



2265 Upper Middle Road East, Suite 602
Oakville, ON L6H 0G5, Canada

Cardiol Therapeutics' Exclusive Manufacturing Partner Receives Three-Year Renewal and Amendment of its Cannabis Act License from Health Canada

Oakville, ON – January 15, 2020 – Cardiol Therapeutics Inc. (TSX: CRDL; OTCQX: CRTPF) (“Cardiol” or the “Company”), a leader in the production of pharmaceutical cannabidiol (CBD) and the development of innovative cannabidiol medicines for heart disease, is pleased to announce that its exclusive manufacturing partner, Dalton Pharma Services (“Dalton”), has received a three-year renewal and license amendment of its Cannabis Act Processing License from Health Canada. This renewal and amendment will permit scaled commercial production of Cardiol’s high concentration pharmaceutical cannabidiol formulations and their sale to other license holders.

“Today’s announcement is one of Cardiol’s most important milestones to date, as it enables the commercial introduction of the first pharmaceutically produced cannabidiol for patients who should not be exposed to THC,” stated David Elsley, President and CEO of Cardiol Therapeutics. “This accomplishment is the culmination of a significant collaborative effort between the Cardiol and Dalton teams and will facilitate the commercialization of what we believe to be the purest form of cannabidiol in the world.”

Established in 1986 and located in Toronto, Dalton is a leading international cGMP manufacturer for the pharmaceutical and biotechnology industries and the only Health Canada approved and FDA registered and inspected company in Canada licensed to produce pharmaceutical cannabidiol. They manufacture over 200 active pharmaceutical ingredients, including pharmaceutical cannabinoids, with manufacturing capability scalable to support all levels of commercialization.

“The Dalton team is committed to utilizing our decade of cannabinoid formulation experience and state-of-the-art cGMP manufacturing facility to support Cardiol’s commercial launch in Canada and plans for international expansion,” said Peter Pecos, President and CEO of Dalton Pharma Services. “The ever-increasing understanding of the therapeutic benefits of cannabidiol complements Cardiol’s dedication to developing the purest and most consistent formulation of this medicine.”

Cardiol’s ultra-pure cannabidiol formulation is pharmaceutically produced specifically for medical purposes. It is free from the psychotropic effects of THC and is produced using controlled processes in a cGMP, Health Canada approved, FDA registered and inspected pharmaceutical facility. This allows for consistent quality and purity from batch to batch, resulting in a THC free (<10 ppm) cannabidiol oil – ideal for patients who should not be exposed to THC.

About Cardiol Therapeutics

Cardiol Therapeutics Inc. (TSX: CRDL; OTCQX: CRTPF) is focused on producing pharmaceutical cannabidiol (CBD) products and developing innovative therapies for heart disease, including acute myocarditis and other causes of heart failure. The Company's lead product, CardiolRx™, is designed to be one of the safest and most consistent cannabidiol formulations on the market. CardiolRx is pharmaceutically produced, manufactured under cGMP, and is THC free (<10 ppm). The Company plans to commercialize CardiolRx in the billion-dollar market for medicinal cannabinoids in Canada and is also pursuing distribution opportunities in Europe and Latin America.

In heart failure, Cardiol is planning an international clinical study of CardiolRx in acute myocarditis, a condition caused by inflammation in heart tissue, which remains the most common cause of sudden cardiac death in people less than 35 years of age. The Company is also developing proprietary nanotechnology to uniquely deliver pharmaceutical cannabidiol and other anti-inflammatory drugs directly to sites of inflammation in the heart that are associated with heart failure. Heart failure is the leading cause of death and hospitalization in North America with associated healthcare costs in the U.S. alone exceeding \$30 billion. For further information about Cardiol Therapeutics, please visit www.cardiolrx.com.

For further information, please contact:

David Elsley, President & CEO +1-289-910-0850
david.elsley@cardiolrx.com

Trevor Burns, Investor Relations +1-289-910-0855
trevor.burns@cardiolrx.com

Cautionary statement regarding forward-looking information:

This news release contains "forward-looking information" within the meaning of applicable Canadian securities laws. All statements, other than statements of historical fact, that address activities, events or developments that Cardiol Therapeutics Inc. ("Cardiol") believes, expects or anticipates will, may, could or might occur in the future are "forward-looking information". Forward-looking information is frequently identified by the use of words such as "plans", "expects", "projects", "intends", "believes", "anticipates", "forecasts", and other similar words and phrases, including variations (and negative variations) of such words and phrases, or may be identified by statements to the effect that certain actions, events or conditions "may", "could", "should", "would", or "will" be taken, occur or be achieved. Forward-looking information contained herein may include, but is not limited to, statements with respect to: future events; the future performance or the intended business strategy of Cardiol, including, but not limited to, the plan to commercialize CardiolRx™ 100 and the planning of an international clinical study of CardiolRx in acute myocarditis; the potential for Cardiol's licensed drug encapsulation and delivery technologies to enhance the bioavailability of pharmaceuticals; management's expectations regarding estimated future pharmaceutical research and development opportunities, collaborations and prospects; the success and proposed timing of Cardiol's product development activities; the ability of Cardiol to develop its product candidates; Cardiol's plans to research, discover, evaluate and develop additional products; Cardiol's proposed future collaborations to advance Cardiol's lead nanoformulations into clinical development; and

the potential for Cardiol's cannabinoid-based products to provide sources of future revenue. Forward-looking information contained herein reflects the current expectations or beliefs of Cardiol based on information currently available to it and is subject to a variety of known and unknown risks and uncertainties and other factors that could cause the actual events or results to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information. These risks and uncertainties and other factors include that the success of Cardiol's product candidates will require significant capital resources and years of clinical development efforts; the results of clinical testing and trial activities of Cardiol's products; Cardiol's ability to obtain regulatory approval and market acceptance of its products; Cardiol's ability to raise capital and the availability of future financing; Cardiol's lack of operating history; unforeseeable deficiencies in the development of Cardiol's product candidates; uncertainties relating to the availability and costs of financing needed in the future for Cardiol's research and development initiatives; Cardiol's ability to manage its research, development, growth and operating expenses; the potential failure of clinical trials to demonstrate acceptable levels of safety and efficacy of Cardiol's product candidates; Cardiol's ability to retain key management and other personnel; risks related to fluctuations in medicinal cannabinoid markets in Canada and worldwide; uncertainties regarding Cardiol's ongoing collaborative and manufacturing partnerships; uncertainties regarding results of researching and developing products for human use; Cardiol competes in a highly competitive and evolving industry; Cardiol's ability to obtain and maintain current and future intellectual property protection; and other risks and uncertainties and factors. These risks, uncertainties and other factors should be considered carefully, and investors should not place undue reliance on the forward-looking information. Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, Cardiol disclaims any intent or obligation to update or revise such forward-looking information, whether as a result of new information, future events or results or otherwise. Although Cardiol believes that the expectations reflected in the forward-looking information are reasonable, they do involve certain assumptions, risks, and uncertainties and are not (and should not be considered to be) guarantees of future performance. It is important that each person reviewing this news release understands the significant risks attendant to the operations of Cardiol.