For Immediate Release

MediPharm Labs Receives Licence Amendment to Permit Use of Expanded Canadian Facility for Private Label and White Label Production and R&D

Barrie, Ontario - December 30, 2019, MediPharm Labs Corp. (TSX: LABS) (OTCQX: MEDIF) (FSE: MLZ) ("MediPharm Labs" or the "Company") a global leader in research-driven, pharmaceutical quality cannabis extraction, distillation and derivative product production, today announced that its subsidiary, MediPharm Labs Inc. ("MediPharm") has received a licence amendment from Health Canada allowing for production to begin in the recently expanded area of its specialized manufacturing facility in Barrie, Ontario.

This amendment increases MediPharm's licensed facility footprint by around three times, or 16,746 sq. ft., to a total of approximately 25,000 sq. ft., allowing it to productively use more of its manufacturing space for cannabis activities – including automated downstream production and packaging, cannabis quality control and testing, research and development and secure storage to support the fulfillment and distribution of new product format formulations and orders.

"This amendment is an important development and achievement for MediPharm that unlocks the value of our recent investment in advanced capabilities and expanded capacity at a very opportune time," said Pat McCutcheon, Chief Executive Officer, MediPharm Labs. "With an increasing focus on our white label business, we can now significantly scale our platform to serve the end-to-end needs of our customers as we fulfill orders for new diversified products under Cannabis 2.0."

The expanded facility, purpose-built to the same standards as the current GMP-approved footprint, will upon applicable GMP approvals enable MediPharm to directly increase its GMP capacity for the international medical market. Further, the expanded facility will immediately allow MediPharm to produce greater quantities of GMP product, as it can now move non-GMP activities, such as vape pen filling, into its newly licensed area.

"We are executing on a focused plan to increase exports," said Mr. McCutcheon. "This important amendment is additive to this strategy and complements other recent developments including receipt of our first GMP certification earlier this month and completion of construction of our Australian manufacturing facility. These initiatives position MediPharm Labs to drive global sales as we address growing international market demand for high-quality pharmaceutical-grade cannabis derivative products."

MediPharm Labs Canadian Facility Expansion

In 2019, MediPharm Labs commenced a phased plan to expand its licensed space and scale its operations in Canada within its 70,000 sq.ft. facility in Barrie, Ontario. Under new regulations, the Company was required to complete construction prior to applying for an expansion licence. Today's announcement means MediPharm received its Health Canada licence amendment just four months after completing construction.

The recently completed first phase of expansion added 16,746 square feet, all of it now licensed. This represents a three-fold increase in total licensed footprint suitable for cannabis activities to a total of approximately 25,000 sq. ft.

The now-completed first phase of the expansion includes:

- Five new large manufacturing rooms, including two sizable fire- and explosion-containment rooms (that allow for the handling of solvents) that create scale, provide flexibility in production processes and include capabilities such as automated downstream production and packaging to fulfill end-to-end white label product orders for distribution. Automation equipment qualified by the Company's Quality Team is onsite and expected to be operational in the coming weeks.

- An expanded state-of-the-art quality control lab to support advanced cannabis product innovation and ensure strict adherence to pharma standards at every step of the process. The lab will be used by the Company's growing R&D team to analyze terpene profiles, cannabis 2.0 products and new formulations. MediPharm will also use the lab for in-house testing of product for release, incoming product verification, process improvement testing and validation.

- A second secure storage space that more than doubles the Company's current capacity to store dry cannabis and finished goods.

- Major building infrastructure updates, such as a new mechanical mezzanine for process support equipment and an updated building electrical transformer to support GMP-compliant-required equipment and future expansions.

"While we delivered excellent results in a fraction of our manufacturing footprint over the past year, this licence amendment gives MediPharm additional flexibility to fulfill committed and expected orders from our current and future customers and the confidence to add more business in diversified product lines as the market continues to evolve," said Mr. McCutcheon. "This is a great way to end 2019 – a transformative year for our business."

About MediPharm Labs

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 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 for delivery of pure, trusted and precision-dosed cannabis products for its customers. Through its wholesale and white label platforms, MediPharm Labs formulates, processes, packages and distributes 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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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, successfully implementing increased manufacturing capabilities, including automated production and packaging, receipt and fulfillment of product orders, GMP approvals for the expanded footprint, increasing international sales and product offerings and obtaining new customers. 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.