

December 4, 2018



MediPharm Labs Wins Canadian Cannabis Start-Up of the Year



START-UP OF THE YEAR

Award endorses MediPharm Labs Business Model

TORONTO, Dec. 04, 2018 (GLOBE NEWSWIRE) -- MediPharm Labs Corp. (TSXV: LABS) (the “**Company**” or “**MediPharm Labs**”) has been named the Cannabis Start-up of the Year at the recent Canadian Cannabis Awards, hosted by Lift & Co. Corp. (“Lift & Co.”) (TSXV: LIFT). The Start-up of the Year Award was voted on by a judging committee which chose MediPharm Labs under these award criteria: ***This company exemplifies the qualities that define promising start-ups: plucky, innovative and creative. Its top-notch team identifies and solves industry problems and contributes beneficially to the cannabis sector at-large.***

MediPharm Labs has taken its place as an **agnostic supplier of purified cannabis concentrates to the cannabis industry**. It is the **first and only** Canadian cannabis company to be licensed only for the production and sales of extracted cannabis oil, without also being a cultivator. Rather than being vertically integrated from seed to sale like other LPs, MediPharm Labs has chosen a **specialized business model of being laser-focused on the production of purified cannabis concentrates and isolates**.

“Thank you to the industry for this Award and vote of confidence,” beams Pat McCutcheon, President and Chief Executive Officer of MediPharm Labs. “As the first-mover in the extraction segment of the supply chain, we’ve had the opportunity to develop **expertise, leadership and scale** that our industry compatriots can call on now and into the future as the industry inevitably progresses towards **advanced derivative products** such as infused

beverages, edibles, topicals and vape products. MediPharm Labs produces the **active ingredients** and has **expertise in product formulations** needed to produce current and future medical and recreational products.”

Business Model

A frontrunner in cannabis extraction and purification, MediPharm Labs has invested in an expert team, state-of-the-art technology, advanced proprietary methodologies and purpose-built facilities to deliver **pure, safe and precisely dosable cannabis concentrates**. Under the leadership of 28-year pharmaceutical industry career man, Chief Operating Officer, David Mayers, and with the renowned guidance / discipline of our Director of Quality Control & Assurance, Dr. Chris Talpas, MediPharm Labs has developed proprietary methodologies and operational efficiencies which have been leveraged to **build a growing library of purified concentrates and distillates to be formulated for its industry partners**.

MediPharm Labs’ core business comprises **two revenue streams**: WHITE LABEL PRODUCTION which involves MediPharm creating its own inventory of purified concentrates and isolates which can be formulated, processed and packaged for sale to LPs to retail under their own brand names; and CONTRACT PROCESSING, which involves fee-for-service extraction for LPs.

To date, MediPharm Labs has signed numerous partnership agreements to support these two areas of its business, while in negotiation and finalizing additional agreements with several other Licensed Producers.

| WHITE LABEL PRODUCTION | | CONTRACT PROCESSING |
|--|---|--|
|  <p>SUPPLY AGREEMENTS</p> <ul style="list-style-type: none"> • Purchase dried cannabis (flower/trim) from LP under Supply Agreement for X term or Y Volume • Purchase dried cannabis via One-off Bulk Wholesale Supply Agreement |  <p>SALE AGREEMENTS</p> <ul style="list-style-type: none"> • Extract, purify & formulate to specifications of LP customers • Sell purified concentrates &/or finished products at wholesale price to LPs • LPs retail to patients or consumers under their brand |  <p>CANNABIS CONCENTRATE PROGRAM AGREEMENTS</p> <ul style="list-style-type: none"> • Receive dried cannabis (flower/trim) from LP • Extract/purify/concentrate cannabis oil & return to LP • Agreements can extend to packaging & distribution • Collect tolling fee for service |
| <p>SUPPLY AGREEMENT (Dried Cannabis IN)</p> | <p>SALE AGREEMENT (Cannabis Oil OUT)</p> | <p>CANNABIS CONCENTRATE PROGRAM AGREEMENTS</p> |
| <ul style="list-style-type: none"> • Newstrike Brands Ltd. (up to 1,200 kg of dried cannabis) • Cronos Group Inc. • The Supreme Cannabis Company, Inc. • Additionally, several one-off bulk wholesale purchases have been made from other LPs. | <ul style="list-style-type: none"> • Canopy Growth Corporation (18-month term; contracted 450kg cannabis oil + optional additional up to 450kg) | <ul style="list-style-type: none"> • James E. Wagner Cultivation Corporation (3-year term) • 6779264 Manitoba Ltd. (O/A Bonify) (1-year term) • INDIVA Limited (3-year term) • Emerald Health Therapeutics, Inc. (3-year term) • The Supreme Cannabis Company, Inc. (3-year term) |

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.

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, that the transactions pursuant to the listed agreements will be completed as planned, 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.



Source: MediPharm Labs Corp.