



ADASTRA HOLDINGS LTD. ANNOUNCES GRANT OF STOCK OPTIONS

FOR IMMEDIATE RELEASE

Langley, BC, October 27, 2021 – Adastra Holdings Ltd. (formerly Phyto Extractions Inc.) (CSE: XTRX) (FRA: D2EP) (“**Adastra**”, or the “**Company**”) is pleased to announce it granted an aggregate of 933,333 stock options (each, an “**Option**”) of which 900,000 Options were granted on October 25, 2021 to certain directors and officers for the purchase of up to 900,000 common shares of the Company at a price of \$1.06 per common share and 33,333 Options were granted on August 4, 2021 to a consultant for the purchase of up to 33,333 common shares of the Company at a price of \$1.35 per common share. Each Option is exercisable for a period of five (5) years.

About Adastra Holdings Ltd.:

Founded in 2018 and formerly known as Phyto Extractions Inc., Adastra is a leading manufacturer and supplier of innovative ethnobotanical and cannabis science products designed for the adult-use and medical markets and forward-looking therapeutic applications. Adastra is renowned throughout Canada for its popular line of Phyto Extractions branded cannabis concentrate products available on shelves at over 1,400 adult-use retailers across the country. The Company also operates Adastra Labs, a 13,500 sq. ft. agricultural-scale Health Canada licensed facility located in Langley, BC., focused on extraction, distillation, and manufacturing of cannabis-derived products. Adastra has now successfully taken the first steps in becoming a licensed cultivator, tester, extractor, and seller of controlled substances, including Psilocybin, Psilocin, MDMA, N, N-Dimethyltryptamine (DMT), 5- MeO-DMT, and LSD by applying for a Controlled Substances Dealer's Licence, which is under review by Health Canada. Pending Health Canada approval, Adastra is poised to be a drug formulation and development leader in this emerging sector. In addition, with the recent acquisition of 1225140 B.C. Ltd., doing business as PerceiveMD, Adastra operates a multidisciplinary centre for medical cannabis and psychedelic therapies, working alongside doctors and healthcare professionals within the regulated environment to help create efficacious remedies that address the actual needs of patients.

ON BEHALF OF THE BOARD

ADASTRA HOLDINGS LTD. (CSE: XTRX)

Donald Dinsmore, Chief Operating Officer
P: (778) 715-5011, E: Donald@adastralabs.com

Cody Simpson, Communications Manager
P: (778) 715-5011, E: cody@adastraholdings.ca

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