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MEDCOLCANNA PREPARES FOR RECURRING COMMERCIAL SHIPMENTS INTO EUROPE IN 2021 AND PROVIDES CORPORATE OPERATIONAL UPDATE

Bogotá - Colombia
January 13 2021

Bogota, Colombia--(Newsfile Corp. - January 13, 2021)- Medcolcanna Organics Inc. (NEO: MCCN)("Medcolcanna", "MCCN" or the "Company"), a leading Colombian and globally integrated cannabis company, is providing the following corporate update.

Key highlights include:

Capacity & Cost of Production:

- MCCN received approval for extension of its cannabis cultivation licenses to its second location in Neiva for 32 hectares (approx. 79 acres) in October 2020. This farm is expected to allow MCCN to lower its cost of production by approximately four-fold, to compete in the commoditized CBD and CBG markets.
- The increase in cultivation also comes with an increase in extraction of 500 tons of additional biomass processing capacity. MCCN has managed to complete this expansion saving cost in capital expenses using its proven proprietary technology.

Quality & Certifications:

- Good Agricultural and Collection Practices (GACP) certification granted in July 2020. This certification allows MCCN to pursue its strategy to produce pharma-grade medicinal cannabis products.
- MCCN's Soluciones Magistrales Laboratory received INVIMA's Good Elaboration Practices for Magistral Preparations with Cannabis (GEP) authorizing the Company to manufacture high- and low- THC magistral preparations domestically was received in late 2020.

Commercial Exports & Partnerships:

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- MCCN successfully completed exports of several of its product lines to the US and multiple European countries, including Germany, Switzerland, the United Kingdom and the Netherlands. These products included cannabis derivatives in bulk, as well as several products from its INVIMA-approved cosmetics line.
- MCCN SA, MCCN's Swiss entity, also launched its new smokable flower to its Cannav[®] product line of vapes.
- The Greenstein Group Partnership agreement successfully delivered three exports to Germany. This partnership is expected to begin to import at least 100kg per month beginning in January 2021.
- The Grupo Curativa partnership provides MCCN with a clinically tested portfolio of magistral formulations for the Colombian market as well as an established patient network in Colombia. Through its network of clinicians that treat patients with the following conditions, amongst others; digestive, neurological, psychiatric, respiratory, dermatological, urological and orthopedic diseases, the Company will manufacture and distribute these formulations globally.
- MCCN also recently opened Medicina Nueva clinics, offering a comprehensive suite of health and medical services which include magistral formulations manufactured by MCCN's Soluciones Magistrales GEP-certified laboratories.

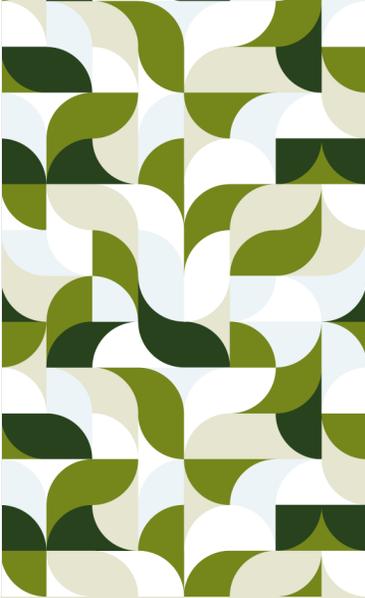
In addition, the Company is pleased to announce a series of key achievements accomplished by the Company during 2020 that cements the Company's position as a leader in the cannabis industry. Medcolcanna expects to embark into 2021 with operational and commercial advantages to exploit the local and international markets.

MCCN secures approval for license extension into its second location in Neiva

This key accomplishment, achieved in October 2020, positions MCCN as the largest producer in Colombia with a total of 40 hectares (approx. 100 acres) under cultivation. This project should result in cost leadership in the region for the Company.

As commodity markets for products like CBD and CBG derivatives have been driven down by low hemp prices in the US, MCCN's expansion into fully automated cultivation positions the Company to continue to lead on costs and enables the firm to produce high quality hemp and cannabis well below the cost of US hemp growers, positioning MCCN to compete in markets globally and improve gross margins. The first harvest and export of this production is scheduled to begin by the end of February of 2021. This facility is expected to have an annual capacity of 15,000 kg of CBD isolate.

Management believes it must focus on competitive pricing in the commodities products as the engine driving innovation in MCCN's other product lines. The cost of production and the capacity of the Neiva hemp farm should allow Medcolcanna to be competitive and self-sustainable. This move also allows MCCN to focus its El Candil

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greenhouse operation to the development and supply of higher value products for its over the counter (OTC) and Pharma API businesses producing psychoactive products containing higher levels of THC. This focused cultivation plan puts MCCN on its 2021 target to self-sustainability by competing more aggressively for commodities contracts, thereby increasing recurring revenues while further reducing cash expenditures and boosting profitability.

Good Agricultural and Collection Practices Certification

Good Agricultural and Collection Practices ("**GACP**"), achieved in July of 2020, is the first certification required to provide Natural Health Products worldwide. It is also the basis for the production of Pharma-grade API which MCCN plans to offer to the market early in 2021.

Management also expects that the export of flower will be allowed by the Colombian government in 2021. This quality certification also positions MCCN to compete in key markets in Europe such as Germany and Poland which require this minimum standard to allow imports of this product. GACP is also the first step towards GMP certification that MCCN expects to obtain during 2021.

INVIMA Good Elaboration Practices for Magistral Preparations with Cannabis (GEP)

In November of 2020, the Company secured its Good Elaboration Practices for Magistral Preparations with Cannabis (GEP) certification from INVIMA, authorizing MCCN to manufacture high- and low- THC magistral preparations domestically. The rigorous application process validates MCCN's commitment to quality and positions it as one of the few cannabis companies in the country with a certified lab for finished medicinal products and enables the opportunity for the Company to produce and supply capsules, oils, sprays, transdermal gel, creams, and almost any other pharmaceutical form of cannabis.

Through Medicina Nueva, MCCN's network of clinics specializing in cannabis formulation, and Curativa's own network of clinics, more than 4,000 patients will have immediate access to MCCN's portfolio of medicinal cannabis products. MCCN expects to commence medical sales in Colombia by February of 2021.

COMMERCIAL EXPORTS

2020 was a year of commercial firsts for the Company with pilot shipments in Q2 and Q3 to the USA, Germany and the Czech Republic.

Subsequently, MCCN SA imported smokable flower and successfully commercialized this product in Europe as an extension of its Cannav[®] Brand of consumer products.

In Q3 and Q4, MCCN successfully exported several commercial shipments into Germany, Switzerland, the United Kingdom, and the Netherlands. These commercial shipments are the first of recurring orders in these markets where sales have been developing for the last few months. With the recent UN resolution and decision of the Court of Justice of the European Union regarding removing CBD as a narcotic, the Company expects to increase exports significantly.

MANAGEMENT COMMENT

Felipe de la Vega CEO, stated: "We have accomplished very important milestones in our production process. Our new farm allows us to compete in a low-cost CBD and CBG international market with very large production, positioning MCCN as one of the

larger producers in Colombia. Our GACP certification confirms our commitment to quality in order to access the more important international markets, and our Invima certification allows us to start selling our proprietary formulations in the Colombian market where relations with the medical community have been very well established, initiated with 4,000 patients already enrolled with cannabis prescriptions and regular use. These milestones allow us to forecast a great 2021 when we expect that the Company will reach self-sustainability and even profitability, based on the commodity business while simultaneously pursuing our pharmaceutical line of business to make high value added specific formulations and products through high R&D."

ABOUT MEDCOLCANNA

Medcolcanna is a Canadian integrated medical cannabis company, whose fully licensed operations are based in Colombia. Led by a proven and successful management team, Medcolcanna has facilities in optimal growing locations which 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. The Company's scalable production model and network of pharmaceutical partnerships globally 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.

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