

PRESS RELEASE



MCCN EXECUTES EXTRACTION AGREEMENT WITH INTERNATIONAL CANNABIS COMPANY

Bogota, Colombia-(Newsfile Corp. - June 1, 2021) - Medcolcanna Organics Inc. (TSXV: MCCN) (“**Medcolcanna**,” “**MCCN**” or the “**Company**“), a leading Canadian and globally integrated medicinal cannabis company with operations in Colombia, is pleased to announce the execution of an extraction service agreement with an International Cannabis Company, a company with formulations for health and wellness applications, for depression, anxiety, and PTSD, which also has cultivation operations in Colombia.

The execution of this commercial extraction agreement is a significant milestone for MCCN. This is the first commercial third-party extraction services agreement that has been executed after MCCN began offering extraction services to third parties in May 2021. MCCN is offering commercial third-party extraction services through its wholly-owned subsidiary, Extralia Labs. To perform on this agreement, MCCN will utilize its different extraction lines and will transform biomass into CBD isolates. MCCN has demonstrated its extraction expertise and ability to deliver the desired quality of refined cannabis products.

MCCN’s extraction facilities have the capacity to process up to 800 tons of dried biomass per year. MCCN has two extraction facility locations; the first is located near Bogota, the capital of Colombia, the second is located near the city of Neiva, Colombia.

This facility will also begin extraction operations within the next 60 days for MCCN’s own cultivation in Neiva, and hopefully, service third parties that are in negotiations for final terms. MCCN currently offers extraction, distillation, and crystallization; all three processes are available to Colombian cultivators.

The counterparty to the Commercial extraction services agreement is an International Cannabis Company with formulations for health and wellness applications, for depression, anxiety, and PTSD, and with cultivation operations in Colombia. The International Cannabis Company will be delivering between 2,500

PRESS RELEASE



to 4,500 kilograms of dried cannabis biomass to MCCN extraction facilities every three months.

The deliveries will occur monthly and are scheduled with a program that will be revised for the quantity every three months. The International Cannabis Company has also announced recently that they wish to rapidly scale their Colombian production, which would also rapidly increase the amount of biomass that would require extraction.

The payment has been agreed on in a percentage of the products that will be calculated based on the final potency of the biomass.

MCCN expects to generate revenue through selling the product that it receives through extraction services by exporting the product to its operating trading arm based in Switzerland. Recently, all products that have been supplied to MCCN Switzerland have been sold to third parties in different European countries.

The first 1,200kg of biomass was immediately delivered to the MCCN Extraction facilities upon the execution of the agreement. MCCN will begin the extraction process upon the receipt of the dried biomass. It is expected that this first delivery will generate a revenue of approximately USD \$20,000 after completion of extraction processes and the selling of product produced, and, with current negotiations, MCCN expects that its extraction subsidiary will become self-sustainable and profitable during the third quarter of 2021.

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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PRESS RELEASE



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Medcolcanna Investor Relations Contact:

Chris Reid, CFO

Carrera 49b # 93-62 Bogotá, Colombia

Phone: +571 642-9113

Email: info@medcolcanna.com

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