



Adastra Announces Muskoka Grown Split Tolling Agreement

LANGLEY, BC / July 31, 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 a tolling agreement with Muskoka Grown Ltd. ("Muskoka Grown").

"We are pleased to have received two shipments from Muskoka Grown, a small batch, high quality cannabis cultivator. We are fortunate to be able to leverage Muskoka Grown's quality growing with over 900 KG of quality cannabis flower and trim received to date under a split tolling agreement. Muskoka Grown's cannabis has been producing high-quality distillate and we look forward to continuing this tolling agreement." - Andy Hale, CEO Adastra.

Under the terms of the tolling agreement, Muskoka Grown provides cannabis biomass for toll processing by Adastra into cannabis distillate. The two Companies share the high-grade cannabis distillate produced.

"While Muskoka Grown remains focused on producing freshly packaged dried products, we are thrilled to provide our high grade cannabis as biomass for processing. We value this strategic partnership that has allowed us an opportunity to expand our revenue streams." David Grand, CEO & Founder, Muskoka Grown.

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 Muskoka Grown Limited

Muskoka Grown is a community-focused cannabis company committed to providing high-quality craft cannabis products, building meaningful connections with surrounding communities and positively contributing to the conservation of our natural surroundings. Muskoka Grown operates a purposely-built 65,000 sq. ft. cannabis cultivation and processing facility in Ontario.

The company is passionate about cultivating in small-batch grow rooms and bringing freshly packaged cannabis to legal recreational adult-use markets.

For more information about Muskoka Grown, please visit our website,
www.muskokagrown.com

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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.

SOURCE: Adastra Labs Holdings Ltd.