



Adastra Announces Private Placement Financing

LANGLEY, BC / June 18, 2020 / Adastra Labs Holdings Ltd. (CSE:XTRX) (FRA:D2EP) ("Adastra", "XTRX", or the "Company") a Health Canada Licensed cannabis processing and analytical testing company announced today that it will be conducting a non-brokered private placement of units (the "Units") at a price of \$0.30 per Unit for gross proceeds of up to \$1,000,000 (the "Offering"), subject to the acceptance of over-allotments as described below.

Each Unit will be comprised of one common share in the capital of the Company (a "Common Share") and one common share purchase warrant of the Company (a "Warrant"). Each Warrant shall be exercisable to acquire one Common Share (a "Warrant Share") at a price per Warrant Share of \$0.50 for a period of 24 months from the date of issuance.

Provided that the closing price of the Common Shares exceeds \$0.70 per share for 10 consecutive trading days on the CSE, then the expiry date of the Warrants will be accelerated at the Company's option to the date that is 30 days after the date the Company provides notice by press release to the holders of the Warrants.

The Units to be issued under the financing will be subject to a four month and one day hold period. There is no minimum offering amount. The Company may close the Offering in one or more tranches. The Company may pay commissions or finder fees on the amount raised through the Offering. The Company has authorized the acceptance of any over allotted subscriptions under the Offering subject to the condition that the total Offering after taking into account any over allotments shall not exceed \$2,000,000. The terms of the financing are subject to applicable securities laws and regulatory approval.

Additionally, the Company announces that it has entered into agreements to settle outstanding indebtedness of \$543,715 through the issuance of 1,941,840 common shares of the Corporation at a deemed price of \$0.28 per common share (the "Debt Settlement"). The common shares issued in connection with the Debt Settlement are subject to a hold period that expiring four months and one day from the date of issuance.

The Company intends to use the proceeds of the Offering to fund equipment expansion, marketing expenses and for general working capital.

About Adastra Labs Holdings Ltd.

Adastra Labs Holdings Ltd. is a Langley, BC-based cannabis company with a co-located Health Canada Licensed Standard Processing Facility and Analytical Testing Laboratory. Adastra can

produce cannabis extract through supercritical CO₂ extraction and secondary distillation as well as conduct in-process quality testing. Such extracts can easily be incorporated into edibles, beverages, topicals, tinctures, vape cartridges and other products that will serve the Canadian medical and adult-use cannabis markets.

www.adastralabs.ca

On behalf of the Board of Directors of the Company,

Andrew Hale
Chief Executive Officer
Adastra Labs Holdings Ltd.
Phone: (778) 715-5011
Email: andy@adastralabs.ca

Address: 5451 275th Street, Langley, BC V4W 3X8
Telephone: 778-715-5011
Fax: 844-874-9893

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION: 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: Adastra's expectations concerning fulfilling its obligations under its agreements, purchase orders and receiving the economic benefits of such agreements or purchase orders. 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. There can be no assurance that forward-looking 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. Except as required by law, Adastra assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

SOURCE: Adastra Labs Holdings Ltd.

