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MediPharm Labs Secures 100% Ownership of its Australia Subsidiary, Poised for New Wave of Global Medicinal Cannabis Growth

TORONTO, Sept. 28, 2020 (GLOBE NEWSWIRE) --**MediPharm Labs Corp. (TSX: LABS) (OTCQX: MEDIF) (FSE:MLZ)** ("MediPharm Labs" or the "Company") a global leader in specialized, research-driven pharmaceutical-quality cannabis extraction, distillation and derivative products, today announced it has entered into a share sale and purchase agreement (the "Buyout Agreement") with its local Australian partner to acquire its 20% ownership interest in the Company's 80%-owned subsidiary MediPharm Labs Australia. Upon closing of the Transaction, MediPharm Labs Australia will be a wholly-owned subsidiary of the Company.

"Since our founding, MediPharm Labs Australia has been a cornerstone of our strategy to develop a multi-jurisdictional, GMP-certified production capability chain to service worldwide medicinal, wellness and adult-use markets," said Pat McCutcheon, CEO, MediPharm Labs. "Now a wholly-owned subsidiary, MediPharm Labs Australia will continue to represent a strategic segment of our global supply chain and a highly sought after, valuable and irreplaceable asset that differentiate us in the marketplace. With our Australia GMP certified manufacturing assets and licences from the Therapeutic Goods Administration, we are perfectly positioned for the next wave of growth in global cannabis markets as MediPharm Labs Australia continues to serve as a door-opener to sophisticated new pharma accounts and new medically focused cannabis companies in emerging international jurisdictions."

Under the Buyout Agreement, MediPharm Labs will pay consideration of approximately \$3.2 million comprising a mix of 37.5% cash to be paid in three instalments over an 18 month period and 62.5% MediPharm Labs common shares priced based on the 5-day VWAP on the TSX (the "Transaction"). The common share portion of the consideration will be subject to a twelve-month lock-up.

Poised for New Wave of Global Medicinal Cannabis Growth

The Company's Australian facility was certified by the Therapeutic Goods Administration ("TGA") as meeting the GMP standard and secured a Licence to Manufacture Therapeutic Goods in May 2020. As the Company's Canadian facility was TGA GMP certified in late 2019, MediPharm Labs has created a global pharmaceutical-quality supply chain that is qualified to serve new emerging medical markets internationally. Since the end of 2019,

MediPharm Labs Australia has signed a number of significant domestic and international customer supply agreements and achieved revenue of \$625,000 in its first month of operations from the shipment of formulated CBD and THC oils to its customers. These shipments were the product of synergies between MediPharm Labs' Canadian and Australian supply chain made possible by a large shipment of finished products and bulk oil from the Company's GMP-certified facility in Barrie, Ontario to Australia. The Company intends to continue taking advantage of its internal supply pipeline on a strategic basis as it targets new supply agreements to expand its international market share.

About MediPharm Labs Corp.

Founded in 2015, MediPharm Labs specializes in the production of purified, pharmaceutical quality cannabis oil and concentrates and advanced derivative products utilizing a Good Manufacturing Practices certified facility with 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 for delivery of pure, trusted and precision -dosed cannabis products for its customers. Through its wholesale and white label platforms, they formulate, consumer-test, process, package and distribute cannabis extracts and advanced cannabinoid-based products to domestic and international markets. As a global leader, MediPharm Labs has completed commercial exports to Australia and is nearing commercialization of its Australian Extraction facility. MediPharm Labs Australia was established in 2017.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION:

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, the successful closing of the Transaction AND performance of the Buyout Agreement leading to MediPharm Labs Australia becoming a wholly-owned subsidiary of the Company. 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.