



Adastra to Exclusively Produce Cessa CBD Concentrate Products

LANGLEY, BC / August 20, 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 it has been engaged by a cannabis brands company for the exclusive production of a new line of products branded under the label Cessa CBD ("Cessa").

"We are excited to expand our offerings to include CBD vape and other concentrate products for the new Cessa line. We are confident we are working with a high-quality team to deliver exciting products to the Canadian market in the coming months." - Andy Hale, CEO Adastra.



Figure 1 - Cessa CBD New Product Line

Cessa CBD brand was developed by a private BC-based brand company and is comprised of a full suite of CBD products ready to be produced and launched in the Canadian cannabis marketplace (www.cessacbd.ca).

Under the terms of the engagement Adastra will be the exclusive producer for Cessa CBD concentrate products Canada-wide. Cessa will focus on a CBD vape product initially and expand to other concentrate products such as tinctures, topicals and balms. These CBD products will be produced by either CO₂ supercritical extraction or later by cryo-ethanol extraction as desired by the Cessa CBD Team.

Adastra is further pleased to announce the receipt of its Evolved Extraction Solutions EV-MASS cryo-ethanol extraction system at its Langley facility. This marks the commencement of the installation phase of this large-scale cannabis and hemp extraction system scheduled to complete by early September when commissioning and full operations are scheduled to begin.



Figure 2 - EV-MASS Cryo-Ethanol System in Adastra Facility

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

CONTACT:

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

Address: 5451 275th Street, Langley, BC V4W 3X8
Telephone: 778-715-5011
Fax: 844-874-9893

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 expansion into alternative production lines, commencement of certain operations, installation of equipment, expected product quality and margins, development of new product lines and delivery to the market. 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 commission equipment, unexpected contamination of products, saturation of the market for the Company's current and proposed future product offerings, failure of third parties to deliver on expected timelines, overestimation of competencies of third parties, termination of commercial engagements, 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.