



MediPharm Labs Enters New Beverages and Culinary Lifestyle Market Through Cannabis Concentrate Supply Partnership with Tea and Edibles Company Olli Brands Inc.

FOR IMMEDIATE RELEASE

TORONTO, October 16, 2019 (GLOBE NEWSWIRE) - MediPharm Labs Corp. (TSX: LABS) (OTCQX: MEDIF) (FSE: MLZ) ("MediPharm Labs" or the "Company") a global leader in specialized, research-driven cannabis extraction, distillation, purification and cannabinoid isolation, is pleased to announce its wholly-owned subsidiary, MediPharm Labs Inc. ("MediPharm"), has signed a private label cannabis concentrate supply agreement with Olli Brands Inc. ("Olli"), an innovative leader in the creation and food-grade manufacturing of premium, smoke-free cannabis-infused edibles and teas.

Under the 18-month supply agreement, MediPharm will provide high-quality cannabis distillate and crude to Olli upon its commercial licensing. Olli will utilize MediPharm's products to infuse its line of curated edibles created by Olli's renowned Michelin-trained chef Adrian Niman of The Food Dudes and its family of teas designed by renowned tea specialist Richard Guzauskas, head of blend development for a major North American tea retailer and founder of Leaves Pure Tea. Olli currently holds a research licence under the *Cannabis Act* and is awaiting final approval for its standard processing licence prior to commercializing its line of edible and tea-based products.

This agreement demonstrates the demand for MediPharm Labs' cannabis extracts for use as input products in the manufacturing of the second wave of Canadian recreational cannabis products ("Cannabis 2.0") expected to hit shelves at the end of this year.

"The culinary lifestyle market is the next frontier for MediPharm Labs and we can't think of a better way to enter this important new category than through this exciting collaboration with Olli and its team of experts," said Patrick McCutcheon, Chief Executive Officer of MediPharm Labs. "According to Statistics Canada, quality and safety are leading purchase considerations for Canadians when selecting their cannabis products. Based on the rigorous approach we take to product design, development, testing and precision manufacturing, our B2B customers can trust that our input products used for cannabis beverages and edibles will set the industry standard for premium quality, reliability and taste."

"Olli is thrilled to be partnering with the unparalleled leader in pharmaceutical-like cannabis extraction," said Sarah Gillin, Co-Founder and Chief Operating Officer of Olli. "MediPharm Labs' commitment to excellence aligns perfectly with Olli's goal to be the leader in premier curated cannabis infused teas and edibles. We couldn't be more excited to be moving forward with this partnership."

MediPharm Labs will supply cannabis concentrates to Olli from its purpose built 70,000 square foot GMP-designed production facility in Barrie, Ontario. The facility features ISO-standard clean rooms, critical environment laboratories, commercial-grade distillation, chromatography R&D and supercritical CO₂ primary extraction lines, each assigned to specific customer batches. The facility recently received Organic Certification from Pro-Cert Organic Systems Ltd., one of North America's leading certifiers of organic products. This certification assists in extending MediPharm Labs' capabilities to include the production of bulk wholesale organic extracts and oil for use as ingredients in finished cannabis concentrate derivatives such as edibles, extracts, topicals and oil products.



A Trusted Supply Chain

MediPharm Labs places a premium on production quality and the integrity of its supply chain. The Company utilizes standardized operating procedures and meticulous record keeping ensuring repeatability of manufacturing in every batch, which leads to consistent and trusted products for its customers to utilize in their manufacturing processes. To achieve this, MediPharm Labs employs highly experienced experts across a number of core disciplines.

“MediPharm Labs is ready to help Olli give Canadians the low-dose, curated cannabis infused edibles and beverages they can trust,” said Mr. McCutcheon. “We are delighted to be part of this category-defining collaboration and view this supply agreement as demonstrating the suitability of our cannabis concentrates for these Cannabis 2.0 product categories.”

About Olli

Olli is a Toronto, Ontario-based cannabis-infused product manufacturer working with best-in-class suppliers using quality ingredients to offer premium-grade cannabis products. Founded by friends John B. Aird and Sarah Gillin in 2017, out of an idea to enjoy smoke-free cannabis products, Olli was created by friends, for friends, to provide a thoughtfully curated, health-minded, enjoyable and safe way to consume cannabis goods. Olli’s product line includes quality edibles curated by award-winning and Michelin-starred restaurant-trained chef Adrian Niman of the Food Dudes, and cannabis-infused teas developed by famed tea specialist Richard Guzauskas. Olli’s products will be manufactured at Olli’s facility located in Etobicoke, Ontario. Once legalized, Olli products will be sold across provincially licenced retailers in Canada.

All information contained in this press release with respect to Olli and its future plans was supplied by Olli for inclusion herein.

About MediPharm Labs

Founded in 2015, MediPharm Labs specializes in the production of purified, pharmaceutical-like cannabis oil and concentrates and advanced derivative products utilizing an organically certified, Good Manufacturing Practices designed facility and 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 having 300,000 kg of annual processing capacity to deliver pure, safe and precisely dosed cannabis products for its customers. Through its wholesale, white label and tolling platforms, they formulate, process, package and distribute cannabis extracts and advanced cannabinoid-based products to domestic and international markets. As a global leader, the Company also completed commercial exports to Australia and is nearing completion of its Australian extraction facility expected in 2019 with 75,000 kg of annual processing capacity.

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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, supply of distillate and crude to Olli upon Olli’s commercial licensing, manufacture by Olli and other third-parties of Cannabis 2.0 products using MediPharm’s inputs, production capabilities of MediPharm related to organic product, the legality of new cannabis-derived products and timing thereof, the completion of the Australian facility and the processing capacity of the Australian facility. 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.