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MediPharm Labs Australia to Supply Pharma-Quality Cannabis Oil Products to Compass Clinics in Australia

BARRIE, Ontario, March 18, 2020 (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 it will begin supplying finished pharmaceutical-quality cannabis oil products in Australia as part of a 2 year agreement entered into between MediPharm Labs Australia Pty Ltd ("MediPharm Labs Australia") and Compass Clinics Australia Pty Ltd. ("Compass Clinics").

Compass Clinics is a growing medical cannabis service provider focused on providing educational and consultation services to patients looking to access medicinal cannabis. In Australia, Compass Clinics opened its first two clinics in 2019 and will now begin selling its own branded products. Additional clinics are expected to open in 2020. Compass Clinics provides consultation services for patients wanting to access Medicinal Cannabis through the Special Access Scheme (SAS) or Authorised Prescriber pathways. Compass Clinics sells cannabis and cannabis oil products to patients through licensed third parties.

"We are delighted to be working with leaders like Compass Clinics who are committed to offering medical patients high-quality cannabis oil products," said Pat McCutcheon, Chief Executive Officer, MediPharm Labs. "As the Australian government begins to raise minimum requirements for cannabis imports, this partnership highlights the strength of our international supply chain, including our recent Australian GMP certification and import licences, that we expect will lead to increasing demand of our pharma-quality products and expansion of our presence in Australia and other emerging global markets."

Under the agreement, MediPharm Labs Australia will be supplying bottles of formulated cannabis oil white labelled under Compass Clinics' own brand. MediPharm Labs Australia will import the formulated cannabis oil products from MediPharm Labs Inc.'s Canadian TGA GMP certified facility, for further distribution to Compass Clinic within Australia.

"Compass is excited to be able to offer its growing Australian patient base the best in class, GMP certified and pharmaceutical quality cannabis oils and gel caps," said David Martyn, President, Compass Clinics. "MediPharm Labs is a global leading manufacturing partner and we believe they will help Compass better serve its existing patient base and continue to expand its presence in one of the fastest growing medical cannabis markets in the world."

Increasing Requirements for Cannabis Imports to Australia

At the end February 29, 2020, the Australian Therapeutic Goods Administration (TGA) had approved more than [34,500 medical cannabis scripts](#) for patients. With patient demand expected to continue to increase, a growing number of companies have started supplying or importing products. According to the TGA, most medicinal cannabis products being supplied in Australia are 'unapproved'. Although these products are not included in the Australian Register of Therapeutic Goods (ARTG), they must still comply with relevant quality standards. As a result, the TGA recently announced it would expand the number of [quality audits](#) of medicinal cannabis products imported or supplied under the SAS and other unapproved product access pathways, making it more difficult for overseas producers to export products into Australia. MediPharm Labs Inc., with its Australian TGA GMP certification and MediPharm Labs Australia, with its Australian Office of Drug Control Licence to Import Psychotropic Substances (relating to cannabis), are considered to already meet these requirements and are well positioned to begin fulfilling Australian patient demand for finished products.

Mr. McCutcheon added, “We are starting to realize the benefits of achieving our first TGA GMP certification last year. Our licences are key assets underpinning our international supply chain platform that will create strong synergies between our Canadian and Australian operations and provide us with a continued global competitive advantage.”

About Compass Clinics

Compass Clinic is a medical cannabis service provider whose core business is focused on providing educational and consultative services to those looking for access to medicinal cannabis. Rather than being tied to a single Licensed Producer, Compass works with a number of growers to ensure the right product for the patient. With several clinics operating in Canada and over 13,000 patients served, Compass has now expanded into Australia with its first two clinics in Australia already opened and more planned to open in 2020. In Australia, Compass Clinics sells cannabis and cannabis oil products to patients through licensed third parties. With a rapidly growing patient base and an aggressive real estate acquisition strategy, the company is poised to be one of the largest retail cannabis organizations.

More information on Compass Clinics Australia is available at www.compassclinics.com.au.

About MediPharm Labs

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, MediPharm Labs formulates, develops (including through sensory testing), processes, packages and distributes 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 is nearing commercialization of its Australian extraction facility. MediPharm Labs Australia was

established in 2017.

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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, importation of drugs (including various forms of cannabis) by MediPharm Labs Australia and corresponding export by MediPharm Labs Inc., realization of synergies between MediPharm Labs and MediPharm Labs Australia, serving the global medical cannabis markets, establishment of a global supply chain, patient demand continuing to increase, and receipt of TGA GMP and full production authorization by MediPharm Labs 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 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.