

Adastra Provides COVID-19 Operational Update and Announces Supply Agreement with Namaste

April 1st, 2020 – Adastra Labs Holdings Ltd. (CSE: XTRX) (FRANKFURT: D2EP) (“Adastra”) a provider of same-site Health Canada Licensed cannabis processing and analytical testing services, is pleased to provide an update with respect to the impact of the COVID-19 pandemic on its current operations and announce the entry into an agreement to supply cannabis extract and concentrate products.

On March 18, 2020, the British Columbia government declared a provincial state of emergency, and on March 26, 2020, provided guidance concerning essential services during the COVID-19 pandemic.

Certain sectors of the economy including cannabis retail and wholesale operations, along with analytical laboratories, have been deemed essential services and are permitted to operate. Adastra’s wholly owned subsidiaries, Adastra Labs Inc. and Chemia Analytics Inc. (“Chemia”) are part of the Canadian cannabis supply chain and are committed to responsibly continuing operations to serve B2B customers. Where possible, employees are working from home while others are adhering to strict operating procedures, to safeguard the health and safety of staff to ensure operations remain unaffected. To date, there have been no known cases of COVID-19 at Adastra’s office or facility. Further, Chemia has notified Health Canada, at their request, of its initial testing capabilities to be made available to them during the COVID-19 pandemic.

"We are taking every precaution possible to safeguard our employees, partners and customers during the COVID-19 pandemic. Adastra is diligently adhering to Provincial and Federal guidance to ensure we are implementing all necessary protocols while endeavouring to maintain our schedule for initial equipment commissioning and operational commencement in the coming weeks. Although we are now an essential service provider, we acknowledge this is a sensitive time and will remain committed to our first priority - the health and safety of our employees and community." - Andy Hale, CEO, Adastra Labs Holdings Ltd.

Adastra also announces that it has entered into an agreement with CannMart Labs Inc. (“CannMart”) a majority owned subsidiary of Namaste Technologies Inc. (“Namaste” or the “Company”) (TSX-V: N) (FRANKFURT: M5BQ) (OTCMKTS: NXTTF) to supply cannabis extract and concentrate products.

Under the terms of the agreement, Adastra will supply standard processing services to CannMart Labs for cannabis extract and concentrate products over a period of 12 months expected to begin on May 1, 2020. The agreement provides a consistent and cost competitive supply of cannabis extract and concentrate for Namaste’s family of products available through CannMart.com and Namaste’s network of government cannabis stores.

Adastra was issued a Standard Processing Licence from Health Canada on March 13, 2020. Under the terms of Adastra’s Standard Processing Licence, Adastra will be able to possess and

produce cannabis, by means other than cultivating it, and will sell cannabis in accordance with the *Cannabis Regulations*. The issuance of a Standard Processor Licence will permit Adastra to execute its business plan and produce cannabis extracts and formulated products. Upon the commencement of formal operations, Adastra will be initially capable of processing approximately 10,000 grams of dried cannabis every hour into cannabis extract. Adastra's process will create high-value cannabis extracts by supercritical CO₂ extraction and secondary distillation, which will be easily incorporated into a variety of value-added products such as; edibles, beverages, topicals, tinctures and vape cartridges that will serve the Canadian medical and adult-use cannabis markets.

About Adastra Labs Holdings Ltd.

Adastra Labs Holdings Ltd. is a Langley, BC-based cannabis company and through its wholly owned subsidiaries, Adastra Labs Inc. and Chemia Analytics Inc., is a licensed Standard Processor and licensed Analytical Testing Laboratory under the Cannabis Act administered by Health Canada, with licences to produce cannabis extracts and provide third party analytical testing services. These licences enable the Company's 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.

www.adastralabs.ca

About Namaste Technologies Inc.

With headquarters in Toronto, ON, and offices in both B.C. and around the globe, Namaste Technologies is a leading online platform for cannabis products, accessories, and responsible education. The company's 'everything cannabis store', CannMart.com, provides customers with a diverse selection of hand-picked products from a multitude of federally-licensed cultivators, all on one convenient site. Namaste's global technology and continuous innovation address local needs in a burgeoning cannabis industry requiring smart solutions. Information on the Company and its many products can be accessed through the links below:

NamasteTechnologies.com

NamasteMD.com

Cannmart.com

NamasteVapes.ca

Everyonedoesit.ca

Andrew Hale
Chief Executive Officer
Adastra Labs Holdings Ltd.
Phone: (778) 715-5011
Email: andy@adastralabs.ca

Stephen Brohman
Chief Financial Officer
Adastra Labs Holdings Ltd.
Phone: (778) 715-5011
Email: steve@adastralabs.ca

Website: <http://www.adastralabs.ca/>
Address: 5451 275th Street, Langley, BC V4W 3X8
Telephone: 778-715-5011
Fax: 844-874-9893

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION: This news release contains “forward-looking information” and “forward-looking statements” (collectively, “forward-looking statements”) within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward-looking statements relate, among other things, to: Adastra’s expectations concerning fulfilling its obligations under its agreements and receiving the economic benefits of such agreements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to general business, economic, competitive, political and social uncertainties. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release. Except as required by law, Adastra assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.