

## FORM 51-102F3 MATERIAL CHANGE REPORT

**ITEM 1. Name and Address of Company**

MediPharm Labs Corp. (the “Company”)  
151 John Street  
Barrie, Ontario  
L4N 2L1

**ITEM 2. Date of Material Change**

July 11, 2022

**ITEM 3. News Release**

A news release with respect to the material change was disseminated by the Company on July 11, 2022, through Cision (the “News Release”).

**ITEM 4. Summary of Material Change**

On July 11, 2022, the Company announced that it had entered into a Share Purchase Agreement with OneLife Botanicals PTY for the sale of MediPharm Labs Australia Pty Ltd, a wholly owned subsidiary of the Company, for a minimum value of \$6.9M AUD (\$6.2 CAD). The Agreement is subject to routine conditions and is anticipated to close within 90 days, and includes the assets of MediPharm Labs Australia Pty Ltd, specialized licensing, operational knowledge, and Australian and New Zealand customers currently served from the Australian facility. All international contracts outside of Australia and New Zealand will remain with the Company and be serviced from the Canadian facility.

**ITEM 5. Full Description of Material Change**

See the full text of the News Release attached hereto as Schedule “A”.

**ITEM 6. Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**ITEM 7. Omitted Information**

Not applicable.

**ITEM 8. Executive Officer**

Keith Strachan  
President  
Telephone: 416-913-7425  
Email: [investors@medipharmlabs.com](mailto:investors@medipharmlabs.com)

**ITEM 9. Date of Report**

July 12, 2022

## **Exhibit “A”**



### **MediPharm Labs Enters into \$6.2M Purchase Agreement for the Sale of Australian Facility**

BARRIE, July 11, 2022 – **MediPharm Labs Corp.** (TSX: LABS) (OTCQX: MEDIF) (FSE: MLZ) (“MediPharm Labs” or the “Company”) a pharmaceutical company specialized in precision-based cannabinoids, has entered into a Share Purchase Agreement (the “Agreement”) with OneLife Botanicals PTY (“OneLife Botanicals”) for the sale of MediPharm Labs Australia Pty Ltd (“MPLA”), a wholly-owned subsidiary of the Company, for a minimum value of \$6.9M AUD (\$6.2M CAD). The Agreement is subject to routine conditions and is anticipated to close within 90 days.

The Agreement includes the assets of MPLA, specialized licensing, operational knowledge, and Australian and New Zealand customers currently served from that facility. All international contracts outside of Australia and New Zealand will remain with MediPharm Labs and be serviced from our Barrie GMP facility.

In July 2021, MediPharm Labs was the first purpose-built cannabis facility to receive a pharmaceutical Drug Establishment License. Awarded by Health Canada, this license is recognized in over 50 countries as part of the Pharmaceutical Inspection Co-operation Scheme (PIC/S). At this time, the Company has completed a review of its international manufacturing platform and identified significant potential savings in moving all domestic and international manufacturing to the Canadian facility.

After an extensive sale process, the Agreement with OneLife Botanicals was identified as a strategic fit for both parties. OneLife Botanicals is an emerging leader in Australia region for cannabis-based wellness and medical products, with plans to launch OTC CBD products across Australia. Purchasing the MPLA facility expedites OneLife Botanicals’ timing to commercialization. The Company and OneLife Botanicals will also enter into a transition services agreement to allow for the two companies to smoothly transition products and services produced in the facility, and to work together on future commercial opportunities.

#### **Management Commentary:**

**David Pidduck, CEO of MediPharm Labs commented,** “This sale represents a major milestone for MediPharm Labs as it continues to focus on rightsizing the business to achieve profitability. As we look to maintain our strong cash balance, this transaction paired with corporate restructuring completed in June 2022 should allow us to reduce our quarterly burn rate as we improve sales.

I want to personally thank our Australian team. This group of professionals are trailblazers in the Australian and international medical cannabis market, achieving major milestones such as multiple customer product launches and our first deliveries to Germany. OneLife Botanicals is gaining one of the most capable medical cannabis manufacturing teams in Australia.”

**OneLife Botanicals CEO Andrew Grant said,** "This purchase aligns and expedites the strategic aim of our organization to produce high quality medicinal cannabis products by integrating manufacturing into the end-to-end supply chain. The integration of a fully operational facility brings forward our objectives to take our products and brand to the market.

Our company undertook extensive research in considering this important acquisition and is highly confident about the capabilities and capacity of the operation to manufacture products in accordance with all compliance and quality standards.

The integration of this business with our existing cultivation facility facilitates savings in capital investment, access to operational efficiencies and establishes us as a significant supplier in the Australian medicinal cannabis industry.

We intend to build on the existing customer base and develop additional product distribution opportunities to become a formidable participant in the market."

### **About MediPharm Labs**

Founded in 2015, MediPharm Labs specializes in the development and manufacture of purified, pharmaceutical-quality cannabis concentrates, active pharmaceutical ingredients (API) 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, MediPharm Labs formulates, develops (including through sensory testing), processes, packages and distributes cannabis extracts and advanced cannabinoid-based products to domestic and international markets. In 2021, MediPharm Labs received a Pharmaceutical Drug Establishment Licence from Health Canada, becoming the only company in North America to hold a domestic Good Manufacturing Licence for the extraction of natural cannabinoids. The Company carries out its operations in compliance with all applicable laws in the countries in which it operates.

### **About OneLife Botanicals**

OneLife Botanicals is a niche producer of medicinal cannabis in Melbourne, Australia. The company has a passion for developing and producing products that provide a range of health benefits and assist in treating a range of specific health conditions.

The company operates an existing cultivation site with extensive Infrastructure, including fit for purpose glasshouses for growing Medicinal Cannabis in a controlled environment. The glasshouses facilitate the optimum growing environment through temperature and climate control, allowing natural sunlight to be maximized in a protected and secure environment.

The Directors and stakeholders are focused on identifying and exploring market opportunities, along with embracing innovation in the production processes. The success of the business can be achieved with an extensive Research and Development program, aimed at staying ahead of changes in growing methods, technological solutions, and product applications, along with advanced automation ensuring that we minimize operating expenditure and maximize quality control.

The organization is committed to make the health benefits of this natural and powerful plant available to everyone seeking to improve their OneLife.

**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. Forward-looking statements are necessarily based upon several 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 delay or failure for the Agreement to close within 90 days; the ability for MediPharm Labs to realize savings in moving all manufacturing to the Canadian facility; and the ability for MediPharm Labs to significant reduce the quarterly burn rate or improve sales. 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.