

Pure Extracts Provides Q3 Corporate Update

Vancouver, B.C. (July 7, 2022 -- GLOBE NEWSWIRE) – Pure Extracts Technologies Corp. (CSE: PULL) (OTC: PRXTF) (XFRA: A2QJAJ) (“Pure Extracts” or the “Company”), a plant-based extraction company focused on cannabis, hemp and the rapidly emerging psychedelic sector, is pleased to provide a brief summary of recent activities.

The Summer season has arrived, and with it a pickup in cannabis sales activity across Canada. Fortunately, despite the continuing oversupply of dry flower in the marketplace, the extraction sector is now experiencing increasing demand and continues to present new and innovative products to consumers as they expand their appetites beyond dry flower.

In fact, we have received purchase orders (POs) from **6 provinces** within the last 2 months, including our **largest PO received to-date** for a mid-six figure amount. Since our last update, our continued expansion across Canada positions the Company to report on several positive activities we can offer our growing base of partners, stakeholders and shareholders alike.

Ontario Market Penetration

In Ontario, Canada’s most populous province, we have expanded our SKU count to 8 products encompassing both THC and CBD vapes as well as THC edibles and ultra-high potency CBD edibles.

Medical Cannabis by Shoppers Drug Mart

We recently signed a listing agreement with Shoppers Drug Mart for medical cannabis products and received our first PO. Largest provider of medical cannabis in Canada covering all provinces and two territories, Shoppers Drug Mart represents an opportunity for Pure Extracts to increase its brand awareness nationwide and to expand its product offerings with a leading health and wellness provider in the country.

Pivot Financial Credit Facility

We recently entered into a one year credit agreement with Pivot Financial I Limited Partnership for a non-revolving term loan in the aggregate amount of \$1,225,000 (the “Credit Facility”). In connection with the Credit Facility, Pure Extracts has entered into a general security agreement in favour of Pivot on terms and conditions customary in such transactions. The Credit Facility shall be used by Pure Extracts for: (i) re-financing 2 equipment leases, (ii) the purchase of biomass for extraction, (iii) building finished product inventory, and (iv) general working capital purposes.

Market Awareness and Product Distribution

Pure Extracts’ products are now listed for sale at licensed outlets throughout British Columbia (BC), Alberta (AB), Saskatchewan (SK), Ontario (ON), New Brunswick (NB) and Nova Scotia.

The product mix encompasses 38 SKUs currently available in respective provincial recreational cannabis market, and further offers 16 SKUs specifically targeting the medical cannabis supply chain, representing over 54 listings nation-wide.

The product lineup has been increased to include 2 important additions: a Pure Pulls branded one-gram, high-potency (90%), botanical terpene infused, THC distillate vape cart called 9 lb Hammer and a Pure Pulls branded one-gram cured resin called Durga Mata. Demand for our 9 lb Hammer is strong and will be our first SKU that is listed in all 6 provinces that our products are sold in. Cured resin has long been popular in the United States and we expect that it will be met with positive consumer uptake here in Canada.

Pure Extracts' CBD gummies, offered in their unique blister packaging, continue to report growing market share across the country. Our new large pack format of ultra-high potency CBD gummies offers both 600 mg and 1,000 mg quantities. Medical sales continue to expand through the Abba Medix sales platform, notably in the THC vape and CBD gummie product lineup.

Our in-house services continue to see demand from other licensed producers. The two most active services include our white label and tolling business development for industrial-scale customers. We are pleased to have signed one new white label program for the production of vape cartridges with an initial PO for 10,000 units.

New Product Development

Pure Extracts' development team sourced a new vape cart manufacturer that provides both cost effective pricing and higher quality than our previous supplier and we are in the midst of switching over to the new carts. The manufacturer has a robust supply chain, meets the highest global manufacturing standards and carries inventory in Canada, thus providing reliable and timely shipping to our Pemberton facility. They also offer bespoke testing at their Canadian lab for new product development and optimization of vape cart configuration.

Our development team is working on a new infused-product and is expected to be executing an unveiling and product launch aimed at new product SKU's targeting the Canadian marketplace within the next quarter. Until then, we are keeping details to a minimum as we hope to earn marketing leverage of a very underserved product mix that we believe will position well with our brand identity and distribution ability.

We also have 2 new SKUs in development to compliment our recently launched high potency vape carts and cured resin products. This will provide additional flavour profiles for consumers to choose from.

Sales & Marketing

Enhanced social media & sales support strategy:

- Our dedicated Pure Extracts social strategy (Pure Pulls and Pure Chews) now includes daily posting of a curated feed promoting organic engagement across Instagram, Twitter, Facebook and LinkedIn.
- A full complement of sales material has been developed to support sales activities in the field.
- Product knowledge training is actively underway for field sales reps and budtenders (both on-site and virtually).
- Acquiring timely data directly from dispensaries in order to strengthen our direct dialogue and manage production in-line with demand.

Near Term Summary

We completed our first product delivery to Nova Scotia at the end of June and we will make our first product delivery to Medical Cannabis by Shoppers Drug Mart this month. Our popular new, high potency distillate vape product, 9 Pound Hammer, also launches across select markets / provinces this month. Next month we will commence deliveries for our expanded listings in Ontario with 6 SKUs currently available throughout the province plus 2 more SKUs coming in October. We continue to develop additional medical SKUs for our two medical cannabis channel partners, Medical Cannabis by Shoppers Drug Mart and Abba Medix, with product availability planned for later this year.

In Conclusion

With the closing of our financing with Pivot Financial, the signing of the listing agreement with Medical Cannabis by Shoppers Drug Mart and the expansion of our product line in Ontario, we have generated

positive momentum for the key summer months. We remain focused on growth, innovation, and value generation.

With regards to expansion, we have decided not to proceed with Michigan as a result of declining extract prices in the state and a significant rise in estimated build-out costs and now it appears that other states offer more compelling opportunities which we are continuing to evaluate.

We invite everyone to stay engaged with us, either through social media or by signing up on our website for regular news alerts, because we will have much more to talk about in the months ahead.

ON BEHALF OF THE BOARD

“Ben Nikolaevsky”

Ben Nikolaevsky
CEO and Director

About Pure Extracts (CSE: PULL) (OTC: PRXTF) (XFRA: A2QJAJ)

Pure Extracts Technology Corp. features an all-new, state-of-the-art processing facility located just 20 minutes north of world-famous Whistler, British Columbia. The bespoke facility has been constructed to European Union GMP standards aiming towards export sales of products and formulations, including those currently restricted in Canada, into European jurisdictions where they are legally available. Pure Extracts was granted its Standard Processing License by Health Canada under the Cannabis Act on September 25, 2020, and its Sales Amendment on July 19, 2021. The Company’s stock began trading on the Canadian Securities Exchange (CSE) on November 5, 2020.

Find out more at <https://pureextractscorp.com/>

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This news release contains forward-looking statements relating to the future operations of Pure Extracts, and the other statements are not historical facts. Forward-looking statements are often identified by terms such as "will", "may", "should", "anticipate", "expects" and similar expressions. All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding the future plans and objectives of Pure Extracts', are forward-looking statements and involve risks and uncertainties. A number of factors could cause actual events, performance or results to differ materially from what is projected in forward looking statements. Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and we cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties and assumptions, investors should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to the Company’s expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under “Risk Factors” in the Company’s Annual Information Form. The Company does not undertake to update any forward-looking information, except as, and to the extent required by, applicable securities laws.

This news release contains information about potential sales revenue from supply agreements, which may be considered as disclosure of financial outlook under applicable securities laws. Such information is subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraph. Specifically, estimated sales revenue which may be derived from supply contracts has been

calculated based on current wholesale prices and assume, among other things, that the Company will be able to find buyers for its products. The financial outlook contained in this news release was made by management as of the date of this news release and was provided for the purpose of providing readers with an understanding of the potential revenue which may be derived from any agreements recently entered into by the Company, and are not an estimate of profitability or any other measure of financial performance. Readers are cautioned that the financial outlook contained in this document should not be used for purposes other than for which it is disclosed herein.

The CSE has neither approved nor disapproved the contents of this press release.