

FORM 9

NOTICE OF ISSUANCE OR PROPOSED ISSUANCE OF LISTED SECURITIES **(or securities convertible or exchangeable into listed securities¹)**

Name of Listed Issuer:	Symbol(s):
Phyto Extractions Inc. (the "Issuer").	XTRX

Date: August 30, 2021

Is this an updating or amending Notice: Yes No

If yes provide date(s) of prior Notices: August 12, 2021

Issued and Outstanding Securities of Issuer Prior to Issuance: 43,334,100 common shares

Pricing

Date of news release announcing proposed issuance: August 11, 2021 or

Date of confidential request for price protection: n/a

Closing Market Price on Day Preceding the news release: \$0.80 or

Day preceding request for price protection: n/a

Closing

Number of securities to be issued: **2,513,720 common shares** (please see summary below).

On August 10, 2021, the Issuer, its wholly-owned subsidiary Adastra Labs Inc. ("Adastra"), and shareholders (the "Vendors") of 1225140 B.C. Ltd., doing business as 'PerceiveMD' ("PerceiveMD") entered into a share purchase agreement (the "**Share Purchase Agreement**") pursuant to which the Issuer has agreed to acquire, indirectly through Adastra, all the issued and outstanding shares of PerceiveMD (the "**Acquisition**").

PerceiveMD was incorporated in 2019 and carries on the business of a multidisciplinary centre for medical cannabis and psychedelic therapies in British Columbia under the trade name of 'PerceiveMD'. PerceiveMD offers a holistic, team-based approach to patient care. Its team of nurses, pharmacists, physicians, specialists, and educators work together to ensure that patients are appropriately assessed, informed, and prescribed treatment where appropriate, and monitored. PerceiveMD provides its therapeutic services through a virtual platform to a wide range of clinics across British Columbia and serves an estimated 4,500 patients.

Over the past 12 months, PerceiveMD has generated average unaudited revenues of approximately \$53,000 per month. In addition, as of the date of the Share Purchase Agreement, PerceiveMD had no material long-term debt and had positive working capital.

Subject to the terms and conditions of the Share Purchase Agreement, on the closing date (the “Closing Date”) of the Acquisition, the Vendors will sell, assign, and transfer to Adastra and Adastra will purchase from the Vendors, all of the issued and outstanding shares of PerceiveMD for a total purchase price of \$2,300,000 (the “Purchase Price”). The Share Purchase Agreement provides for the payment of the Purchase Price to the Vendors as follows: (i) \$10,000 by Adastra as a non-refundable deposit on the execution of the Share Purchase Agreement; and (ii) \$2,290,000 by way of the issuance by the Issuer, on behalf of Adastra, of that certain amount of unrestricted common shares (the “Common Shares”) in the capital of the Issuer that, subject to the policies of the Canadian Securities Exchange (the “Exchange”), equals \$2,290,000 as calculated on the basis of the daily volume weighted average closing price for ten consecutive trading days immediately prior to the Closing Date.

Closing of the Acquisition is subject to, satisfactory due diligence of PerceiveMD by the Company and Adastra, and PerceiveMD having positive working capital and no long-term debt, in addition to other standard closing conditions.

Please refer to the Issuer’s SEDAR profile for any further details to be announced in a news release.

Issued and outstanding securities following issuance: 45,847,820

Instructions:

1. For private placements (including debt settlement), complete tables 1A and 1B in Part 1 of this form.
2. Complete Table 1A – Summary for all purchasers, excluding those identified in Item 8.
3. Complete Table 1B – Related Persons only for Related Persons
4. If shares are being issued in connection with an acquisition (either as consideration or to raise funds for a cash acquisition) please proceed to Part 2 of this form.
5. An issuance of non-convertible debt does not have to be reported unless it is a significant transaction as defined in Policy 7, in which case it is to be reported on Form 10 – Notice of Proposed Transaction
6. Post the completed Form 9 to the CSE website in accordance with *Policy 6 – Distributions*. In addition, the completed form must be delivered to listings@thecse.com with an appendix that includes the information in Table 1B for ALL places.

Part 1. Private Placement

Table 1A – Summary

Each jurisdiction in which purchasers reside	Number of Purchasers	Price per Security	Total dollar value (CDN\$) raised in the jurisdiction
Total number of purchasers:			
Total dollar value of distribution in all jurisdictions:			

Table 1B – Related Persons

Full Name & Municipality of Residence of Placee	Number of Securities Purchased or to be Purchased	Purchase price per Security (CDN\$)	Conversion Price (if Applicable) (CDN\$)	Prospectus Exemption	Total Securities Previously Owned, Controlled or Directed	Payment Date(1)	Description relationship to Issuer (2)

¹An issuance of non-convertible debt does not have to be reported unless it is a significant transaction as defined in Policy 7, in which case it is to be reported on Form 10.

1. Total amount of funds to be raised: N/A.

2. Provide full details of the use of the proceeds. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material. N/A.
3. Provide particulars of any proceeds which are to be paid to Related Persons of the Issuer: N/A.
4. If securities are issued in forgiveness of indebtedness, provide details of the debt agreement(s) or and the agreement to exchange the debt for securities. N/A.
5. Description of securities to be issued:
- (a) Class N/A.
 - (b) Number N/A.
 - (c) Price per security N/A.
 - (d) Voting rights N/A.
6. Provide the following information if warrants, (options) or other convertible securities are to be issued:
- (a) Number N/A.
 - (b) Number of securities eligible to be purchased on exercise of warrants (or options) N/A.
 - (c) Exercise price N/A.
 - (d) Expiry date N/A.
7. Provide the following information if debt securities are to be issued: N/A.
- (a) Aggregate principal amount _____
 - (b) Maturity date _____
 - (c) Interest rate _____
 - (d) Conversion terms _____
 - (e) Default provisions _____

8. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the placement (including warrants, options, etc.): N/A.

(a) Details of any dealer, agent, broker or other person receiving compensation in connection with the placement (name, and if a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): _____

(b) Cash _____

(c) Securities _____

(d) Other _____

(e) Expiry date of any options, warrants etc. _____

(f) Exercise price of any options, warrants etc. _____

9. State whether the sales agent, broker, dealer or other person receiving compensation in connection with the placement is Related Person or has any other relationship with the Issuer and provide details of the relationship N/A.

10. Describe any unusual particulars of the transaction (i.e. tax "flow through" shares, etc.).

N/A.

11. State whether the private placement will result in a change of control.

N/A.

12. Where there is a change in the control of the Issuer resulting from the issuance of the private placement shares, indicate the names of the new controlling shareholders. N/A.

13. Each purchaser has been advised of the applicable securities legislation restricted or seasoning period. All certificates for securities issued which are subject to a hold period bear the appropriate legend restricting their transfer until the expiry of the applicable hold period required by National Instrument 45-102 Resale of Securities. N/A.

Part 2. Acquisition

1. Provide details of the assets to be acquired by the Issuer (including the location of the assets, if applicable). The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material: Please see description that starts on page 1 under “Closing – Number of securities to be issued”.
2. Provide details of the acquisition including the date, parties to and type of agreement (eg: sale, option, license etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the acquisition without reference to any other material: Please see description that starts on page 1 under “Closing – Number of securities to be issued”.

The Acquisition is expected to constitute a “related party transaction” as defined within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”) as Michael Forbes, Chief Executive Officer and a director of the Issuer, is also a director and controlling shareholder of PerceiveMD. Payment of the Purchase Price by the issuance of the Common Shares to Michael Forbes will be considered a “related party transaction” within the meaning of MI 61-101 but it is expected that such issuance will be exempt from the valuation requirement of MI 61-101 by virtue of the exemption contained in section 5.5(b) as the Common Shares are not listed on a specified market and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(a) of MI 61-101 in that the fair market value of the consideration of the Common Shares issued to Michael Forbes will not exceed 25% of the Issuer’s market capitalization.

3. Provide the following information in relation to the total consideration for the acquisition (including details of all cash, securities or other consideration) and any required work commitments:
 - (a) Total aggregate consideration in Canadian dollars: \$2,300,000
 - (b) Cash: Please see description that starts on page 1 under “Closing – Number of securities to be issued”.
 - (c) Securities (including options, warrants etc.) and dollar value: Please see description that starts on page 1 under “Closing – Number of securities to be issued”.
 - (d) Other: N/A.
 - (e) Expiry date of options, warrants, etc. if any: N/A.

(f) Exercise price of options, warrants, etc. if any: N/A.

(g) Work commitments: N/A.

4. State how the purchase or sale price was determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc). Purchase Price related to the Acquisition was approved by the independent members of the board of directors of the Issuer.

5. Provide details of any appraisal or valuation of the subject of the acquisition known to management of the Issuer: None

6. The names of parties receiving securities of the Issuer pursuant to the acquisition and the number of securities to be issued are described as follows:

Name of Party (If not an individual, name all insiders of the Party)	Number and Type of Securities to be Issued	Dollar value per Security (CDN\$)	Conversion price (if applicable)	Prospectus Exemption	No. of Securities, directly or indirectly, Owned, Controlled or Directed by Party	Describe relationship to Issuer ⁽¹⁾
Jean Paul Lim	1,256,860 Common Shares	0.911	N/A	2.16 of National Instrument 45-106	0	Arm's-length
MDC Forbes Inc. Insiders: Michael Forbes	1,256,860 Common Shares	0.911	N/A	2.16 of National Instrument 45-106	8,666	Insider (Director, Officer)

(1) Indicate if Related Person

7. Details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired: Customary due diligence.

8. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the acquisition (including warrants, options, etc.): N/A.

(a) Details of any dealer, agent, broker or other person receiving compensation in connection with the acquisition (name, and if a corporation, identify persons owning or exercising voting control over

20% or more of the voting shares if known to the Issuer): _____

- (b) Cash _____
- (c) Securities _____
- (d) Other _____
- (e) Expiry date of any options, warrants etc. _____
- (f) Exercise price of any options, warrants etc. _____

- 9. State whether the sales agent, broker or other person receiving compensation in connection with the acquisition is a Related Person or has any other relationship with the Issuer and provide details of the relationship. N/A.
- 10. If applicable, indicate whether the acquisition is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months. N/A.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance on behalf of the Issuer.
2. As of the date hereof there is not material information concerning the Issuer which has not been publicly disclosed.
3. the Issuer has obtained the express written consent of each applicable individual to:
 - (a) the disclosure of their information to the Exchange pursuant to this Form or otherwise pursuant to this filing; and
 - (b) the collection, use and disclosure of their information by the Exchange in the manner and for the purposes described in Appendix A or as otherwise identified by the Exchange, from time to time
4. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CSE Policy 1).
5. All of the information in this Form 9 Notice of Issuance of Securities is true.

Dated August 30, 2021

Donald Dinsmore
Name of Director or Senior
Officer

"Donald Dinsmore"
Signature

COO, Corporate Secretary &
Director
Official Capacity

Appendix A

PERSONAL INFORMATION COLLECTION POLICY REGARDING FORM 9

The Canadian Securities Exchange and its subsidiaries, affiliates, regulators and agents (collectively, “CSE or the “Exchange”) collect and use the information (which may include personal or other information) which has been provided in Form 9 for the following purposes:

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- To determine whether an individual is suitable to be associated with a Listed Issuer;
- To determine whether an issuer is suitable for listing;
- To determine whether allowing an issuer to be listed or allowing an individual to be associated with a Listed Issuer could give rise to investor protection concerns or could bring the Exchange into disrepute;
- To conduct enforcement proceedings;
- To ensure compliance with Exchange Requirements and applicable securities legislation; and
- To fulfil the Exchange’s obligation to regulate its marketplace.

The CSE also collects information, including personal information, from other sources, including but not limited to securities regulatory authorities, law enforcement and self-regulatory authorities, regulation service providers and their subsidiaries, affiliates, regulators and agents. The Exchange may disclose personal information to these entities or otherwise as provided by law and they may use it for their own investigations.

The Exchange may use third parties to process information or provide other administrative services. Any third party will be obliged to adhere to the security and confidentiality provisions set out in this policy.

All personal information provided to or collected by or on behalf of The Exchange and that is retained by The Exchange is kept in a secure environment. Only those employees who need to know the information for the purposes listed above are permitted access to the information or any summary thereof. Employees are instructed to keep the information confidential at all times.

Information about you that is retained by the Exchange and that you have identified as inaccurate or obsolete will be corrected or removed.

If you wish to consult your file or have any questions about this policy or our practices, please write the Chief Privacy Officer, Canadian Securities Exchange, 220 Bay Street – 9th Floor, Toronto, ON, M5J 2W4.