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MediPharm Labs Enters into Agreements with Australian Licensed Producer & Forms Multiple Cannabis Supply Partnerships to Advance Australian Market Leadership

- **Construction of New Melbourne-area Extraction Facility on Schedule**
- **Further Strengthens Australian Leadership Team**
- **Awarded Australian Cannabis Industry 2019 Innovation Award**

BARRIE, Ontario, Sept. 03, 2019 (GLOBE NEWSWIRE) -- MediPharm Labs Corp. (TSX: LABS) (OTCQX: MEDIF) (FSE: MLZ) ("MediPharm Labs" or the "Company") a global leader in specialized, research-driven cannabis extraction, distillation, purification and cannabinoid isolation, is pleased to announce that its subsidiary MediPharm Labs Australia Pty. Ltd. ("MediPharm Labs Australia") has entered a private label sales and manufacturing agreement with a Licensed Producer in Australia and taken other important steps to advance its early leadership in the Australian and Asia-Pacific extraction market.

Under the terms of the manufacturing agreement with the Licensed Producer, MediPharm Labs Australia will purchase dried flower from the Licensed Producer and sell high quality, private-label cannabis oil and manufactured products. The agreement has a 12-month term with options to extend.

"This is MediPharm Labs Australia's first agreement for product sale since receiving our cannabis manufacturing licence just three months ago and further establishes MediPharm Labs as a leader in the emerging Australian and Asia-Pacific markets," said Pat McCutcheon, CEO, MediPharm Labs. "We are delighted to start working with this Licensed Producer, and others, who share our vision of providing the highest quality pharmaceutical-grade products. We look forward to supporting Australian Licensed Producers with our specialized extraction capabilities and expertise to address this rapidly expanding cannabis market and growing consumer demand."

Creation of Australian Supply Partnerships

MediPharm Labs Australia has also successfully negotiated multi-year supply agreements with three Australian Office of Drug Control ("ODC") approved cultivators (including BBS Pharmaceuticals). This input supply will support the extraction and production of private label oil in Australia for local and international markets.

"These supply agreements, and other letters of intent we have in place, represent arrangements with a large, diverse range of local cultivators to fuel our growth plans to be the extraction market leader," said Warren Everitt, Managing Director of MediPharm Labs Australia. "Our business model is powered by reliable, high-quality, cost-efficient supply and as these deals demonstrate, our strategy for procurement is gaining traction right on schedule."

"The BBS team is thrilled to be working closely with MediPharm Labs Australia as a key Australian partner for dried cannabis supply. As a proud South Australian owned and operated company, in an exciting industry, we are looking forward to providing MediPharm Labs Australia with the highest quality medicinal grade feedstock, produced at our state-of-the-art facility using the best local capabilities with global know-how," said John Dagas, CEO, BBS Pharmaceuticals.

Gaining Momentum in Australia: Facility Construction Update

Construction of MediPharm Labs Australia's extraction and manufacturing facility in Wonthaggi, Victoria is progressing very well with completion on target before year-end 2019. The state-of-the-art facility will feature supercritical CO₂ extraction capacity to process up to 75,000 kg of dried cannabis annually as well secondary processing equipment for the manufacture of purified and high-concentrate cannabis distillate. Industrial-scale production will be supported by leading infrastructure designed with ISO standard-built cleanrooms and critical

environments that accommodate global Good Manufacturing Practices (“GMP”) workflow. Key customized equipment, including two primary extraction systems, have been ordered and shipped, with commissioning planned for November.

MediPharm Labs Australia received its cannabis manufacturing licence from the ODC under the Narcotics Drugs Act 1967 on May 21, 2019. Sales generation from the facility is expected to begin in the first half of 2020, subject to receipt of certain local authorizations and a certification from the Therapeutic Goods Association of Australia.

“We are dedicated to making our compliance regimen second-to-none in Australia just as it is in Canada,” said Mr. McCutcheon. “Our licences are fundamental assets and we welcome the scrutiny of regulators as we establish our place in the market.”

Federal legislation to enable the production and sale of cannabis for medical use and related research purposes was passed by Australia’s parliament in 2016. The laws allow concentrate-based medical cannabis to be prescribed in Australia for the treatment of a variety of specific illnesses.

Australian Leadership Appointments

To drive the successful development of the business, MediPharm Labs Australia is also pleased to announce four senior leadership appointments.

- **Andrew Cormack, Head of Production**, brings considerable senior experience from GMP pharmaceutical, nutraceutical and food companies, having managed product launches, facility buildouts and large workforces to achieve quality, cost and safety targets.
- **Rebecca Bond, Financial Controller**, an Australia and New Zealand Chartered Accountant brings experience from prior roles working as a pharmaceutical Financial Analyst, Controller for a global technology company and Chief Financial Officer for a research-led conservation organization.
- **Kate Larson, Senior Regulatory Affairs Advisor**, is an expert in international pharmaceutical and nutrition industries’ regulatory compliance and registration for innovator product development and manufacturing, including quality testing, clinical trials, safety, toxicity, and import/export processes.
- **James Lee, Senior Project Manager (PMP®, CPPP®)**, brings 15 years of experience in multiple, highly regulated GMP pharmaceutical manufacturing and commercial industries where he managed, led and mentored specialist engineering projects and maintenance teams.

“Recruiting top local talent to our team ensures we are able to fulfill our growth ambitions on behalf of customers and shareholders,” said Mr. Everitt. “I look forward to working with these proven professionals to build out our platform and convert our pipeline of opportunities into sales.”

Global Supply Chain Platform

MediPharm Labs Australia is expected to serve as part of MediPharm Labs’ global supply chain platform and a springboard to serving the Asia-Pacific region. It also represents a business model that MediPharm Labs can use for future expansion in other regions of the world.

MediPharm Labs’ facility in Barrie, Ontario successfully completed its first export shipment of medical cannabis concentrate to AusCann Group Holdings Ltd. in Australia earlier this year. Prior to the shipment, the ODC issued an import permit and Health Canada issued an export permit – the first such permit to be issued to a Canadian-extraction only company under new regulations governing the shipment of medical cannabis concentrate.

MediPharm Labs Australia Recognized for Cannabis Innovation

On August 1, 2019, MediPharm Labs Australia received the 2019 INNOVATION AWARD from the Australian Cannabis Industry Awards. The awards are designed to honour Australian cannabis community pioneers and business professionals for industry innovation and social progression. MediPharm Labs Australia was recognized for bringing new and exciting innovation to cannabis.

MediPharm Labs Australia has played an important role in advancing the cannabis industry. In Australia, cultivators can only apply for their licence if paired with a processor, because this medicinal cannabis market only allows concentrate-based products (no smokable medicinal flower). In its capacity as a processor, MediPharm Labs Australia has been named a specialized processor on dozens of domestic Australian cultivator licence applications. <https://cannabisawards.com.au/>

About MediPharm Labs

Founded in 2015, MediPharm Labs specializes in the production of purified, pharmaceutical-like cannabis oil and concentrates and advanced derivative products utilizing a Good Manufacturing Practices designed facility and 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 having 300,000 kg of annual processing capacity to deliver pure, safe and precision-dosed cannabis products for its customers. Through its wholesale and white label platforms, they formulate, process, package and distribute cannabis extracts and advanced cannabinoid-based products to domestic and international markets. As a global leader, the Company is developing international platforms, the first of which is in Australia. MediPharm Labs Australia was established in 2017.

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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, rapidly expanding cannabis market and growing consumer demand; completion and permitting of MediPharm Labs Australia’s facility and timing thereof, rapidly expanding cannabis market and growing consumer demand, performance of the agreements as intended and disclosed herein; expected processing capacity of the Australian facility and production of active pharmaceutical ingredients and cannabinoid-based medicines. 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.