

## Phyto Extractions Secures Biomass Supply Agreement

**LANGLEY, BC / ACCESSWIRE / July 15, 2021** / Phyto Extractions Inc. (formerly, Adastra Labs Holdings Ltd.) (CSE:XTRX) (Frankfurt:D2EP) ("Phyto Extractions™, "Phyto" or the "Company") has secured a supply agreement for dried cannabis with a major Canadian License Holder. The supply agreement will provide upwards of 12,000 kgs of dried cannabis biomass over six months.

Phyto Extractions Inc.'s, wholly owned Health Canada licensed subsidiary, Adastra Labs Inc. will leverage its agricultural scale extraction, formulation and product fulfillment capabilities to produce an estimated 1,500 kg of high-value cannabis concentrates. These concentrates will be incorporated into consumer-packaged goods under the Phyto Extractions™ brand, for distribution across Canada. Additionally, the scientific team at Phyto will make use of their industry-leading cryogenic ethanol and hydrocarbon extraction systems to efficiently produce distillate, with over 90% THC, shatter, full-spectrum shatter vaporizer cartridges and other hydrocarbon derivative products. These products will generate up to \$74,985,000 in retail sales across Canada. ([BC Cannabis Stores](#)). Fulfillment of this supply agreement will represent 1/3 of the company's extraction capacity, allowing Phyto Extractions™ to continue to expand its operations and product lines with new brands and partners.

Phyto will be able to reduce its produced per gram cost by over 25% by acquiring the low-cost input cannabis. These savings will then be passed along to consumers. Aggressive price reductions at retail locations will facilitate substantial expansion to major Canadian cannabis markets, while consistent supply will support continual growth within existing product offerings.

"The security of supply at such an attractive price will allow Phyto Extractions™ to grow with increasing demand of its already popular SKUs and expand its hydrocarbon extraction product offerings across the country at extremely competitive prices for retailers and consumers alike," said Donald Dinsmore, COO.

To learn more about Phyto Extractions™ and the team, please watch the following video:

<https://youtu.be/pXWgR2MqZDY>

### About Phyto Extractions™

Phyto Extractions™ is an agricultural-scale cannabis extraction, distillation and product manufacturer located in Langley, BC at its co-located Health Canada Licensed Standard Processing (extraction and products, no cultivation), Sales (extracts, topicals, and edibles), and R&D through Adastra Labs Inc. and Analytical Testing Laboratory through Chemia Analytics Inc.

ON BEHALF OF THE BOARD PHYTO EXTRactions INC. (CSE: XTRX)

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### Forward-Looking Information:

This news release includes forward-looking information within the meaning of Canadian securities legislation, concerning the business of the Company. Forward-looking information is based on certain key expectations and assumptions made by the management of the Company. Although the Company believes that the expectations and assumptions on which such forward-looking information is based are

reasonable, undue reliance should not be placed on the forward-looking information because the Company can give no assurance that they will prove to be correct. Forward-looking information in this news release includes statements with respect of the proposed name change, proposed consolidation, the closing of the private placement and the use of proceeds thereof. There are numerous risks and uncertainties that could cause actual results and the Company's plans and objectives to differ materially from those expressed in the forward looking information, including: (i) adverse market conditions; (ii) risks inherent in the cannabis extraction sector in general; (iii) inability to close the private placement for any reason, or in the amounts expected by the Company; and (iv) other factors beyond the control of the Company. Actual results and future events could differ materially from those anticipated in such information. These and all subsequent written and oral forward-looking information are based on estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. Except as required by law, the Company does not intend to update these forward-looking statements. The CSE has not reviewed or approved of any contents of this news release.

**SOURCE:** Phyto Extractions Inc.