



Adastra Announces Supply Agreement with Pure Sunfarms

LANGLEY, BC / August 17, 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 cannabis supply agreement with Pure Sunfarms Corp. ("Pure Sunfarms").

"We are pleased to finalize this cannabis biomass agreement with Pure Sunfarms. With a leader in cultivation in British Columbia in our backyard, we are fortunate to have access to the high-quality cannabis Pure Sunfarms produces on an industrial scale. This strategic biomass agreement will allow Adastra to secure its existing cannabis supply chain while expanding to meet the needs of our growing extraction capacity as we bring cryo-ethanol extraction online later this month to increase production volume." - Andy Hale, CEO Adastra.



Figure 1 - First Pure Sunfarms Shipment at Adastra

Under the terms of the supply agreement Adastra will purchase 6,000 KG of high-quality cannabis biomass from Pure Sunfarms over a term of 6 months. A minimum of 500 KG of high-quality distillate will result from this initial term and provide the basis for significant revenues through bulk sales of distillate or incorporation into value-added cannabis concentrate products such as vaporizing pens, beverages, topicals, and edibles for our B2B clients.



"We are thrilled to establish this partnership with Adastra, another BC-based company that shares our passion for building expert teams who produce high-quality cannabis products. This supply agreement represents an opportunity for Pure Sunfarms to bring our BC cannabis to a growing cannabis market. We look forward to seeing our plants shine through Adastra's product creations." Mandesh Dosanjh, President & CEO, Pure Sunfarms

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 Pure Sunfarms Corp.

Located in Delta, British Columbia, Pure Sunfarms is one of Canada's largest, single-site, licensed producers of high-quality, greenhouse-grown cannabis. With decades of growing experience and 1.1 million square feet of best-in-class greenhouse operations, the company has capacity to produce 75,000 kilograms of dried flower annually for the Canadian recreational market.

www.puresunfarms.com

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION:

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, acquisition of equipment, 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 acquire and commission equipment, 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.