

October 10, 2018



MediPharm Labs Corp. and Emerald Health Therapeutics, Inc. Sign Cannabis Concentrate Program Agreement

TORONTO, Oct. 10, 2018 (GLOBE NEWSWIRE) -- MediPharm Labs Corp. (**MediPharm**) (TSXV: LABS) is pleased to announce that it has entered into a Cannabis Concentrate Program Agreement (the "**Agreement**") with Emerald Health Therapeutics Inc. (**Emerald**) (TSXV: EMH - OTCQX:EMHTF). Pursuant to the Agreement, signed on October 5, 2018, Emerald will provide MediPharm with dried cannabis to create premium quality cannabis oil (the "**Program**"). The Program will be for an initial term of three years.

The Agreement enables Emerald to provide pharmaceutical grade cannabis concentrate products produced by MediPharm to its large base of registered patients, as well as provide adult-use recreational consumers with premium quality cannabis concentrates commencing October 17, 2018.

MediPharm is research-driven and focused on downstream secondary extraction methodology, distillation and cannabinoid isolation and purification. MediPharm currently operates one of the largest cannabis concentrate manufacturing facilities in Canada and is built to cGMP (current Good Manufacturing Practices) and ISO standards. Leveraging MediPharm's proprietary pharmaceutical manufacturing expertise, the company's purpose-built state of the art centre of excellence currently has the capacity to process over 100,000kg of dry cannabis a year at their wholly owned ACMPR-licensed facility. With Phase 2 funded and scheduled to be completed by the end of Q2 2019, MediPharm Labs processing capacity is anticipated more than double to an expected 250,000kg annually.

Emerald is a Licensed Producer under Canada's Access to Cannabis for Medical Purposes Regulations and produces and sells dried cannabis and cannabis oil for medical purposes. Emerald is preparing to serve the fully legalized Canadian adult-use cannabis market starting October 17, 2018. Emerald owns 50% of Pure Sunfarms, which is converting a licensed existing 1.1 million square foot greenhouse in Delta, BC and is now in commercial production. Emerald also owns Agro-Biotech, a Québec-based licensed cannabis grower with a 75,000 square foot indoor facility which is planning to add a 500,000 square foot greenhouse in Metro Vancouver.

This is truly a partnership of two leaders in the Canadian cannabis industry. This Program represents the advancement of a market to better serve cannabis consumers and patients.

Under the Agreement, Emerald will ship dried cannabis to MediPharm which MediPharm will

use to produce purified cannabis oil. The parties intend that under the Program, MediPharm may provide cannabis oil to Emerald or to other approved distributors of medical cannabis at the direction of Emerald. Alternatively, Emerald may release the cannabis extract for use by MediPharm. The Program will be established at no capital cost to Emerald, however, MediPharm will charge Emerald a processing fee for the cannabis oil produced and the revenue earned on sales of cannabis oil by MediPharm will be shared between MediPharm and Emerald.

“We are very pleased to have MediPharm as our partner,” said Rob Hill, CFO of Emerald. “Their large processing capacity and ability to produce high purity cannabis extracts and isolates increases our flexibility and capabilities in bringing to market high-value and unique products.”

Pat McCutcheon, MediPharm’s President and Chief Executive Officer said, “We are very excited to begin this relationship with one of Canada’s leading cultivators. This partnership further highlights MediPharm’s commitment to work as a trusted, agnostic value add supplier to Licensed Producers across Canada to better serve the cannabis market. Our geographic location also serves as a strategic asset to the relationship with our ability enable Emerald to provide their consumers in central and eastern Canada with premium quality pharmaceutical grade cannabis oil.”

About MediPharm Labs Corp.

MediPharm Labs, through its subsidiary, 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 our cGMP (current Good Manufacturing Practices) and ISO standard 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, through its subsidiary, 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. 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.

For additional information about MediPharm Labs, please see the company’s website: www.medipharmlabs.com

Contact Information

Pat, McCutcheon, CEO, MediPharm Labs
Phone: 705-719-7425 ext. 216

Email: investors@medipharmlabs.com

DISCLAIMER & READER ADVISORY

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) has in any way passed upon the merits of the information contained herein and neither of the foregoing entities accepts responsibility for the adequacy or accuracy of this release or has in any way approved or disapproved of the contents of this press release.

This press release contains forward-looking statements about MediPharm and Emerald and their business which may include, but is not limited to, risk, uncertainties and other factors that may cause actual events to differ materially from current expectations. The forward-looking events and circumstances discussed in this release may not occur by certain specified dates or at all and could differ materially as a result of known and unknown risk factors and uncertainties affecting MediPharm and Emerald. For example, there can be no guarantee that the Program will proceed as intended by the parties and set out in the Agreement, or that applicable regulatory approvals will be obtained to carry out the activities contemplated herein. Other risk factors include risks regarding the cannabis industry, economic factors, the equity markets generally and risks associated with growth and competition. Although MediPharm and Emerald has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. The Company disclaims any intention or obligation, except to the extent required by law, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward looking information contained in this release is made as of the date hereof and the parties are not obligated to update or revise any forward looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward looking information. The foregoing statements expressly qualify any forward-looking information contained herein.

This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The 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 and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. Not for distribution to U.S. Newswire Services or for dissemination in the United States. Any failure to comply with this restriction may constitute a violation of U.S. Securities laws.