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MediPharm Labs Signs First International Private Label Sale Agreement With AusCann for Cannabis Oil Export to Australia

MediPharm Labs Becomes First Extraction Only Licensed Producer to Begin Global Export

TORONTO, Feb. 21, 2019 (GLOBE NEWSWIRE) -- MediPharm Labs Corp. (TSXV: LABS) (OTCQB: MLCPF) (FSE:MLZ) ("MediPharm Labs"), a leader in specialized, research-driven cannabis extraction, distillation, purification and cannabinoid isolation, is pleased to announce that its wholly-owned subsidiary, MediPharm Labs Inc. ("MediPharm Labs" or the "Company"), has entered into its first definitive international sales agreement, dated February 20, 2019, with AusCann Group Holdings Ltd. ("AusCann") to supply private label purified, pharmaceutical grade cannabis oil concentrates, or resin, from MediPharm Labs' own inventory of oil for export to Australia. AusCann will use MediPharm Labs' concentrates to manufacture hard-shell cannabinoid capsules to address the medical patient demand and critical need for precision and consistency of dose in cannabinoid medicines.

"MediPharm Labs has quickly established a global reputation as the go-to producer of high quality, pharmaceutical grade cannabis concentrates at commercial scale. We are thrilled to have been selected by AusCann as a supplier of choice for their medical products and clinical trials," said Patrick McCutcheon, Chief Executive Officer of MediPharm Labs. "As the first extraction-only LP to begin exporting to Australia, this agreement marks an important milestone that accelerates our expectations for future growth. Looking ahead, we expect to begin supplying additional international markets to build our robust global distribution platform."

"MediPharm Labs' significant market share combined with proprietary methodology ensures reliable supply of pharma-grade cannabinoid extracts and AusCann's continued ability to develop and deliver quality cannabinoid medicines for distribution in Australia," said Dr. Paul MacLeman, Interim CEO of AusCann. "Critical to our process is repeatability in manufacturing, reliable dosing, and purity assurance. MediPharm Labs' concentrates will form an important foundation to our products that will allow delivery of effective, trusted and safe medicines for the treatment of chronic pain."

This marks the Company's first international export agreement and establishes MediPharm Labs as the first extraction-only licensed producer in Canada to commence exporting

pharmaceutical grade cannabis oil to Australia. To date, MediPharm Labs has completed 5 private label sales agreement since receiving its sales license in November 2018. The first export of cannabis concentrate is expected to be completed in the coming months, subject to regulatory requirements. The agreement has a two-year term. The Company expects to continue expanding its international distribution of its proprietary cannabis concentrate products for resale globally on a private label basis for medical markets. Initially this demand will be serviced from its wholly-owned, leading facility in Canada, and once its Australian laboratory, now under construction, is fully licensed and operational, Australia and Asia-Pacific demand can be addressed regionally.

About AusCann Group Holdings Limited

AusCann Group Holdings Limited (ASX:AC8) is an Australian-based pharmaceutical company that is working to produce high quality, economical, and clinically validated cannabinoid medicines. AusCann is bringing together leading expertise and operations across all aspects of the medical cannabis value chain, beginning with cultivation and production, through to manufacture and distribution of products. Through partnerships with industry experts, existing leading market participants and doctors, AusCann is building operations and educating the medical community about the benefits of cannabinoid medicines. Incorporated in 2014, AusCann holds all necessary licenses to grow and manufacture cannabinoid medicines in Australia. The company is initially targeting medications for neuropathic and chronic pain in Australia and Chile, whilst exploring global export opportunities.

About MediPharm Labs Corp.

Founded in 2015, MediPharm Labs has the distinction of being the first company in Canada to become a licensed producer for cannabis oil production under the 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 produce purified, pharmaceutical-grade cannabis oil and concentrates for advanced derivative products. MediPharm Labs has invested in an expert, research-driven team, state-of-the-art technology, downstream extraction methodologies and purpose-built facilities to deliver pure, safe and precisely-dosed cannabis products to patients and consumers. MediPharm Labs' private label program is a high margin business for the Company, whereby it opportunistically procures dry cannabis flower and trim from its numerous product supply partners, to produce proprietary cannabis oil concentrate products for resale globally on a private label basis. MediPharm Labs was recently named START-UP OF THE YEAR at the Canadian Cannabis Awards.

Through its subsidiary, MediPharm Labs Australia Pty. Ltd., MediPharm 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 expansion of international distribution, 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.



Source: MediPharm Labs Corp.