

March 2, 2021



MediPharm Labs Announces Increase to Bought Deal Equity Financing to \$29 Million

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TORONTO, March 02, 2021 (GLOBE NEWSWIRE) -- MediPharm Labs Corp. (TSX: LABS) (OTCQX: MEDIF) (FSE:MLZ) ("MediPharm Labs" or the "Company") a global leader in specialized, research-driven pharmaceutical-quality cannabis extraction, distillation and derivative products, is pleased to announce that it has agreed to increase the size of its previously announced "bought deal" offering of units of the Company (the "Units") led by Cantor Fitzgerald Canada Corporation, as lead underwriter and sole bookrunner on behalf of a syndicate of underwriters (collectively the "Underwriters"), pursuant to which the Underwriters have agreed to purchase, on a bought deal basis, 50,000,000 Units of the Company at a price of \$0.58 per Unit for gross proceeds of \$29,000,000 (the "Offering").

Each Unit will be comprised of one common share in the capital of the Company (a "Share") and one Share purchase warrant (a "Warrant"). Each Warrant shall be exercisable to acquire one Share at an exercise price of \$0.70 per Share (the "Exercise Price") for a period of 24 months from the closing date of the Offering.

The Company has granted the Underwriters an option (the "Over Allotment Option") to purchase up to an additional 7,500,000 Units, Shares or Warrants on the same terms and conditions, exercisable at any time, in whole or in part, for a period of 30 days following the closing of the Offering for over-allotment and market stabilization purposes.

The Units will be offered in all provinces of Canada, except Québec, pursuant to the Company's short form base shelf prospectus dated February 24, 2021 (the "Base Shelf Prospectus") and a prospectus supplement to be filed by MediPharm Labs, in the United States pursuant to exemptions from the registration requirements of the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and applicable state securities laws, and such other jurisdictions as may be agreed to by MediPharm Labs and the Underwriters on a private placement basis. The Underwriters are to be paid a cash commission equal to 6% of the gross proceeds of the Offering (3.0% on president's list investors).

The Company plans to use the net proceeds from the Offering to fund growth of the Company's Cannabis 2.0 product portfolio, expand medical products and Active

Pharmaceutical Ingredient portfolio for export, pharmaceutical registrations, research and development related to clinical trial formulations, sales and marketing in new markets and for general corporate purposes, including funding working capital.

The Offering is expected to close on or about March 5, 2021, and is subject to the receipt of all necessary regulatory approvals, including, but not limited to, the approval of the Toronto Stock Exchange, and the satisfaction of other customary closing conditions.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States. The Units, the Shares, the Warrants and the Shares issuable on exercise of the Warrants have not been and will not be registered under the U.S. Securities Act, or any state securities laws and may not be offered or sold in the United States or to, or for the account or benefit of, "U.S. persons" (as defined in the U.S. Securities Act) absent registration or an applicable exemption from such registration requirements.

About MediPharm Labs Corp.

Founded in 2015, MediPharm Labs specializes in the production of purified, pharmaceutical quality cannabis oil and concentrates and advanced derivative products utilizing a Good Manufacturing Practices certified facility with ISO standard built clean rooms. MediPharm Labs has invested in an expert, research-driven team, state-of-the-art technology, downstream purification methodologies and purpose-built facilities with five primary extraction lines for delivery of pure, trusted and precision -dosed cannabis products for its customers. Through its wholesale and white label platforms, they formulate, consumer-test, process, package and distribute cannabis extracts and advanced cannabinoid-based products to domestic and international markets. As a global leader, MediPharm Labs has completed commercial exports to Australia and has fully commercialized its wholly-owned Australian extraction facility. MediPharm Labs Australia was established in 2017.

For further information, please contact:

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION:

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, statements regarding: the terms and closing date of the Offering; growth of the Company's Cannabis 2.0

product portfolio; an expanded medical products and Active Pharmaceutical Ingredients portfolio for export; pharmaceutical registrations; research and development related to clinical trial formulations; sales and marketing in new markets; and the Company's expected use of proceeds from the Offering. 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 Labs to obtain adequate financing; the delay or failure to receive regulatory approvals; and other factors discussed in MediPharm Labs' filings, available on the SEDAR website at www.sedar.com. 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 Labs assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change.



Source: MediPharm Labs Corp.