore, prior to the filing of this Prospectus, had an aggregate of \$9,059,327 of Securities unallocated under the Original Base Shelf Prospectus. This Prospectus qualifies the distribution of an additional \$100,000,000 of Securities, which in the aggregate, will allow the Company to offer, from time to time, up to \$150,000,000 of Securities (of which \$109,059,327 will be unallocated as of the date of the receipt for this Prospectus) during the period ending February 25, 2019 that this Prospectus remains effective.

The Company may offer and sell the Securities to or through underwriters or dealers purchasing as principals, and may also sell directly to one or more purchasers or through agents or pursuant to applicable statutory exemptions. The Prospectus Supplement relating to a particular offering of Securities will identify each underwriter, dealer or agent, as the case may be, engaged by the Company in connection with the offering and sale of the Securities, and will set forth the terms of the offering of such Securities, including, to the extent applicable, any fees, discounts or any other compensation payable to underwriters, dealers or agents in connection with the offering, the method of distribution of the Securities, the initial issue price, the proceeds that the Company will receive and any other material terms of the plan of distribution. Any initial offering price and discounts, concessions or commissions allowed or reallocated or paid to dealers may be changed from time to time.

In addition, the Securities may be offered and issued in consideration for the acquisition of other businesses, assets or securities by the Company or one of its subsidiaries. The consideration for any such acquisition may consist of the Securities separately, a combination of Securities or any combination of, among other things, Securities, cash and assumption of liabilities.

The Securities may be sold from time to time in one or more transactions at a fixed price or prices or at prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing prices or at negotiated prices, including sales in transactions that are deemed to be “at-the-market distributions” as defined in National Instrument 44-102 - *Shelf Distributions*, including sales made directly on the Exchange or other existing trading markets for the Common Shares. The price at which the Securities will be offered and sold may vary from purchaser to purchaser and during the period of distribution.

In connection with the sale of the Securities, underwriters, dealers or agents may receive compensation from the Company or from other parties, including in the form of underwriters', dealers' or agents' fees, commissions or concessions. Underwriters, dealers and agents that participate in the distribution of the Securities may be deemed to be underwriters for the purposes of applicable Canadian securities legislation and any such compensation received by them from the Company and any profit on the resale of the Securities by them may be deemed to be underwriting commissions.

In connection with any offering of Securities, except as otherwise set out in a Prospectus Supplement relating to a particular offering of Securities and other than in relation to an “at-the-market” distribution, the underwriters, dealers or agents, as the case may be, may over-allot or effect transactions intended to fix, stabilize, maintain or otherwise affect the market price of the Securities at a level other than those which otherwise might prevail on the open market. Such transactions may be commenced, interrupted or discontinued at any time.

Underwriters, dealers or agents who participate in the distribution of the Securities may be entitled, under agreements to be entered into with the Company, to indemnification by the Company against certain liabilities, including liabilities under Canadian securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof. Such underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for, the Company in the ordinary course of business.

Unless otherwise specified in the applicable Prospectus Supplement, each series or issue of Securities (other than Common Shares) will be a new issue of Securities with no established trading market. Accordingly, there is currently no market through which the Securities (other than Common Shares) may be sold and purchasers may not be able to resell such Securities purchased under this Prospectus. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of such Securities and the extent of issuer regulation. See “*Risk Factors*”.

This Prospectus constitutes a public offering of these Securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such Securities. Unless otherwise specified in the applicable Prospectus Supplement, the Securities have not been and will not be registered under the U.S. Securities Act or any state securities laws. Unless otherwise specified in the applicable Prospectus Supplement, the Securities may not be offered or sold in the U.S. or to, or for the account or benefit of, U.S. Persons (as defined in Rule 902(k) of Regulation S under the U.S. Securities Act), unless the Securities are registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration requirements is available. Each underwriter, dealer and agent who participates in the distribution will agree not to sell or offer to sell or to solicit any offer to buy any Securities within the United States or to, or for the account or benefit of, a U.S. person, except pursuant to an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these Securities in the U.S.

DESCRIPTION OF SECURITIES

The following is a brief summary of certain general terms and provisions of the Securities as at the date of this Prospectus. The summary does not purport to be complete and is indicative only. The specific terms of any Securities to be offered under this Prospectus, and the extent to which the general terms described in this Prospectus apply to such Securities, will be set forth in the applicable Prospectus Supplement. Moreover, a Prospectus Supplement relating to a particular offering of Securities may include terms pertaining to the Securities being offered thereunder that are not within the terms and parameters described in this Prospectus.

Description of Common Shares

The following is a brief summary of the material attributes of the Common Shares. This summary does not purport to be complete.

The holders of Common Shares are entitled to one vote per share at all meetings of shareholders of the Company except separate meetings of the holders of another class or series of shares of the Company. Subject to the preferences accorded to holders of any class of shares of the Company ranking senior to or concurrent with the Common Shares, the Common Shares are entitled to dividends, if and when declared by the Company’s board of directors, and to the distribution of the residual assets of the Company in the event of the liquidation, dissolution or winding-up of the Company.

Description of Preferred Shares

The following is a brief summary of certain general terms and provisions of the Preferred Shares that may be offered pursuant to this Prospectus. This summary does not purport to be complete. The particular terms and provisions of the Preferred Shares as may be offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement pertaining to such offering of Preferred Shares, and the extent to which the general terms and provisions described below may apply to such Preferred Shares will be described in the applicable Prospectus Supplement.

The Preferred Shares are issuable in series. The Preferred Shares of each series rank in parity with the Preferred Shares of every other series with respect to dividends and return of capital and are entitled to a preference over the Common Shares and any other shares ranking junior to the Preferred Shares with respect to priority in the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company.

The Company's board of directors is empowered to fix the number of shares and the rights to be attached to the Preferred Shares of each series, including the amount of dividends and any conversion, voting and redemption rights. Subject to the articles of incorporation for the Company and to applicable law, the Preferred Shares as a class are not entitled to receive notice of or attend or vote at meetings of the Company's shareholders.

Each applicable Prospectus Supplement will set forth the terms and other information with respect to the Preferred Shares being offered thereby, which may include, without limitation, the following (where applicable):

- the maximum number of Preferred Shares;
- the designation of the series;
- the offering price;
- the annual dividend rate, if any, and whether the dividend rate is fixed or variable, the date from which dividends will accrue, and the dividend payment dates;
- the priority of the Preferred Shares in respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company;
- the price and the terms and conditions for redemption, if any, including whether redeemable at the Company's option or at the option of the holder, the time period for redemption, and payment of any accumulated dividends;
- the terms and conditions, if any, for conversion or exchange for shares of any other class of the Company or any other series of Preferred Shares, or any other securities or assets, including the price or the rate of conversion or exchange and the method, if any, of adjustment;
- whether such Preferred Shares will be listed on any securities exchange;
- the voting rights, if any;
- any other rights, privileges, restrictions, or conditions;
- certain material Canadian tax consequences of owning the Preferred Shares; and
- any other material terms and conditions of the Preferred Shares.

Description of Warrants

The following is a brief summary of certain general terms and provisions of the Warrants that may be offered pursuant to this Prospectus. This summary does not purport to be complete. The particular terms and provisions of the Warrants as may be offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement pertaining to such offering of Warrants, and the extent to which the general terms and provisions described below may apply to such Warrants will be described in the applicable Prospectus Supplement.

Warrants may be offered separately or together with other Securities, as the case may be. Each series of Warrants may be issued under a separate warrant indenture or warrant agency agreement to be entered into between the Company and one or more banks or trust companies acting as warrant agent or may be issued as stand-alone contracts. The applicable Prospectus Supplement will include details of the warrant indenture or agreements, if any, governing the Warrants being offered. The warrant agent, if any, will be expected to act solely as the agent of the Company and will not assume a relationship of agency with any holders of warrant certificates or beneficial owners of Warrants. A copy of any warrant indenture or any warrant agency agreement relating to an offering of Warrants

will be filed by the Company with the relevant securities regulatory authorities in Canada after it has been entered into by the Company.

Each applicable Prospectus Supplement will set forth the terms and other information with respect to the Warrants being offered thereby, which may include, without limitation, the following (where applicable):

- the designation of the Warrants;
- the aggregate number of Warrants offered and the offering price;
- the designation, number and terms of the other Securities purchasable upon exercise of the Warrants, and procedures that will result in the adjustment of those numbers;
- the exercise price of the Warrants;
- the dates or periods during which the Warrants are exercisable including any “early termination” provisions;
- the designation, number and terms of any Securities with which the Warrants are issued;
- if the Warrants are issued as a unit with another Security, the date on and after which the Warrants and the other Security will be separately transferable;
- whether such Warrants are to be issued in registered form, “book-entry only” form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;
- any minimum or maximum amount of Warrants that may be exercised at any one time;
- whether such Warrants will be listed on any securities exchange;
- any terms, procedures and limitations relating to the transferability, exchange or exercise of the Warrants;
- certain material Canadian tax consequences of owning the Warrants; and
- any other material terms and conditions of the Warrants.

Description of Subscription Receipts

The following is a brief summary of certain general terms and provisions of the Subscription Receipts that may be offered pursuant to this Prospectus. This summary does not purport to be complete. The particular terms and provisions of the Subscription Receipts as may be offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement pertaining to such offering of Subscription Receipts, and the extent to which the general terms and provisions described below may apply to such Subscription Receipts will be described in the applicable Prospectus Supplement.

Subscription Receipts may be offered separately or together with other Securities, as the case may be. The Subscription Receipts may be issued under a subscription receipt agreement. The applicable Prospectus Supplement will include details of the subscription receipt agreement, if any, governing the Subscription Receipts being offered. The Company will file a copy of any subscription receipt agreement relating to an offering of Subscription Receipts with the relevant securities regulatory authorities in Canada after it has been entered into by the Company.

Each applicable Prospectus Supplement will set forth the terms and other information with respect to the Subscription Receipts being offered thereby, which may include, without limitation, the following (where applicable):

- the number of Subscription Receipts;
- the price at which the Subscription Receipts will be offered;
- the terms, conditions and procedures for the conversion of the Subscription Receipts into other Securities;
- the dates or periods during which the Subscription Receipts are convertible into other Securities;
- the designation, number and terms of the other Securities that may be exchanged upon conversion of each Subscription Receipt;
- the designation, number and terms of any other Securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each Security;
- whether such Subscription Receipts are to be issued in registered form, “book-entry only” form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;
- terms applicable to the gross or net proceeds from the sale of the Subscription Receipts plus any interest earned thereon;
- certain material Canadian tax consequences of owning the Subscription Receipts; and
- any other material terms and conditions of the Subscription Receipts.

Description of Units

The following is a brief summary of certain general terms and provisions of the Units that may be offered pursuant to this Prospectus. This summary does not purport to be complete. The particular terms and provisions of the Units as may be offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement pertaining to such offering of Units, and the extent to which the general terms and provisions described below may apply to such Units will be described in the applicable Prospectus Supplement.

Units may be offered separately or together with other Securities, as the case may be.

Each applicable Prospectus Supplement will set forth the terms and other information with respect to the Units being offered thereby, which may include, without limitation, the following (where applicable):

- the number of Units;
- the price at which the Units will be offered;
- the designation, number and terms of the Securities comprising the Units;
- whether the Units will be issued with any other Securities and, if so, the amount and terms of these Securities;
- terms applicable to the gross or net proceeds from the sale of the Units plus any interest earned thereon;
- the date on and after which the Securities comprising the Units will be separately transferable;

- whether the Securities comprising the Units will be listed on any securities exchange;
- whether such Units or the Securities comprising the Units are to be issued in registered form, “book-entry only” form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;
- any terms, procedures and limitations relating to the transferability, exchange or exercise of the Units;
- certain material Canadian tax consequences of owning the Units; and
- any other material terms and conditions of the Units.

Description of Debt Securities

The following is a brief summary of certain general terms and provisions of the Debt Securities that may be offered pursuant to this Prospectus. This summary does not purport to be complete. The particular terms and provisions of the Debt Securities as may be offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement pertaining to such offering of Debt Securities, and the extent to which the general terms and provisions described below may apply to such Debt Securities will be described in the applicable Prospectus Supplement.

The Debt Securities may be offered separately or together with other Securities, as the case may be. The Debt Securities are expected to be governed by one or more indentures (each, an “**Indenture**”), in each case between the Company and a financial institution authorized to carry on business as a trustee. The Indenture is expected to be subject to and governed by the *Business Corporations Act* (British Columbia), subject to obtaining an exemption from the requirements thereof.

Each applicable Prospectus Supplement will set forth the terms and other information with respect to the Debt Securities being offered thereby, which may include, without limitation, the following (where applicable):

- the designation, aggregate principal amount and authorized denominations of such Debt Securities;
- the currency or currency units for which the Debt Securities may be purchased and the currency or currency unit in which the principal and any interest is payable (in either case, if other than Canadian dollars);
- the percentage of the principal amount or the price at which such Debt Securities will be issued or whether such Debt Securities will be issued on a non-fixed price basis;
- the date or dates on which such Debt Securities will mature;
- the rate or rates per annum at which such Debt Securities will bear interest (if any), or the method of determination of such rates (if any);
- the dates on which such interest will be payable and the record dates for such payments;
- the general terms or provisions pursuant to which the Debt Securities are to be issued;
- the name of the trustee under the Indenture pursuant to which the Debt Securities are to be issued (if applicable);
- any redemption, retraction or call terms or terms under which such Debt Securities may be defeased;
- whether such Debt Securities are to be issued in registered form, “book-entry only” form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;

- any exchange or conversion terms;
- the general terms or provisions, if any, pursuant to which such Debt Securities are to be guaranteed or secured;
- whether such Debt Securities will be subordinated to other liabilities of the Company;
- any material covenants included for the benefit of holders of Debt Securities;
- whether such Debt Securities will be issuable in the form of one or more registered global securities, and if so, the identity of the depository for such registered global Debt Securities; and
- any other material terms and conditions of the Debt Securities, including events of default and amendment provisions.

PRIOR SALES

Common Shares

The following table summarizes details of the Common Shares issued by the Company during the 12-month period prior to the date of this Prospectus:

Date of Issuance	Price Per Common Share	Number of Common Shares
September 21, 2016	\$0.205	4,077,687
September 21, 2016	\$0.205 ⁽¹⁾	4,494,955
September 26, 2016	\$0.40 ⁽²⁾	125,000
October 20, 2016	\$0.55 ⁽²⁾	178,500
October 26, 2016	\$0.40 ⁽²⁾	125,000
November 16, 2016	\$0.68	4,411,764
November 21, 2016	\$0.55 ⁽²⁾	40,000
November 23, 2016	\$0.335 ⁽²⁾	40,000
December 8, 2016	\$0.41 ⁽²⁾	30,000
December 15, 2016	\$0.41 ⁽²⁾	20,000
December 15, 2016	\$0.175 ⁽²⁾	75,000
December 15, 2016	\$0.72 ⁽²⁾	8,300
January 10, 2017	\$0.335 ⁽²⁾	150,000
February 10, 2017	\$1.29	10,235,000
April 10, 2017	\$0.40 ⁽²⁾	250,000
April 20, 2017	\$1.755	13,170,000
April 21, 2017	\$1.755	1,465,100

Notes:

(1) Issued at a deemed price of \$0.205 per share pursuant to a shares for debt agreement.

(2) Issued for cash pursuant to the exercise of stock options.

Warrants

The following table summarizes details of the Warrants issued by the Company during the 12-month period prior to the date of this Prospectus:

<u>Date of Issuance</u>	<u>Number of Warrants Issued</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
September 21, 2016	4,077,687	\$0.27	September 21, 2018
November 16, 2016	4,411,764	\$0.85	November 16, 2021
February 10, 2017	5,117,500	\$2.00	February 10, 2019
April 20, 2017	6,585,000	\$2.60	April 20, 2019
April 21, 2017	987,750	\$2.60	April 20, 2019

Options

The following table summarizes details of the stock options issued by the Company during the 12-month period prior to the date of this Prospectus:

<u>Date of Grant</u>	<u>Number of Options Granted</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
August 26, 2016	400,000	\$0.335	August 26, 2021
September 28, 2016	1,950,000	\$0.72	September 28, 2021
December 16, 2016	75,000	\$1.38	December 16, 2021
January 3, 2017	150,000	\$1.38	January 3, 2019
January 13, 2017	100,000	\$1.51	January 13, 2019
February 24, 2017	625,000	\$1.38	February 24, 2018 to February 24, 2022
April 24, 2017	175,000	\$1.42	April 24, 2022
May 8, 2017	945,000	\$1.22	May 8, 2022
June 1, 2017	35,000	\$1.16	June 1, 2022

Compensation Options

The following table summarizes details of the compensation options issued by the Company during the 12-month period prior to the date of this Prospectus:

<u>Date of Grant</u>	<u>Number of Options Granted</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
February 10, 2017	307,500	\$1.35	February 10, 2019
April 20, 2017	395,100	\$1.85	April 20, 2019
April 21, 2017	43,953	\$1.85	April 21, 2019

Each compensation option issued by the Company is exercisable into a unit of the Company consisting of one Common Share and one half-one common share purchase warrant of the Company.

Restricted Stock Units

The Company has granted 200,000 restricted stock units to be settled by the issuance of an aggregate of 200,000 Common Shares at a deemed value of \$1.22 per Common Share vesting in full on May 8, 2020.

TRADING PRICE AND VOLUME

The Common Shares trade on the Exchange under the symbol “EMH”. On July 12, 2017, being the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the Exchange was \$1.18. The price range and trading volume of the Common Shares for each month from July 2016 to July 2017, as reported by the Exchange, are set out below:

Month	High	Low	Total Volume
July 1 - 12, 2017	\$1.19	\$1.12	1,112,839
June 2017	\$1.29	\$1.07	6,098,866
May 2017	\$1.34	\$1.06	7,215,174
April 2017	\$2.19	\$1.18	33,543,926
March 2017	\$1.38	\$1.03	8,386,696
February 2017	\$1.57	\$1.24	17,828,476
January 2017	\$1.63	\$1.27	3,659,062
December 2016	\$1.50	\$1.03	5,976,922
November 2016	\$1.90	\$0.68	17,087,331
October 2016	\$1.13	\$0.65	9,479,748
September 2016	\$1.08	\$0.335	11,662,734
August 2016	\$0.39	\$0.19	658,4727
July 2016	\$0.22	\$0.17	1,167,671

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The applicable Prospectus Supplement will include a general summary of certain material Canadian federal income tax consequences which may be applicable to a purchaser of the Securities offered thereunder.

RISK FACTORS

Before deciding to invest in any Securities, prospective investors in the Securities should consider carefully the risk factors and the other information contained and incorporated by reference in this Prospectus and the applicable Prospectus Supplement relating to a specific offering of Securities before purchasing the Securities. An investment in the Securities offered hereunder is speculative and involves a high degree of risk. Information regarding the risks affecting the Company and its business is provided in the documents incorporated by reference in this Prospectus, including in the Company’s most recent annual information form under the heading “Risk Factors”. Additional risks

and uncertainties not known to the Company or that management currently deems immaterial may also impair the Company's business, financial condition, results of operations or prospects. See "*Documents Incorporated by Reference*".

No Assurance of Active or Liquid Market

No assurance can be given that an active or liquid trading market for the Common Shares will be sustained. If an active or liquid market for the Common Shares fails to be sustained, the prices at which such shares trade may be adversely affected. Whether or not the Common Shares will trade at lower prices depends on many factors, including the liquidity of the Common Shares, prevailing interest rates and the markets for similar securities, general economic conditions and the Company's financial condition, historic financial performance and future prospects.

There is no public market for the Preferred Shares, Warrants, Subscription Receipts, Units or Debt Securities and, unless otherwise specified in the applicable Prospectus Supplement, the Company does not intend to apply for listing of such Securities on any securities exchanges. If the Preferred Shares, Warrants, Subscription Receipts, Units or Debt Securities are traded after their initial issue, they may trade at a discount from their initial offering prices depending on prevailing interest rates (as applicable), the market for similar securities and other factors including general economic conditions and the Company's financial condition. There can be no assurance as to the liquidity of the trading market for the Preferred Shares, Warrants, Subscription Receipts, Units or Debt Securities or that a trading market for these securities will develop.

Public Markets and Share Prices

The market price of the Common Shares and any other Securities offered hereunder that become listed and posted for trading on the Exchange or any other stock exchange could be subject to significant fluctuations in response to variations in the Company's financial results or other factors. In addition, fluctuations in the stock market may adversely affect the market price of the Common Shares and any other Securities offered hereunder that become listed and posted for trading on the Exchange or any other stock exchange regardless of the financial performance of the Company. Securities markets have also experienced significant price and volume fluctuations from time to time. In some instances, these fluctuations have been unrelated or disproportionate to the financial performance of issuers. Market fluctuations may adversely impact the market price of the Common Shares and any other Securities offered hereunder that become listed and posted for trading on the Exchange or any other stock exchange. There can be no assurance of the price at which the Common Shares or any other Securities offered hereunder that become listed and posted for trading on the Exchange or any other stock exchange will trade.

Additional Issuances and Dilution

The Company may issue and sell additional securities of the Company to finance its operations or future acquisitions. The Company cannot predict the size of future issuances of securities of the Company or the effect, if any, that future issuances and sales of securities will have on the market price of any securities issued and outstanding from time to time. Sales or issuances of substantial amounts of securities of the Company, or the perception that such sales could occur, may adversely affect prevailing market prices for Securities issued and outstanding from time to time. With any additional sale or issuance of securities of the Company, holders will suffer dilution with respect to voting power and may experience dilution in the Company's earnings per share. Moreover, this Prospectus may create a perceived risk of dilution resulting in downward pressure on the price of the Common Shares, which could contribute to progressive declines in the prices of such securities.

Changes in Interest Rates

Prevailing interest rates will affect the market price or value of the Debt Securities. The market price or value of the Debt Securities may decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

Fluctuations in Foreign Currency Markets

Debt Securities denominated or payable in foreign currencies may entail significant risk. These risks include, without limitation, the possibility of significant fluctuations in the foreign currency markets, the imposition or modification of foreign exchange controls and potential liquidity in the secondary market. These risks will vary depending upon the currency or currencies involved and will be more fully described in the applicable Prospectus Supplement

Broad Discretion in Use of Net Proceeds

Management of the Company will have broad discretion with respect to the application of net proceeds received by the Company from the sale of Securities under this Prospectus or a future Prospectus Supplement and may spend such proceeds in ways that do not improve the Company's results of operations or enhance the value of the Common Shares or its other securities issued and outstanding from time to time. Any failure by management to apply these funds effectively could result in financial losses that could have a material adverse effect on the Company's business or cause the price of the Securities issued and outstanding from time to time to decline.

LEGAL MATTERS

Unless otherwise specified in a Prospectus Supplement relating to any Securities offered, certain legal matters in connection with the offering of Securities will be passed upon on behalf of the Company by McCullough O'Connor Irwin LLP. In addition, certain legal matters in connection with any offering of Securities will be passed upon for any underwriters, dealers or agents by counsel to be designated at the time of the offering by such underwriters, dealers or agents, as the case may be.

AUDITOR, TRANSFER AGENT AND REGISTRAR

Deloitte LLP is the auditor of the Company. Deloitte LLP is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia. Deloitte LLP was first appointed as auditors of the Company on May 14, 2015.

The transfer agent and registrar for the Common Shares is Computershare Trust Company of Canada at its principal transfer offices in Vancouver, British Columbia.

PURCHASER'S STATUTORY AND CONTRACTUAL RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In certain of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revision of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering of Securities that are convertible, exchangeable or exercisable into other securities of the Company, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which such Securities are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon the conversion, exchange or exercise of the Security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

Original purchasers of: (i) Subscription Receipts or (ii) Warrants offered separately without other Securities, will have a contractual right of rescission against the Company in respect of the conversion, exchange or exercise of such a Subscription Receipt or Warrant. The contractual right of rescission will entitle such original purchasers to receive the amount paid upon conversion, exchange or exercise, upon surrender of the underlying Securities gained thereby, in the event that this Prospectus, the relevant Prospectus Supplement or an amendment thereto contains a misrepresentation, provided that both: (i) the conversion, exchange or exercise; and (ii) the exercise of the contractual right of rescission take place within 180 days of the date of the purchase of the aforementioned Subscription Receipts or Warrants under this Prospectus and the applicable Prospectus Supplement. This contractual right of rescission will be consistent with the statutory right of rescission described under section 131 of the *Securities Act* (British Columbia), and is in addition to any other right or remedy available to original purchasers under section 131 of the *Securities Act* (British Columbia) or otherwise at law.

CERTIFICATE OF EMERALD HEALTH THERAPEUTICS, INC.

Dated: July 13, 2017

This amended and restated prospectus, together with the documents incorporated in this amended and restated prospectus by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this amended and restated prospectus as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Newfoundland and Labrador, New Brunswick, Prince Edward Island and Nova Scotia.

EMERALD HEALTH THERAPEUTICS, INC.

"Bin Huang"

By: Bin Huang
Chief Executive Officer

"Sandra Pratt"

By: Sandra Pratt
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"Dr. Avtar Dhillon"

By: Dr. Avtar Dhillon

"Jim Heppell"

By: Jim Heppell