

December 24, 2018



## **MediPharm Labs Increases Annual Production Capacity by 50% Up to 150,000KG; Positioned to Meet Significant Demand for Purified Cannabis Concentrates and Oil**

### **MediPharm Labs Maintains Largest Cannabis Extraction-Only Footprint in Canada**

TORONTO, Dec. 24, 2018 (GLOBE NEWSWIRE) -- MediPharm Labs Corp. (TSXV: LABS) (the “**Company**” or “**MediPharm Labs**”) is pleased to announce that its wholly-owned subsidiary, MediPharm Labs Inc. (“**MediPharm**”), has received approval from Health Canada to increase its current annual production capacity to process up to 150,000KG of dried cannabis, over five extraction lines, up from its standing processing capacity of up to 100,000KG over three extraction lines. The increase reflects the addition of a newly constructed extraction clean room, with new highly specialized and calibrated equipment, including two new extraction lines, that could produce up to 6,500KG of cannabis resin on an annual basis, the equivalent of approximately 9.7 million vape pens. With this expansion, MediPharm maintains its specialized leadership position with the largest extraction-only footprint in Canada, utilizing ISO designed clean rooms and critical environment laboratories, and proprietary methodologies.



MediPharm Labs Co-founders, Keith Strachan, Vice President (L) and Pat McCutcheon, President and CEO (R) are pictured in the company’s newly licensed processing room featuring two new industrial-scale extraction lines utilizing new Vitalis Extraction Technology equipment.

“We are executing on our vision of global leadership in the extraction of purified cannabis concentrates, adding scale to our first-mover advantage in expertise and leadership,” said Pat McCutcheon, President and CEO of MediPharm Labs. “As we work towards completing our Phase 2 expansion, we are focused on the execution of our differentiated extraction-only business model that prioritizes the production of pharmaceutical-grade cannabis concentrates and isolates qualified for domestic distribution and, more importantly, large global scale distribution.”

As MediPharm continues to receive key regulatory approvals to increase its production capacity, the Company is making progress on its Phase 2 expansion plans that will see its annual production extraction capacity increase to upwards of 250,000KG of dried cannabis and is expected to be completed by Q2 2019.

Mr. McCutcheon concluded, “As we continue to invest in our growth, the timing couldn’t be better for our two new extraction lines to come onstream with Health Canada’s recent proposed regulations for expanded cannabis products, all of which are concentrate-based. 2019 will be a year focused on extraction in the cannabis industry and we are positioned to service the demand for active ingredient needed to produce beverages, edibles, vapables and topicals, all of which represent the fastest growing segments in the cannabis market.”

Pete Patterson, COO & Co-Founder, Vitalis Extraction Technology, commented on MediPharm’s latest production expansion capacity and acquisition of new Vitalis Extraction Equipment, “We are very impressed to see the rate at which MediPharm has been able to scale and execute on their plans. They are setup to tackle some massive processing contracts that will help the Canadian markets meet the upcoming demand for concentrates.”

Click on link to download high resolution photos and video of the Extraction Clean Room:  
[https://www.dropbox.com/sh/agmtfp9228975mk/AAB3woAgATTUH9ScxcvzkF\\_Ga?dl=0](https://www.dropbox.com/sh/agmtfp9228975mk/AAB3woAgATTUH9ScxcvzkF_Ga?dl=0)

### **About Vitalis Extraction Technology**

Vitalis Extraction Technology Inc.© (Vitalis) is a privately-owned, Kelowna-based engineering and manufacturing company, producing industrial supercritical CO2 extraction systems for the cannabis industry. The company's core focus on innovation and design has vaulted it to the forefront of the market. Renowned for their reliability, scalability, and continuous operation, Vitalis systems are designed and manufactured in its ASME-certified facility in accordance with ASME and CSA Standards for Boiler, Pressure Vessel and Pressure Piping. The vessels are stamped with a CRN and NB registration number confirming that the vessels meet both US and Canadian code requirements. With systems on three continents, Vitalis has the most deployments of industrial CO2 supercritical extractors into the cannabis industry. In 2017 & 2018, Vitalis has won Top Extraction Equipment at the Canadian Cannabis Awards, and several British Columbia-based awards including Manufacturer of the Year and Technology Innovator of the Year. For more information, visit [www.vitaliset.com](http://www.vitaliset.com).

### **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, expected product offerings and product equivalents, future capacity expansion, 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.

A photo accompanying this announcement is available at <https://www.globenewswire.com/NewsRoom/AttachmentNg/f0dce415-9368-4d49-a640-25fc76ad1835>



Source: MediPharm Labs Corp.