

PRESS RELEASE



MCCN EXECUTES EXTRACTION AGREEMENT WITH THIRD-PARTY CULTIVATOR

Bogota, Colombia, June 08 2021 -- Medcolcanna Organics Inc. (“Medcolcanna”, “MCCN” or the “Company”) (NEO: MCCN / FSE: MO2), a leading Canadian and globally integrated medicinal cannabis company with operations in Colombia, is pleased to announce the execution of a long-term commercial extraction services agreement with La Finca Interactiva Arachna Inc. SAS (“La Finca”). La Finca is a Colombian based whole-owned subsidiary of Chemesis International Inc (C.CSI). The agreement is for MCCN to provide extraction services for La Finca.

This executed commercial execution services agreement is the second such agreement that MCCN has entered into since launching its third-party commercial extraction services in May 2021. MCCN is pleased with execution of this second commercial extraction agreement and is encouraged with the interest that has been received from Colombian cultivators with the potential of providing third-party extraction services in Colombia.

MCCN is to initially provide extraction services to La Finca for 26,000 kilograms of dried biomass every three months. MCCN will immediately benefit by utilizing capacity of its 800 tons per year of dried biomass extraction capacity. This will allow MCCN to reduce its fixed extraction costs on a per unit basis which will be beneficial to all of MCCN’s extraction customers as well as reduce the cost for MCCN to extract its own cultivated biomass.

MCCN will retain a portion of the isolates in exchange for the extraction services it provides. Conversely, Finca will receive a portion of the isolate in exchange for supplying the biomass. The portion that each party retains will depend on the potency of the desired cannabinoids present in the biomass. La Finca will deliver the non-psychoactive biomass to MCCN’s extraction facility. This biomass will then be processed by MCCN, extracting the cannabinoid oils and/or isolates.

The execution of this agreement between Extralia Labs which is MCCN’s 100% wholly owned subsidiary and La Finca is expected to generate additional revenue from the extraction services provided. MCCN believes that, with this additional revenue added to its current 3rd party extraction operations this will allow MCCN Extraction Services business unit to become approximately operationally self-

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sustaining, by the third quarter in 2021, and profitable by Q4. The first delivery is expected within the next 60-90 days and a detailed schedule on production will be submitted by La FINCA

La Finca is a Colombian cultivation company and has been a wholly-owned subsidiary of Chemosis since January, 2019, and holds a license for the cultivation of non-psychoactive cannabis since 2007.

Additional Operational update

MCCN's Propagation business Unit has recently executed a new agreement to supply approximately 10,000 cuttings per month. The additional revenue that will be generated from agreement for cannabis plant cuttings, will bring MCCN's propagation business unit to approximate self-sustainability and with an outlook to profitability. Additionally, twenty-eight cutting supply agreements have been executed, the counter parties vary from licensed and operating companies to companies that are yet to receive their cultivation licenses.

MCCN is also pleased to provide an update on the export of its CBD Isolate product from its Colombia facilities as well as recent sales. MCCN has exported approximately 100 kilos of CBD isolate during the last 60-days all 100 kilos have been delivered to customers. MCCN is encouraged that, through its distribution, logistical process and procedures, it has been able to deliver these products to its valued customers. MCCN was also pleased that some of the recent sales are from recurring customer purchases.

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.

If you would like to receive News Releases via email as soon as they are published, please subscribe here: <https://medcolcanna.com/contact-us/> or write to info@medcolcanna.com.

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

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