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ASX RELEASE

11 October 2018

MediPharm Labs enters contract with Emerald

MMJ PhytoTech Limited (ASX: MMJ) ("MMJ") is pleased to attach a release from MediPharm Labs Inc ("MediPharm Labs") (TSX-V: LABS) announcing that it has entered into a Cannabis Concentrate Program Agreement with Emerald Health Therapeutics Inc ("Emerald") (TSX-V: EMH).

MMJ has CAD\$5 million of equity invested in MediPharm Labs with 5.88 million shares (CAD\$0.85 cost per share) and 2.94 million warrants (exercisable at CAD\$1.20 per share by October 2020).

Investor and Media Enquiries

Jason Conroy
Chief Executive Officer

About MMJ

MMJ is a global cannabis investment company. MMJ owns a portfolio of minority investments and aims to invest across the full range of emerging cannabis-related sectors including healthcare, technology, infrastructure, logistics, processing, cultivation, equipment and retail. For MMJ's latest investor presentation and news, please visit: <https://www.mmjphytotech.com.au/investors/>

Important Notice

This announcement contains reference to certain intentions, expectations, future plans, strategy and prospects of MMJ. Those intentions, expectations, future plans, strategy and prospects may or may not be achieved. They are based on certain assumptions, which may not be met or on which views may differ and may be affected by known and unknown risks. The performance and operations of MMJ may be influenced by a number of factors, many of which are outside the control of MMJ. No representation or warranty, express or implied, is made by MMJ, or any of its directors, officers, employees, advisers or agents that any intentions, expectations or plans will be achieved either totally or partially or that any particular rate of return will be achieved. Given the risks and uncertainties that may cause MMJ's actual future results, performance or achievements to be materially different from those expected, planned or intended, recipients should not place undue reliance on these intentions, expectations, future plans, strategy and prospects. MMJ does not warrant or represent that the actual results, performance or achievements will be as expected, planned or intended. Nothing in this material should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in MMJ. This document does not constitute any part of any offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of any "US person" as defined in Regulation S under the US Securities Act of 1993 ("Securities Act"). MMJ's shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any US person without being so registered or pursuant to an exemption from registration including an exemption for qualified institutional buyers.

October 10, 2018



MediPharm Labs Corp. and Emerald Health Therapeutics, Inc. Sign Cannabis Concentrate Program Agreement

TORONTO, Oct. 10, 2018 (GLOBE NEWSWIRE) -- MediPharm Labs Corp. ("**MediPharm**") (TSXV: LABS) is pleased to announce that it has entered into a Cannabis Concentrate Program Agreement (the "**Agreement**") with Emerald Health Therapeutics Inc. ("**Emerald**") (TSXV: EMH - OTCQX:EMHTF). Pursuant to the Agreement, signed on October 5, 2018, Emerald will provide MediPharm with dried cannabis to create premium quality cannabis oil (the "**Program**"). The Program will be for an initial term of three years.

The Agreement enables Emerald to provide pharmaceutical grade cannabis concentrate products produced by MediPharm to its large base of registered patients, as well as provide adult-use recreational consumers with premium quality cannabis concentrates commencing October 17, 2018.

MediPharm is research-driven and focused on downstream secondary extraction methodology, distillation and cannabinoid isolation and purification. MediPharm currently operates one of the largest cannabis concentrate manufacturing facilities in Canada and is built to cGMP (current Good Manufacturing Practices) and ISO standards. Leveraging MediPharm's proprietary pharmaceutical manufacturing expertise, the company's purpose-built state of the art centre of excellence currently has the capacity to process over 100,000kg of dry cannabis a year at their wholly owned ACMPR-licensed facility. With Phase 2 funded and scheduled to be completed by the end of Q2 2019, MediPharm Labs processing capacity is anticipated more than double to an expected 250,000kg annually.

Emerald is a Licensed Producer under Canada's Access to Cannabis for Medical Purposes Regulations and produces and sells dried cannabis and cannabis oil for medical purposes. Emerald is preparing to serve the fully legalized Canadian adult-use cannabis market starting October 17, 2018. Emerald owns 50% of Pure Sunfarms, which is converting a licensed existing 1.1 million square foot greenhouse in Delta, BC and is now in commercial production. Emerald also owns Agro-Biotech, a Québec-based licensed cannabis grower with a 75,000 square foot indoor facility which is planning to add a 500,000 square foot greenhouse in Metro Vancouver.

This is truly a partnership of two leaders in the Canadian cannabis industry. This Program represents the advancement of a market to better serve cannabis consumers and

patients.

Under the Agreement, Emerald will ship dried cannabis to MediPharm which MediPharm will use to produce purified cannabis oil. The parties intend that under the Program, MediPharm may provide cannabis oil to Emerald or to other approved distributors of medical cannabis at the direction of Emerald. Alternatively, Emerald may release the cannabis extract for use by MediPharm. The Program will be established at no capital cost to Emerald, however, MediPharm will charge Emerald a processing fee for the cannabis oil produced and the revenue earned on sales of cannabis oil by MediPharm will be shared between MediPharm and Emerald.

“We are very pleased to have MediPharm as our partner,” said Rob Hill, CFO of Emerald. “Their large processing capacity and ability to produce high purity cannabis extracts and isolates increases our flexibility and capabilities in bringing to market high-value and unique products.”

Pat McCutcheon, MediPharm’s President and Chief Executive Officer said, “We are very excited to begin this relationship with one of Canada’s leading cultivators. This partnership further highlights MediPharm’s commitment to work as a trusted, agnostic value add supplier to Licensed Producers across Canada to better serve the cannabis market. Our geographic location also serves as a strategic asset to the relationship with our ability enable Emerald to provide their consumers in central and eastern Canada with premium quality pharmaceutical grade cannabis oil.”

About MediPharm Labs Corp.

MediPharm Labs, through its subsidiary, is a pioneer in the cannabis industry and has the distinction of being the first company in Canada to become a licensed producer for cannabis oil production under the *Access to Cannabis for Medical Purposes Regulations (ACMPR)* without first receiving a cannabis cultivation licence. This expert focus on cannabis concentrates from our cGMP (current Good Manufacturing Practices) and ISO standard clean rooms and critical environments laboratory, allows MediPharm Labs to work with its established, Health Canada-approved cultivation partners to produce pharmaceutical-grade cannabis oil with a competitive advantage. MediPharm Labs is research-driven and focused on downstream secondary extraction methodology, distillation, and cannabinoid isolation and purification. MediPharm Labs, through its subsidiary, provides B2B contract processing of cannabis to Canadian authorized licensed producers and appropriate international growers, supplying integrity-assured cannabis oil to qualified companies for sale under their own brand. In addition,

MediPharm Labs will supply raw materials, formulations, processing and packaging for the creation of ready-to-sell advanced derivative products. Through its subsidiary, MediPharm Labs Australia Pty. Ltd., MediPharm Labs has also completed its application process with the federal Office of Drug Control to extract and import medical cannabis products in Australia.

For additional information about MediPharm Labs, please see the company’s website: medipharmlabs.com

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This press release contains forward-looking statements about MediPharm and Emerald and their business which may include, but is not limited to, risk, uncertainties and other factors that may cause actual events to differ materially from current expectations. The forward-looking events and circumstances discussed in this release may not occur by certain specified dates or at all and could differ materially as a result of known and unknown risk factors and uncertainties affecting MediPharm and Emerald. For example, there can be no guarantee that the Program will proceed as intended by the parties and set out in the Agreement, or that applicable regulatory approvals will be obtained to carry out the activities contemplated herein. Other risk factors include risks regarding the cannabis industry, economic factors, the equity markets generally and risks associated with growth and competition. Although MediPharm and Emerald has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. The Company disclaims any intention or obligation, except to the extent required by law, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward looking information contained in this release is made as of the date hereof and the parties are not obligated to update or revise any forward looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward looking information. The foregoing statements expressly qualify any forward-looking information contained herein.

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