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MediPharm Labs Signs New Cannabis Oil Agreements and Completes First Shipments of Supply in December

TORONTO, Jan. 16, 2019 (GLOBE NEWSWIRE) -- MediPharm Labs Corp. (TSXV: LABS; OTCQB: MLCPF) (the “**Company**” or “**MediPharm Labs**”), the leader in specialized, research-driven cannabis extraction, fully licensed under the *Cannabis Act* (Canada) focused on downstream secondary extraction methodology, distillation, and cannabinoid isolation and purification, is pleased to announce it has signed three cannabis oil sales agreements, subsequent to the Company’s receipt of its sales license from Health Canada on November 9, 2018. The first large shipments of cannabis oil supply left the Company’s dock in December 2018 and were aggregately valued at over \$10 million.

“As a pioneer in the cannabis industry, MediPharm Labs has emerged as the clear leader in the extraction-only category, highlighted by our first month of sales agreements of white label high-quality purified cannabis oil concentrates,” said Mr. Patrick McCutcheon, Chairman, President and Chief Executive Officer of MediPharm Labs. “This milestone further validates the strength of our differentiated model as a complement and partner to vertically integrated licensed producers while also demonstrating the potential for MediPharm to rank alongside the top revenue generating cannabis companies in the industry.”

“Looking ahead to 2019, we continue to build on our momentum as MediPharm is increasingly being recognized as the supplier of choice for high-quality purified cannabis oil as well as for toll processing, particularly among mid-to-large-sized vertically integrated licensed producers, and we see a clear path for continued and sustainable growth in 2019 and beyond. We look forward to further accelerating growth through the multitude of substantial contracts already in place and robust pipeline of new opportunities, which will be further enhanced in the near future upon receiving full cGMP producer certification and opening up additional international opportunities.”

MediPharm Labs’ strong momentum has continued into 2019 with several significant accomplishments to support its continued growth as the leader in specialized, research-driven cannabis extraction business designed for large scale commercial production. Highlights include:

- Processed and sold large quantities of cannabis oil inventory under its white label program. Has since acquired large volume of dried cannabis to ensure uninterrupted

supply of oil for existing and new customers. Deep industry relationships and proactive supply chain management have secured over 1,600kg of cannabis flower and trim over a 3-week period from 7 different licensed producers (“LPs”). The Company has now made supply purchases from 13 LPs and is continuing to procure additional supply to meet strong demand.

- Executed multiple long-term tolling agreements with 6 LPs under Cannabis Concentrates Program under which it has received large quantities of dried cannabis for processing. In addition to the current arrangements in place, the Company has a robust pipeline of new opportunities which are under evaluation and/or negotiation.
- Initial extraction capacity of 100,000 kg of dried cannabis was increased by 50% to an industry leading capacity of 150,000 kg as approved by Health Canada December 24, 2018. (This total capacity equates to 29.1 million vape pen cartridges equivalent). Continued expansion plans are underway to support growing demand for cannabis oils, the fastest growing segment of the cannabis industry.

About MediPharm Labs Corp.

Founded in 2015, MediPharm Labs is a pioneer in the cannabis industry and has the distinction of being the first company in Canada to become a licensed producer for cannabis oil production under the *Access to Cannabis for Medical Purposes Regulations* (ACMPR) without first receiving a cannabis cultivation licence. This expert focus on cannabis concentrates from its cGMP (current Good Manufacturing Practices) and ISO standard-built clean rooms and critical environments laboratory, allows MediPharm Labs to work with its established, Health Canada-approved cultivation partners to produce pharmaceutical-grade cannabis oil with a competitive advantage. MediPharm Labs is research-driven and focused on downstream secondary extraction methodology, distillation, and cannabinoid isolation and purification. MediPharm Labs provides B2B contract processing of cannabis to Canadian authorized licensed producers and appropriate international growers, supplying integrity-assured cannabis oil to qualified companies for sale under their own brand. In addition, MediPharm Labs will supply raw materials, formulations, processing and packaging for the creation of ready-to-sell advanced derivative products. MediPharm Labs was awarded Start-Up Of The Year at the recent Canadian Cannabis Awards hosted by Lift & Co.

Through its subsidiary, MediPharm Labs Australia Pty. Ltd., MediPharm Labs has also completed its application process with the federal Office of Drug Control to extract and import medical cannabis products in Australia.

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This news release contains “forward-looking information” and “forward-looking statements” (collectively, “forward-looking statements”) within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward-looking statements relate to, among other things, expectations for uninterrupted cannabis oil supply for existing and new customers, future expansion plans and capacities, expected GMP certification and the establishment of operations in Australia. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; the inability of MediPharm to obtain adequate financing; and the delay or failure to receive regulatory approvals. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release. Except as required by law, MediPharm assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change.



Source: MediPharm Labs Corp.