

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1. Name and Address of Company

Adastra Holdings Ltd. (the “**Company**”)
5451 – 275 Street
Langley, BC V4W 3X8

Item 2. Date of Material Change

May 3, 2021

Item 3. News Release

The news release was issued and disseminated via Stockwatch and BayStreet on October 21, 2021 and filed on SEDAR at www.sedar.com.

Item 4. Summary of Material Change

The Company announced that it has retained Hybrid Financial Ltd. (“**Hybrid**”) to provide marketing services to the Company.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

Hybrid has been engaged to heighten market and brand awareness for Adastra and to broaden the Company's reach within the investment community.

Hybrid has agreed to comply with all applicable securities laws and the policies of the Canadian Securities Exchange in providing the services.

Hybrid has been engaged by the Company for an initial period of six (6) months starting May 3, 2021 (the “**Initial Term**”) and then shall be renewed automatically for successive three (3) month periods thereafter, unless terminated by the Company in accordance with the agreement. Hybrid will be paid a monthly fee of \$22,500, plus applicable taxes, during the Initial Term.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

None.

Item 8. Executive Officer

Michael Forbes, President, CEO & Director (Chairman)
Telephone: (778) 715-5011

Item 9. Date of Report

October 22, 2021