

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

Item 1 Name and Address of Company

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

Item 2 Date of Material Change

October 15, 2024

Item 3 News Release

A news release announcing the material change described below was disseminated by the Company on October 10, 2024 and subsequently filed on the System for Electronic Document Analysis and Retrieval under the Company's issuer profile at www.sedarplus.ca.

Item 4 Summary of Material Change

On October 15, 2024, the Company completed the consolidation of its issued and outstanding common shares (the "**Common Shares**") at a ratio of one post-consolidation Common Share for every 10 pre-consolidation Common Shares (the "**Consolidation**").

Item 5 Full Description of Material Change

On October 15, 2024, the Company completed the Consolidation which reduced the number of issued and outstanding Common Shares of the Company from 55,970,547 Common Shares to approximately 5,597,055 Common Shares.

The Common Shares began trading on the Canadian Securities Exchange ("**CSE**") on October 15, 2024 and will continue to trade on the CSE under the trading symbol "XTRX". New CUSIP and ISIN numbers have been assigned to the Common Shares following the Consolidation.

Proportionate adjustments will be made to the Issuer's outstanding options. No fractional Common Shares will be issued pursuant to the Consolidation. Any fractional Common Share from the Consolidation will be rounded to the nearest whole number of post-Consolidation Common Shares, with any fractional interest representing 0.5 or more Common Shares entitling holders thereof to receive one whole post-Consolidation Common Share.

National Securities Administrators Ltd. ("**NSA**"), acting as the transfer agent for the Consolidation, has mailed a letter of transmittal to the Company's registered shareholders in respect of the Consolidation. Registered shareholders will be required to send their certificate(s) representing pre-Consolidation Common Shares of the Company, along with a properly executed letter of transmittal, to NSA in accordance with the instructions provided in the letter of transmittal.

Beneficial shareholders (i.e., non-registered shareholders) who hold their Common Shares through an intermediary such as a bank, trust company, securities dealer or broker should note that these intermediaries may have their own procedures for processing the Consolidation which may differ from those described above for registered shareholders. Non-registered shareholders who have questions should contact their intermediary for more information.

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

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

The Company currently does not have any executive officers. For further information, contact info@adastraholdings.ca or (778) 775 5011.

Item 9 Date of Report

October 23, 2024