

Adastra Triples Capacity with Purchase of Industrial Scale Cryo-Ethanol System

LANGLEY, BC / ACCESSWIRE / August 14, 2020 / Adastra Labs Holdings Ltd. (CSE:XTRX)(FRANKFURT:D2EP) ("Adastra") a Health Canada Licensed cannabis processing and analytical testing services Company, is pleased to announce the purchase of a cryo-ethanol extraction system from Evolved Extraction Solutions ("Evolved").

"We are pleased to announce the procurement and initial equipment deliveries of the Evolved Extraction Solutions EV-MASS industrial scale Cryo-Ethanol extraction system. This expansion into ethanol extraction is part of Adastra's business strategy to incorporate all main cannabis extraction technologies while we expand our service offerings to B2B clients." - Andy Hale, CEO Adastra.



Figure 1 - Cryo-Ethanol Extraction System

Evolved will provide equipment, installation, commissioning, and training services for their EV-MASS Cryo-Ethanol system. Evolved is Required to meet performance milestones for their

extraction equipment. The EV-MASS Cryo-Ethanol extraction system is capable of processing 650 KG of cannabis or hemp biomass per day, producing winterized (de-waxed) cannabis or hemp oil.

"The EV-MASS Cryo-Ethanol system brings Adastra an industrial-scale cannabis/hemp oil production capability. This capability is expected to triple Adastra's CO₂ supercritical extraction production line's capacity. Further, the system has reduced manpower requirements compared to other extraction processes and will allow Adastra to free up its CO₂ extraction line for other types of concentrate products, such as High Terpene Full Spectrum Extracts." Dr. Kyle Boniface, Adastra Director of Production.

The EV-MASS integrated solution provides an optimized process flow that is expected to reduce the cost of production. The modular design permits Adastra to easily scale up capacity with simplified installation in the event of increased market demand.

"We are excited to be working with the team at Adastra. Being able to provide our industrial - scale cryo-ethanol EV-MASS extraction solution to Adastra, located only minutes from our Pitt Meadows, British Columbia facility is a great opportunity. We are confident our "Evolved Performance Promise" will ensure Adastra's production capacity is substantially increased with high-quality cannabis and hemp extractions. We designed the system with Adastra's growth plans in mind and we've already begun planning upcoming upgrades to the system for when they need additional throughput out of their new production line." Adam Temple, CEO, Evolved Extraction Solutions.

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

About Evolved Extraction Solutions

Evolved Extraction Solutions manufactures and distributes industry leading modular cannabis processing equipment. We integrate the EV-MASS ethanol extraction modules into a single, customized end-to-end processing system designed to fit with our client's specific objectives and facility layout. Our flagship EV-MASS solution design allows for versatile configuration and simplifies the installation at our client's facilities. By being the single touchpoint for our clients, we obtain a wholistic view on the client's entire process and business objectives. This heightens our ability to support them throughout their unique journey in founding, operating and scaling their business. We stock hundreds of products needed to operate a commercial cannabis processing facility, streamlining the procurement all of the supplies with one trusted source. This high touch model helps us understand our client's needs so we can optimize their operations and scale up their throughput quickly when they need more capacity. This is all backed by our

industry leading "Evolved Performance Promise" meaning our job is not complete until our client has met their objectives. Evolved now serves small, medium and enterprise clients across Canada and the United States.

For more information about Evolved Extraction Solutions, please visit our website,

www.evolvedextraction.com

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Except for statements of historic fact, this news release contains certain "forward-looking information" within the meaning of applicable securities law including statements relating to repurposing production lines, expansion of services, capabilities of extraction equipment, increasing production capabilities, expected growth of business, expected product quality and margins, capabilities to provide white label products. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements including, but not limited to delays or uncertainties with regulatory approvals, including that of the CSE and Health Canada, economic, business, competitive, political and social uncertainties, failure to install and correctly utilize equipment, failure to effectively evaluate the equipment's capabilities and efficiencies, unexpected contamination of products, saturation of the market for the Company's current and proposed future product offerings, termination of expected supply agreements and loss of key personnel. There are uncertainties inherent in forward-looking information, including factors beyond the Company's control. There are no assurances that the business plans for the Company as described in this news release will come into effect on the terms or time frame described herein. The Company undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change except as required by law. The reader is cautioned not to place undue reliance on forward-looking statements. Additional information identifying risks and

uncertainties that could affect financial results is contained in the Company's filings with Canadian securities regulators, which are available at www.sedar.com.

SOURCE: Adastra Labs Holdings Ltd.