

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

ITEM 1 NAME AND ADDRESS OF COMPANY

ADAstra LABS HOLDINGS LTD.
(the "Company" or "Adastra")
5451 - 275 Street
Langley, BC, V4W 3X8

ITEM 2 DATE OF MATERIAL CHANGE

January 6, 2020

ITEM 3 NEWS RELEASE

News release was disseminated on January 6, 2020 and filed on SEDAR.

ITEM 4 SUMMARY OF MATERIAL CHANGE

Adastra received approval from the Canadian Securities Exchange (the "CSE") to have its shares listed on the CSE. The shares commenced trading under the symbol XTRX effective January 6, 2020.

ITEM 5 FULL DESCRIPTION OF MATERIAL CHANGE

ITEM 5.1 Full Description of Material Change

The material change described in Item 4 is fully described in the Company's News Release of January 6, 2020 attached hereto and as filed on SEDAR.

ITEM 5.2 Disclosure For Restructuring Transactions

Not applicable.

ITEM 6 RELIANCE ON SUBSECTION 7.1(2) OR (3) OF NATIONAL INSTRUMENT 51-102

Not applicable.

ITEM 7 OMITTED INFORMATION

There are no significant facts required to be disclosed herein which has been omitted.

ITEM 8 EXECUTIVE OFFICER

Contact: Stephen Brohman, CFO at (778) 715-5011

ITEM 9 DATE OF REPORT

January 15, 2020

ADASTRA LABS HOLDINGS LTD. COMMENCES TRADING ON CSE

Vancouver, B.C. – January 6, 2020, Adastra Labs Holdings Ltd. (formerly Arrowstar Resources Ltd. (“Adastra” or the “Company”)) is pleased to announce the Canadian Securities Exchange (the “CSE”) has approved the listing of its shares on the CSE. Effective January 6, 2020 the shares will commence trading under the symbol XTRX.

About Adastra Labs Holdings Ltd.

Adastra (through its wholly owned subsidiaries, Adastra Labs Inc. and Chemia Analytics Inc.) is in the application process to become a Standard Processor and has received an Analytical Testing Licence from Health Canada under the *Cannabis Act and Cannabis Regulations*, with licences to produce cannabis extracts and provide third party analytical testing services. These licences will further enable Adastra and its subsidiaries to produce, package, sell (wholesale), and export medically focused and recreational cannabis extract and concentrate products in Canada to other licensed entities and internationally in jurisdictions where medical cannabis extraction products are legal.

The Company’s operations include a facility in British Columbia, Canada. The Company has developed its 13,035 square feet facility to be fully devoted to standard processing and laboratory testing, from which it expects to produce significant amounts of cannabis oil and/or hemp oil and related concentrate products for the Canadian wholesale medical and recreational markets.

The Company intends to offer a suite of unique products under several existing consumer-focused brands, including tinctures, medicinal oils, concentrates, gel capsules and vaporizer pens. Through acquisition of existing cannabis extraction brands and careful development of its new brands, Adastra is working to position itself to become a leader in branded, commercialized products in both the medical and adult-use markets across North America and internationally.

For more information, please contact:

Adastra Labs Holdings Ltd.

Stephen Brohman, CFO and Director – steve@adastralabs.ca
778-715-5011

On Behalf of the Board of Directors,
Adastra Labs Holdings Ltd.

“Andrew Hale”
CEO and Director

Forward-Looking Statements: This document includes forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning the Company's transaction. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may," "potential," "should," and similar expressions are forward-looking statements. Although Adastra believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Important factors that could cause actual results to differ from these forward-looking statements are disclosed under the heading “Risk Factors” and elsewhere in the corporation’s periodic filings with Canadian securities regulators.