

Phyto Extractions Inc. Provides Update on Proposed Acquisition

LANGLEY, BC, Aug. 24, 2021 /CNW/ - Phyto Extractions Inc. (formerly, Adastra Labs Holdings Ltd.) (CSE: XTRX) (FRA: D2EP) (the "**Company**") is pleased to announce that, further to its news releases of March 10, 2021 and March 23, 2021, the Company continues to proceed towards the acquisition of 1204581 B.C. Ltd, doing business as Phyto Extractions.

Originally structured as an acquisition to acquire an initial 51% equity interest with a right of first refusal to acquire the remaining 49% interest, the parties are proceeding on the basis of acquiring a 100% interest on the closing date. The parties continue to negotiate definitive terms and conduct further due diligence but anticipate signing a definitive share purchase agreement on or before September 15, 2021.

The Company intends to issue additional news releases with respect to the proposed acquisition in the near future in accordance with applicable securities laws and the policies of the Canadian Securities Exchange.

About Phyto Extractions™ and Adastra Labs Inc.

Founded in 2014, Phyto Extractions™ built a successful reputation as a household name in cannabis concentrates among consumers and retailers alike. Adastra Labs Inc. was founded in 2018 and is an agricultural-scale cannabis extraction, distillation, and product manufacturer, located in Langley, BC. Operating out of its 13,000 sq. ft. Health Canada Licensed Standard Processing facility, now named Phyto Extractions Inc., the Company produces and distributes cannabis-derived products, designed for medical cannabis and forward-looking therapeutic use. As a leading supplier, Phyto Extractions™ currently distributes its product-line to 1,400+ adult-use retailers and through a web-based medical platform, CannMart Inc., across Canada seeking to provide consistent, quality concentrate products and alternative treatment options to patients.

To learn more about the Phyto Extractions™ team, please watch the following video:
<https://youtu.be/mtC9Qicyeul>

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Forward-Looking Information

This news release contains forward-looking information within the meaning of Canadian securities legislation, concerning the business of the Company. Forward-looking information is based on certain key expectations and assumptions made by the management of the Company. Although the Company believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because the Company can give no assurance that they will prove to be correct. Forward-looking information in this news release includes statements with respect to the terms and conditions of the acquisition, proceeding with the acquisition and filing subsequent news releases with respect to the acquisition. There are numerous risks and uncertainties that could cause actual results and the Company's plans and objectives to differ materially from those expressed in the forward-looking information. Important factors that could cause actual results to differ materially from those expressed in the forward-looking information include: inability to negotiate and enter into a definitive agreement on agreed terms; adverse market conditions; and

other factors beyond the control of the Company. These and all subsequent written and oral forward-looking information are based on estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. Except as required by law, the Company does not intend to update these forward-looking statements.

The Canadian Securities Exchange has not reviewed or approved the contents of this news release.

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