

May 28, 2019



MediPharm Labs Announces \$60 Million Bought Deal Equity Financing

TORONTO, May 28, 2019 (GLOBE NEWSWIRE) -- **MediPharm Labs Corp. (TSXV: LABS) (OTCQX: MEDIF) (FSE:MLZ)** (“**MediPharm Labs**” or the “**Company**”), a leader in specialized, research-driven cannabis extraction and cannabinoid isolation, is pleased to announce that it has entered into an agreement with Scotiabank, on behalf of a syndicate of underwriters, including GMP Securities L.P. and BMO Capital Markets (collectively the “**Underwriters**”), pursuant to which the Underwriters have agreed to purchase on a bought deal basis 10,815,000 common shares of the Company (the “**Shares**”) at a price of \$5.55 per Share for gross proceeds of \$60 million (the “**Offering**”). The Company has granted the Underwriters an option (the “**Over Allotment Option**”) to purchase up to an additional 1,622,250 Shares on the same terms and conditions, exercisable at any time, in whole or in part, for a period of 30 days following the closing of the Offering for over-allotment and market stabilization purposes.

The Shares will be offered in all provinces of Canada, except Québec, pursuant to a short form prospectus to be filed by MediPharm Labs, as well as in the United States under applicable registration statement exemptions and such other jurisdictions as may be agreed to by MediPharm Labs and the Underwriters on a private placement basis.

The Company plans to use the net proceeds from the Offering to fund the Company’s ongoing capital expenditures at its Canadian and Australian facilities, for domestic and international expansions, research and development and general corporate purposes.

The Offering is expected to close on or about June 17, 2019, and is subject to the receipt of all necessary regulatory approvals, including, but not limited to, the approval of the TSX Venture Exchange and the securities regulatory authorities, and the satisfaction of other customary closing conditions.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States. The Shares have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from such registration requirements.

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 license. This expert focus on cannabis concentrates from being built to cGMP (current Good Manufacturing Practices) and ISO standard-built clean rooms and critical environments laboratory, allows MediPharm Labs to produce purified, pharmaceutical-like 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 cannabis oil concentrate products for resale globally on a private label basis.

For further information, please contact:

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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, statements regarding the terms and closing date of the Offering and the Company’s expected use of proceeds from the Offering. 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 the Company’s 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.