



INFECTIOUS DISEASE ORAL BIOSENSOR FUNCTION CONFIRMED

Vancouver, Canada (June 29, 2020) - XPhyto Therapeutics Corp. (CSE:XPHY / FSE:4XT / OTC:XPHYF) (“XPhyto” or the “Company”) is pleased to announce that its diagnostic partner, 3a-Diagnostics GmbH (“3a”), has confirmed active functionality of peptide biosensors that were incorporated into XPhyto’s oral dissolvable thin film (“ODF”) platform.

3a has developed peptide-based biosensor screening tests for bacterial and viral infectious diseases, including influenza A, scarlet fever, stomatitis, periimplantitis, and periodontitis. Additional pandemic-focused biosensors are in planning and development, specifically for COVID-19 (coronavirus), H1N1 (swine flu), and H5N1 (avian flu). Positive detection of the respective pathogen results in enzymatic release of an extreme (but safe) bitter compound. On April 20, 2020, the Company announced a definitive development, technology purchase and licence agreement with 3a for the development and commercialization of real-time, low-cost and easy-to-use screening tests using 3a’s pathogen specific biosensors and XPhyto’s oral dissolvable drug delivery platform.

3a has now confirmed successful enzyme activation of its peptide biosensor when delivered using XPhyto’s ODF platform; in addition, ODF embedded biosensor activation has been demonstrated for biologically relevant levels of pathogen specific enzymes.

“With this biosensor incorporation and the active functionality successfully demonstrated, XPhyto’s portfolio of ODF infectious disease screening tests are moving rapidly toward commercialization,” said Hugh Rogers, CEO of XPhyto. “Both 3a and Vektor Pharma TF GmbH, XPhyto’s wholly owned Germany subsidiary, are quickly and methodically executing the product development plan. We are extremely impressed with the progress made in a very short period of time.”

On June 10, 2020, XPhyto announced that 3a and their contract research collaborators received a €254,200 grant from the German Federal Ministry of Education and Research (“BMBF”). Proceeds of the grant are committed to the development and commercialization of enzyme activated biosensors for use in real-time, low-cost and easy-to-use oral screening tests for the rapid detection of influenza A virus and specific variants that are high-risk pandemic threats such as H1N1 and H5N1. The parties will continue to pursue additional opportunities for non-dilutive funding for infectious disease screening test development.

About XPhyto Therapeutics Corp.

XPhyto is a biopharma and cannabis science company focused on formulation, clinical validation, and European imports, distribution and sales. XPhyto’s 100% owned subsidiary, Vektor Pharma TF GmbH, a German narcotics manufacturer, importer and researcher has expertise in the design, testing and manufacture of thin film drug delivery systems, particularly transdermal patches and sub-lingual (oral) strips. Vektor also holds a number of narcotics licences issued by the German Federal Institute for Drugs and Medical Devices (BfArM), including import and manufacturing permits, as well as EU GMP lab certification. XPhyto’s 100% owned German subsidiary, Bunker



Pflanzenextrakte GmbH, has been granted a unique German cannabis cultivation and extraction licence for scientific purposes by BfArM. Bunker has two exclusive R&D collaboration agreements with the Technical University of Munich, Chair of beverage and brewing technology and the Faculty of Chemistry. XPhyto is pursuing additional opportunities in Europe including commercial cannabis cultivation, processing, manufacturing, import, and distribution. In Canada, two exclusive 5-year engagements with the Faculty of Pharmacy at a major Canadian university provide certified extraction, isolation, and formulation facilities, drug research and development expertise, as well as commercial analytical testing capability. XPhyto signed a supply, import and distribution agreement for cannabis oils and isolates with one of the largest, highest quality, and lowest cost cannabis cultivators in the world.

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Forward looking statements

This news release includes statements containing forward-looking information within the meaning of applicable Canadian securities law ("forward-looking statements"). Forward-looking statements are frequently characterized by words such as "develop", "plan", "continue", "expect", "project", "intend", "believe", "anticipate", "estimate", "potential", "propose" and other similar words, or statements that certain events or conditions "may" or "will" occur, and in this release include the statement regarding the Company's goal of building an industry leading medical cannabis company. Forward-looking statements are only predictions based on the opinions and estimates of management at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements, including: that the Company may not succeed in developing any commercial products; that the sale of any products may not be a viable business; that the Company may be unable to scale its business; product liability risks; product regulatory risk; frequent changes to cannabis regulations in Europe, Canada and elsewhere; general economic conditions; adverse industry events; future legislative and regulatory developments; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; currency risks; competition; international risks; and other risks beyond the Company's control. The Company is under no obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

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