

Xtraction Services Announces Additional Lease Agreements; Commences Trading on CSE

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LOS ANGELES, September 16, 2019 /CNW/ -- Xtraction Services Holding Corp., ("XS" or the "Company") (CSE:XS), an equipment leasing and extraction solutions company, is pleased to provide an update regarding the Company's existing lease portfolio, the commencement of new significant lease agreements as well as upcoming revenue growth initiatives. Additionally, XS is pleased to announce the completion of its reverse merger with Caracara Silver Inc. and has commenced trading on the CSE under the ticker symbol "XS".

While recent equity market volatility has been challenging for cannabis companies, their reduced access to capital has translated into increased demand for the Company's leasing solutions. Many operators now lack the necessary capital to expand operations, achieve economies of scale, or deliver on existing expectations. With fewer options available, customers are now seeking alternative sources of capital and XS is well-positioned to provide financing solutions for cannabis and hemp companies to meet their business needs. The Company currently has more demand for its products than it can currently serve.

"Cost of capital is steadily increasing and conventional financing solutions are becoming increasingly scarce for cannabis and hemp companies in today's environment. The Company's leasing solutions provide customers with mission-critical equipment to operate and grow their businesses. With the RTO complete, we feel we are uniquely positioned to aggressively grow our business in the current environment," said David Kivitz, CEO of XS.

The Company's diversified revenue model, which includes equipment sales, royalty income, sale-leasebacks and structured lease agreements, has seen a surge in inbound interest in recent months. With the funds now available from the recently completed RTO, XS is now in a position to fund two recently completed agreements as well as actively pursue new leads to add to its portfolio.

XS' largest signed lease to date is with Puritix, LLC ("Puritix"), a Kentucky-based CBD processor, that is expected to come online in Q4 2019. The activation of the Puritix lease is forecasted to contribute the greater of (i) its production volume-based payment; or (ii) USD\$50,000 monthly (USD\$600,000 annually).

Additional revenue will be recognized from the completion of a recently signed lease agreement with a new CBD processor in South Carolina. Commencement of the new agreement is forecasted to contribute USD\$22,000 monthly (USD\$264,000 annually) to leasing revenues. Both this agreement and the Puritix lease are expected to increase financing revenues once online substantially.

Lastly, the Company has been working with multiple equipment providers to supply customized leasing solutions to their end-user customers. In addition to focusing on identifying clients with equipment leasing requirements, XS has partnered with manufacturers who already have inbound interest for equipment from customers who require leasing options. This new strategic initiative is expected to significantly reduce customer acquisition costs, expand its network of equipment

vendors, and radically increase our potential customer pipeline. The Company looks forward to announcing the names of its vendor partners in the coming months.

For more information, please visit www.xtractnow.com/investors

About Xtraction Services Holding Corp.

Founded in 2017, XS specializes in providing equipment leasing solutions in the United States to owner/operators of cannabis and hemp oil extraction facilities, as well as companies requiring product testing services and formulated product makers. XS' equipment procurement solutions, including royalty and leasing programs, provide access to industry-leading technology from a variety of best in class equipment manufacturers'. Additionally, the Company's technical team maintains vast relationships with vendors and equipment manufacturers that offer discount pricing, while providing expert advice to customers to select the appropriate equipment for their business.

This powerful dynamic provides recurring revenues, strong profit margins, and an end-to-end solution for companies in the industry.

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