

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1. Name and Address of Company**

Adastra Holdings Ltd. (the “**Company**”)  
5451 – 275 Street  
Langley, BC V4W 3X8

**Item 2. Date of Material Change**

November 16, 2021

**Item 3. News Release**

The news release was issued and disseminated via Stockwatch and BayStreet on November 16, 2021 and filed on SEDAR at [www.sedar.com](http://www.sedar.com).

**Item 4. Summary of Material Change**

The Company announced a private placement financing (the “**Financing**”) to raise gross proceeds of up to \$2,500,000 through issuance of up to 2,631,578 Units (each, a “**Unit**”) at a price of \$0.95 per Unit.

**Item 5. Full Description of Material Change**

**5.1 Full Description of Material Change**

Each Unit will be comprised of one common share of the Company and one transferrable common share purchase warrant (each, a “**Warrant**”). Each Warrant will entitle the holder thereof to acquire one common share of the Company (each, a “**Warrant Share**”) at a price of \$1.00 per Warrant Share until 5:00 p.m. (Vancouver time) three years from the closing of the Financing.

All securities issued in connection with the Financing are subject to a statutory hold period expiring four months and one day after the closing of the Financing. The Financing is strategic and currently only offered to warrant holders holding share purchase warrants with an exercise price of \$2.25 (the “**\$2.25 Warrants**”). Participation in the Financing is conditional upon such warrant holders entering into a warrant cancellation agreement to cancel the \$2.25 Warrants effective on the closing of the Financing.

The Company intends to use the proceeds of the Financing towards inventory and general working capital.

**5.2 Disclosure for Restructuring Transactions**

Not applicable.

**Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7. Omitted Information**

None.

**Item 8. Executive Officer**

Michael Forbes, President, CEO & Director (Chairman)  
Telephone: (778) 715-5011

**Item 9. Date of Report**

November 16, 2021