



Medcolcanna Enters Agreement to Acquire Interest in Cannabis Oil Refinery

Medcolcanna to Acquire 20% Interest in Refinery as Part of Continued Strategic Growth Initiatives

BOGOTÁ, Colombia, May 30, 2019 -- **Medcolcanna Organics Inc.** (TSX-V: MCCN) ("**Medcolcanna**" or the "**Company**"), a Canadian medical cannabis company with operations in Colombia, is excited to announce that it has entered into a Master Agreement (the "**Agreement**") with Greenstein Capital Ltd. ("**GCL**"), a Maltese company. GCL's subsidiary ("**RefineryCo**") plans to construct and operate a refinery (the "**Refinery**") in Germany for cannabis oil derivatives. Pursuant to the Agreement, Medcolcanna will acquire a 20% stake in RefineryCo.

This agreement is part of Medcolcanna's strategic plan to pursue opportunities for growth in the cannabis sector. Oils and derivatives give consumers a new way to explore and benefit from the therapeutic effects of cannabis. This transaction allows Medcolcanna to profit from marketing a wider array of products, while providing higher margins than traditional dried flower.

"Oils will continue to make up a larger part of the cannabis market, especially as regulatory changes take effect throughout 2019 and beyond," said Felipe de la Vega, Medcolcanna's CEO. "This refinery is one step forward for our international sales strategy, which includes the possibility of processing our oils produced in Colombia to meet the highest standards of the industry. It also opens up an additional market for us in Germany and throughout Europe that requires very specific, high quality products."

TRANSACTION OVERVIEW

GCL has agreed to grant a 20% shareholding in RefineryCo to the Company for a purchase price of US\$1 million. Payment will be paid by the issuance by the Company of a convertible debenture in the principal amount of US\$1 million. The convertible debenture will bear interest at 0.5% per year and payment will be due after the Refinery is completed and is operating to the Company's satisfaction, and the 20% shareholding in RefineryCo has been issued to the Company. After coming due, the convertible debenture will be redeemable at maturity in cash or common shares of the Company, at the option of GCL, at a conversion price of CDN\$0.285 per share. If redeemed in common shares, only the principal, and no interest, will be payable by the Company. The foregoing is subject to approval by the TSX Venture Exchange.

The Refinery is expected to be a turnkey project that must be built to Medcolcanna's standards and specifications. The Company has to approve the commissioning of the Refinery before the convertible debenture can be exercised.

"This announcement is also a big step forward in our capacity to standardize pharmaceutical grade products that we will develop and produce with our unique, advanced formulations for several specific illnesses, such as through our recently announced acquisition of Innovative CBD Products B.V. in the Netherlands," added Mr. De la Vega.

ABOUT MEDCOLCANNA

Medcolcanna is a Canadian integrated medical cannabis company, whose main, fully-licensed operations are based in Colombia. Led by a proven and successful management team, Medcolcanna has facilities in prime, optimal growing locations which strategically positions the Company to become a global leader in the medical cannabis market.

Medcolcanna employs state of the art organic agricultural technology and innovative pharmaceutical processes to produce high-quality products with the goal of enhancing customer well-being. The Company's scalable production model ensures that they remain at the forefront of the medical cannabis industry.

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Additional information about Medcolcanna can be found on its web site at www.medcolcanna.com

Neither the TSX Venture Exchange Inc. nor its regulation services provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release and neither of these entities has in any manner passed upon the merits of the Transaction or any associated transactions.

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Forward-Looking Statements

*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, among other things, to the terms and conditions of the purchase of RefineryCo and anticipated regulatory approval thereof; as well as the receipt of all regulatory licenses required for the cultivation, production, domestic distribution and international export of cannabis and cannabis-related products; and the business and operations of Medcolcanna after the consummation of the purchase of RefineryCo. 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; and the delay or failure to receive board, shareholder or regulatory approvals. 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.*

Medcolcanna assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.