



Adastra Signs Joint Venture Agreement with JOYN Botanicals to Solidify Cannabis 3.0 Edible and Beverage Technology Partnership

LANGLEY, BC / December 18, 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 signed a joint venture ("JV") agreement with JOYN Botanicals Ltd. ("JOYN") for the exploitation of JOYN's patent-pending soluble cannabis powder.

Joint Venture Terms

Under the terms of the JV agreements, Adastra and JOYN have incorporated Solucann Holdings Ltd. ("Solucann Holdings") in an equal equity ownership shareholder agreement. JOYN has exclusively licensed their patent-pending soluble cannabis powder intellectual property for five years to Solucann Holdings Canada-wide for development and launching of products that will incorporate the disruptive technology.

Solucann Cannabis Powder Opportunity

JOYN's patent-pending Solucann cannabis powder will be available for launch into the edibles, concentrates and beverages market in Q1 2021. This JV will catapult Adastra into the rapidly increasing cannabis consumables market and Consumer Packaged Goods ("CPG") segment. Solucann powder products, in combination with its THC distillate products and Hydrocarbon 2.0 products, marks the completion of Adastra's next phase of cannabis concentrates market penetration. The cannabis 3.0 products made with Solucann powder as a THC and/or CBD active ingredient will further accelerate Adastra's go-to-market cannabis edibles and beverage strategy.

According to Arcview Group's research "The cannabis 2.0 market could be worth more than \$4.1 billion in Canada and the US by 2022." Further, according to Statista.com, the Canadian THC infused products market is forecasted to be increased to approximately 579.2 million US dollars by 2025.

"We see many opportunities for Solucann in both established and emerging markets. The Solucann technology fits well into the burgeoning micro-dosing movement, where there is an appetite for understanding the positive benefits of the cannabis plant, through tailored, conscious, dose-controlled ingestion. Adastra is looking forward to formulating and distributing Solucann products to meet the demands of these under-served and existing customer segments, with

thoughtful and elevated cannabis products including concentrates, edibles and beverages in the 2021 marketplace."- Andy Hale CEO, Adastr.

The Solucann Advantage

Solucann powder can be tailored to THC and/or CBD concentrations desired for the product specifications. Unlike anything else in the Canadian marketplace, Solucann benefits include:

- Precise and consistent dosing
- Rapidly dissolves - water clear
- Rapid onset
- Odourless, flavourless and stable
- Enhanced bioavailability
- Non-GMO, Calorie and Gluten free



Figure 1 - Solucann THC Powder Dissolved in Tea

Solucann Retail Product Potential

In addition to its viability as a cannabinoid powder additive for consumers to micro-dose their own beverages or foods, Solucann powder can be the active ingredient in a number of cannabis products including but not limited to:

- Beverages
- Confectioneries and other edibles
- Superfoods and Supplements
- Beauty products
- Pet foods

Through the Solucann Holdings JV, Adastra can strengthen its earnings potential in the Cannabis 3.0 landscape by including in its portfolio with these innovative CPG products that leverage the unique Solucann cannabis powder advantages in the marketplace. Adastra through its JV with JOYN will leverage the Solucann technology to offer beverage manufacturers focused on superior cannabinoid infusion technologies a low cost, consistently-dosed, trusted and scientifically proven alternative.

"The Solucann technology features an unprecedented level of controlled dosing to the Cannabis marketplace. Solucann delivers THC and CBD on a molecular level more efficiently than competing technologies such as nanoparticles, emulsions, or liposomes. This increased efficiency decreases the amount of THC and CBD required for therapeutic effect, thereby reducing per unit cost."- Kyle Boniface, PhD, Director of Compliance Adastra labs.

Solucann will further diversify revenue sources for Adastra through proprietary formulation blending for both white label and in-house brands. The emerging global cannabis markets in developed and newly legalized countries could be a significant Solucann technology revenue opportunity through proprietary formulation, white labelling agreements and IP licensing.

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 Cryo-Ethanol extraction with further molecular wiped-film distillation as well as conduct in-process quality testing. Adastra is currently expanding to provide hydrocarbon extraction. 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 JOYN Botanicals

JOYN Botanicals is an innovative biotech company that has developed disruptive patent pending technology that converts cannabis oils and distillates into a water soluble, tasteless, and odourless powder (Solucann Powder).

www.joynbotanicals.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, Solucann performance, 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.