



Adastra Begins Cannabis Hydrocarbon Extraction Expansion Plan

LANGLEY, BC / ACCESSWIRE / September 16, 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 the commencement of its hydrocarbon extraction expansion plan.

"At Adastra we are very excited as we begin our hydrocarbon extraction expansion plan. This is our 3rd production line for extraction that supplements our operating CO₂ Supercritical extraction line and cryo-ethanol extraction line that will shortly complete installation. Adastra intends to help fulfill the demand for hydrocarbon concentrate products as part of our long-term strategy for revenue growth and product diversification." - Andy Hale, CEO Adastra.



Figure 1 - Purpose-Built Hydrocarbon Extraction Booth

Adastra recently completed a detailed design and submitted a building permit for the internal modifications for its hydrocarbon cannabis extraction system. CodeNext Inc., a Toronto-based engineering firm, was engaged to ensure a compliant building and fire code design. Adastra will be inserting a purpose-built extraction booth into its extraction hall to house ExtractionTek Solutions hydrocarbon extraction system. Adastra worked with the HAL Extraction team to select and customize an extraction booth sized to fit two ExtractionTek Solutions extraction systems.



Figure 2 - ETS Hydrocarbon Extraction System

Adastra is further pleased to announce an agreement with ExtractionTek Solutions (ETS) for procurement of its first hydrocarbon extraction system. The ETS MeP XT70 system can extract over 400 KG per day of cannabis biomass into a variety of hydrocarbon cannabis concentrate products. The MeP XT70 provides the flexibility to run Propane, Butane, and blended solvents and gives the operator the ability to produce ALL of today's popular cannabis concentrate products. For example, this hydrocarbon extraction capacity could produce over 50 KG per day of high-THC shatter cannabis concentrate.

"With the addition of the ExtractionTek Hydrocarbon Extraction Solution, Adastra can produce in-demand cannabis extract products such as Live Resin, Shatter, Wax, Budder, and THCA Diamonds. The combination of the three extraction systems at Adastra will provide an unparalleled ability to produce a wide-variety of top quality extracts to meet the needs of our customers and consumers." - Dr. Kyle Boniface, Director of Production, Adastra



Figure 3 - Live Resin & Shatter Hydrocarbon Cannabis Concentrates

Since Cannabis 2.0 inception in October 2019, Health Canada data shows Medical & Non-Medical Sale of packaged cannabis extract products has more than doubled; however, there are only a handful of SKUs for hydrocarbon-specific cannabis concentrate products such as live resin or shatter in Canada clearly highlighting that this popular legacy market set of products is underserved.

"ETS provides the only hydrocarbon extraction systems certified for operations in Canada. We are happy to provide the MeP XT70 system to Adastra as it was recently certified and is over twice the capacity of our previously certified system. This will provide Adastra with a capacity edge as it brings hydrocarbon extraction online in the Canadian regulated cannabis market." - Matthew Ellis, President ETS.

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.

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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 hydrocarbon extraction system performance, commencement of hydrocarbon extraction activities, 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.