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September 28, 2021

Canadian Securities Exchange
First Canadian Place
100 King Street West, Suite 7210
Toronto, ON M5X 1E1

Attention: Listings Department

Dear Sirs/Mesdames:

**Re: Adastra Holdings Ltd. (the "Company")
Acquisition of 1204581 B.C. Ltd., doing business as Phyto Extractions ("Phyto Extractions")**

Pursuant to Canadian Securities Exchange Policy 6 *Distributions*, the Company confirms that on September 17, 2021, it closed the share purchase agreement dated September 15, 2021, among the Company, its wholly-owned subsidiary Adastra Labs Inc. ("**Adastra**"), and the shareholders of Phyto Extractions (the "**Shareholders**"), pursuant to which the Company acquired, indirectly through Adastra, all of the issued and outstanding securities of Phyto Extractions from the Shareholders.

We trust you will find everything to be in order. If you have any questions or comments, please contact the undersigned.

Yours truly,

ADASTRA HOLDINGS LTD.

Per: "Donald Dinsmore"
Donald Dinsmore
Chief Operating Officer, Corporate Secretary and Director