



Adastra Closes \$3.49 Million Oversubscribed Private Placement

LANGLEY, BC / ACCESSWIRE / July 14, 2020 / Adastra Labs Holdings Ltd. (CSE:XTRX)(FRANKFURT:D2EP) ("Adastra", "XTRX", or the "Company") is pleased to announce the closing of its previously announced non-brokered private placement offering (see press releases dated June 18, 2020 and June 25, 2020) issuing 11,648,001 units (the "Units") for aggregate gross proceeds of \$3,494,400.

Each Unit consists of one common share of the Company (a "Share") and one common share purchase warrant (a "Warrant"). Each Warrant entitles the holder to purchase one Share at a price of \$0.50 for a period of 24 months from the date of issuance; provided that if the closing Share trading price exceeds \$0.70 per share for any ten consecutive trading days, then the expiry date of the Warrants can be accelerated at the Company's option to the date that is 30 days after the date the Company provides notice of acceleration by press release to the holders of the Warrants.

In conjunction with the financing, finders fees of \$21,600 in cash will be paid and 72,000 compensation options (each a "Compensation Option") will be issued to Ascenta Finance Corp. Each Compensation Option will entitle the holder to purchase one Unit on the same terms as the offering for a period of 24 months from the date of issuance. Each underlying common share purchase warrant (a "Compensation Option Warrant") will be subject to the same terms as the Warrants. If the Warrants are accelerated prior to the exercise of the Compensation Option, each Compensation Option Warrant will expire 30 days after the date of exercise of the Compensation Option.

The securities issued pursuant to the financing are subject to a four-month-and-one-day hold period and were not offered or registered in the United States.

The net proceeds from the financing will be used for equipment purchases of approximately \$1,500,000 to expand extraction process lines into cryo-ethanol and hydrocarbon extraction methods over the coming months. Additionally, 300,000 Euro will be used for a three month marketing campaign by BullVestor Medien GmbH ("BVM") to assist in building awareness of the Company to a wider European audience. BVM is an arm's-length service provider to the company. To the knowledge of the Company, BVM does not directly or indirectly own any of the Company's securities. The remaining proceeds will be used for general working capital purposes.

Additional details respecting the private placement can be found in the Form 9 filed in accordance with the rules of the Canadian Securities Exchange, a copy of which is accessible at www.thecse.com under the Company's profile.

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,

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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: expenditures to be used from the Company's recently closed offering, investor awareness and expansion of extraction capabilities. 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.