

FORM 9

NOTICE OF ISSUANCE OR PROPOSED ISSUANCE OF LISTED SECURITIES

(or securities convertible or exchangeable into listed securities¹)

Name of Listed Issuer:

Symbol(s):

XPhyto Therapeutics Corp. (the "Issuer").

XPHY

Date: September 13, 2019

Is this an updating or amending Notice: Yes No

If yes provide date(s) of prior Notices: _____.

Issued and Outstanding Securities of Issuer Prior to Issuance: 47,111,705 .

Pricing

Date of news release announcing proposed issuance: August 26, 2019 or

Date of confidential request for price protection: August 6, 2019

Closing Market Price on Day Preceding the news release: \$1.3 or

Day preceding request for price protection: \$1.00

Closing

Number of securities to be issued: 1,037,064 common shares; 637,064 warrants; convertible debentures in the principal amount of \$293,532 and \$220,149

Issued and outstanding securities following issuance: 48,148,769

Instructions:

1. For private placements (including debt settlement), complete tables 1A and 1B in Part 1 of this form.
2. Complete Table 1A – Summary for all purchasers, excluding those identified in Item 8.
3. Complete Table 1B – Related Persons only for Related Persons
4. If shares are being issued in connection with an acquisition (either as consideration or to raise funds for a cash acquisition) please proceed to Part 2 of this form.
5. An issuance of non-convertible debt does not have to be reported unless it is a significant transaction as defined in Policy 7, in which case it is to be reported on Form 10 – Notice of Proposed Transaction
6. Post the completed Form 9 to the CSE website in accordance with *Policy 6 – Distributions*. In addition, the completed form must be delivered to

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listings@thecse.com with an appendix that includes the information in Table 1B for ALL places.

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Part 1. Private Placement Not applicable

Table 1A – Summary

Each jurisdiction in which purchasers reside	Number of Purchasers	Price per Security	Total dollar value (CDN\$) raised in the jurisdiction
Total number of purchasers:			
Total dollar value of distribution in all jurisdictions:			

Table 1B – Related Persons

Full Name & Municipality of Residence of Placee	Number of Securities Purchased or to be Purchased	Purchase price per Security (CDN\$)	Conversion Price (if Applicable) (CDN\$)	Prospectus Exemption	Total Securities Previously Owned, Controlled or Directed	Payment Date (1)	Describe relationship to Issuer (2)

¹An issuance of non-convertible debt does not have to be reported unless it is a significant transaction as defined in Policy 7, in which case it is to be reported on Form 10.

- Total amount of funds to be raised: _____ .
- Provide full details of the use of the proceeds. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material. _____ .

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3. Provide particulars of any proceeds which are to be paid to Related Persons of the Issuer: _____
_____ .
4. If securities are issued in forgiveness of indebtedness, provide details of the debt agreement(s) or and the agreement to exchange the debt for securities.
5. Description of securities to be issued:
- (a) Class _____ .
 - (b) Number _____ .
 - (c) Price per security _____ .
 - (d) Voting rights _____ .
6. Provide the following information if warrants, (options) or other convertible securities are to be issued:
- (a) Number _____ .
 - (b) Number of securities eligible to be purchased on exercise of warrants (or options) _____
_____ .
 - (c) Exercise price _____ .
 - (d) Expiry date _____ .
7. Provide the following information if debt securities are to be issued:
- (a) Aggregate principal amount _____ .
 - (b) Maturity date _____ .
 - (c) Interest rate _____ .
 - (d) Conversion terms _____ .
 - (e) Default provisions _____ .
8. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the placement (including warrants, options, etc.):

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- (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the placement (name, and if a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): ____ .
 - (b) Cash _____ .
 - (c) Securities _____ .
 - (d) Other _____ .
 - (e) Expiry date of any options, warrants etc. _____ .
 - (f) Exercise price of any options, warrants etc. _____ .
9. State whether the sales agent, broker, dealer or other person receiving compensation in connection with the placement is Related Person or has any other relationship with the Issuer and provide details of the relationship ____
_____ .
10. Describe any unusual particulars of the transaction (i.e. tax “flow through” shares, etc.).
_____ .
11. State whether the private placement will result in a change of control.
_____ .
12. Where there is a change in the control of the Issuer resulting from the issuance of the private placement shares, indicate the names of the new controlling shareholders. _____

_____ .

Each purchaser has been advised of the applicable securities legislation restricted or seasoning period. All certificates for securities issued which are subject to a hold period bear the appropriate legend restricting their transfer until the expiry of the applicable hold period required by National Instrument 45-102 Resale of Securities.

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Part 2. Acquisition

1. Provide details of the assets to be acquired by the Issuer (including the location of the assets, if applicable). The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material:

The Issuer proposes to acquire (the “**Acquisition**”) 100% of the issued and outstanding shares of Vektor Pharma TF GmbH (“**Vektor**”), a German narcotics manufacturer, pursuant to a share purchase and assignment agreement (the “**Agreement**”).

In connection with the Acquisition, the Company will also purchase thin film drug delivery manufacturing equipment (the “**Equipment**”) from the Seller (defined below) pursuant to an equipment purchase agreement.

In connection with the Acquisition, the Company entered into a consultancy agreement (the “**Consultancy Agreement**”) with Manuel Bea (the “**Consultant**”) pursuant to which the Consultant will continue working with Vektor in an advisory capacity.

The Company agreed to issue 200,000 common shares to Canaccord Genuity Corp. (“**Canaccord**”) as consideration for certain corporate consultant services that Canaccord provided in connection with the Acquisition.

2. Provide details of the acquisition including the date, parties to and type of agreement (eg: sale, option, license etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the acquisition without reference to any other material:

Acquisition

The Agreement was entered into among Prof. Dr. Thomas Beckert (the “**Seller**”), Vektor, and SCUR-Alpha 1108 GmbH (the “**Buyer**”), a wholly-owned subsidiary of the Issuer. Pursuant to the Agreement, the Company has agreed to issue to the Seller a total of 200,000 common shares on signing of the Agreement (the “**Signing Consideration Shares**”). The Issuer will also issue to the Seller such number of units (the “**Payment Units**”) equal to 400,000€ as consideration for the Acquisition. Each Payment Unit consists of one common share (the “**Payment Shares**”) and one common share purchase warrant (the “**Payment Warrants**”). The Payment Warrants are exercisable into a common share (the “**Payment Warrant Shares**”) at C\$1.00 per Payment Warrant Share for a period of three years from closing. The Payment Shares will be subject to escrow.

The Company has also agreed to issue an unsecured convertible debenture in the principal amount of 200,000€ (the “**Debenture**”) as consideration for the Acquisition. The Debenture will mature on the date that is six months from closing (the “**Maturity Date**”) and will bear an annual interest of 2.5%. The principal amount of the Debenture is convertible into units (the “**Debenture Units**”), at the option of the holder, at any time prior to the Maturity Date at a conversion price of C\$1.00 per Debenture Unit. Each Debenture Unit consist of one common share (the “**Debenture Shares**”) and one common share purchase warrant (the “**Debenture Warrants**”). The Debenture Warrants are exercisable into a common share (the “**Debenture Warrant Shares**”) at C\$1.00 per Debenture Warrant Share for a period of three years from the conversion date. The currency exchange rate between Euros and Canadian dollars will be fixed as of the noon rate on the closing date.

Equipment Purchase

The purchase price for the Equipment will be 150,000€, which will be paid in the form of an unsecured convertible debenture (the “**Equipment Debenture**”). The Equipment Debenture bears an annual interest of 2.5% per year with a maturity date of twelve months from the closing. The principal amount of the Equipment Debenture is convertible into units (the “**Equipment Debenture Units**”), at a conversion price of C\$1.00 per Equipment Debenture Unit. Each Equipment Debenture Unit consist of one common share (the “**Equipment Debenture Shares**”) and one common share purchase warrant (the “**Equipment Debenture Warrants**”). The Equipment Debenture Warrants are exercisable into a common share (the “**Equipment Debenture Warrant Shares**”) at C\$1.00 per Equipment Warrant Share for a period of three years from the conversion date.

Consultant Agreement

Pursuant to the Consultancy Agreement, the Company has agreed to issue 50,000 common shares (the “**Consultant Shares**”) and 50,000 common share purchase warrants (the “**Consultant Warrants**”) to the Consultant as consideration for the services to be provided. The Consultant Warrants are exercisable into a common share (the “**Consultant Warrant Shares**”) at C\$1.00 per Consultant Warrant Share for a period of three years from issuance.

3. Provide the following information in relation to the total consideration for the acquisition (including details of all cash, securities or other consideration) and any required work commitments:

Acquisition

- (a) Total aggregate consideration in Canadian dollars: 950,000€ (C\$1,394,277) .
- (b) Cash: 350,000€ (C\$513,681) .
- (c) Securities (including options, warrants etc.) and dollar value:
200,000 Signing Consideration Shares
Such number of Payment Units equal to 400,000€ (C\$587,064). Each Payment Unit consists of one Payment Share and one Payment Warrant. The Payment Warrants are exercisable into a Payment Warrant Share at C\$1.00 per Payment Warrant Share for a period of three years from closing.
Debenture in the principal amount of 200,000€ (C\$293,532). The Debenture will mature on the date that is six months from closing (the "Maturity Date") and will bear an annual interest of 2.5%. The Debenture is convertible into Debenture Units, at the option of the holder, at any time prior to the Maturity Date at a conversion price of C\$1.00 per Debenture Unit. Accrued interest will be paid in cash. Each Debenture Unit consist of one Debenture Share and one Debenture Warrant. The Debenture Warrants are exercisable into a Debenture Warrant Share common share at C\$1.00 per Debenture Warrant Share for a period of three years from the conversion date.
- (d) Other: Not applicable .
- (e) Expiry date of options, warrants, etc. if any:
Payment Warrants expire three years from date of issuance .
Debenture matures on the date that is 6 months from closing .
Debenture Warrants expire three years from date of conversion of the Debenture.
- (f) Exercise price of options, warrants, etc. if any:
Payment Warrants are exercisable at C\$1.00 per Payment Warrant Share
Debenture are convertible at C\$1.00 per Debenture Unit.
Debenture Warrants are exercisable at C\$1.00 per Debenture Warrant Share

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(g) Work commitments: Not applicable .

Equipment Purchase

(a) Total aggregate consideration in Canadian dollars: 150,000€
(C\$220,149) .

(b) Cash: Not applicable .

(c) Securities (including options, warrants etc.) and dollar value:

Equipment Debenture in the principal amount of 150,000€
(C\$220,149). The Equipment Debenture bear an annual interest of
2.5% per year with a maturity date of twelve months from the
closing. The Equipment Debenture is convertible into units (the
“Equipment Debenture Units”), at the option of the holder, at any
time prior to the Due Date at a conversion price of C\$1.00 per
Equipment Debenture Unit. Accrued interest will be paid in cash.
Each Equipment Debenture Unit consist of one common share (the
“Equipment Debenture Shares”) and one common share
purchase warrant (the “Equipment Debenture Warrants”). The
Equipment Debenture Warrants are exercisable into a common
share (the “Equipment Debenture Warrant Shares”) at C\$1.00
per Equipment Warrant Share for a period of three years from the
conversion date.

(d) Other: Not applicable .

(e) Expiry date of options, warrants, etc. if any:

Equipment Debenture mature on the date that is 12 months from
closing.

Equipment Debenture Warrants are exercisable for a period of
three years from the conversion date.

(f) Exercise price of options, warrants, etc. if any:

Equipment Debenture are convertible at C\$1.00 per Debenture
Unit.

Equipment Debenture Warrants are exercisable at C\$1.00 per
Debenture Warrant Share

(g) Work commitments: Not applicable .

Consultancy Agreement

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- (h) Total aggregate consideration in Canadian dollars: N/A .
- (i) Cash: Not applicable .
- (j) Securities (including options, warrants etc.) and dollar value:
50,000 Consultant Shares and 50,000 Consultant Warrants. The Consultant Warrants are exercisable into a common share (the "Consultant Warrant Shares") at C\$1.00 per Consultant Warrant Share for a period of three years from issuance.
- (k) Other: Not applicable .
- (l) Expiry date of options, warrants, etc. if any:
Consultant Warrants are exercisable for a period of three years from issuance
- (m) Exercise price of options, warrants, etc. if any:
Consultant Warrants are exercisable at C\$1.00 per Consultant Warrant Share
- (n) Work commitments: Not applicable .

Canaccord Consultant Services

- (o) Total aggregate consideration in Canadian dollars: N/A .
- (p) Cash: Not applicable .
- (q) Securities (including options, warrants etc.) and dollar value:
200,000 Common Shares
- (r) Other: Not applicable .
- (s) Expiry date of options, warrants, etc. if any: Not applicable
- (t) Exercise price of options, warrants, etc. if any: Not applicable
- (u) Work commitments: Not applicable .

4. State how the purchase or sale price was determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc).

Arm's length negotiation

5. Provide details of any appraisal or valuation of the subject of the acquisition known to management of the Issuer: Not applicable
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6. The names of parties receiving securities of the Issuer pursuant to the acquisition and the number of securities to be issued are described as follows:

Name of Party (If not an individual, name all insiders of the Party)	Number and Type of Securities to be Issued	Dollar value per Security (CDN\$)	Conversion price (if applicable)	Prospectus Exemption	Total Securities, Previously Owned, Controlled or Directed by Party	Describe relationship to Issuer(1)
Thomas Beckert	200,000 Common Shares 587,064 Payment Units equivalent to 400,000€ (comprised of a share and warrant) 293,532 principal amount (200,000€) Convertible Debenture 220,149 principal amount (150,000€) Convertible Debenture	\$1.0	 \$1.0 \$1.0 \$1.0	Section 2.12 of NI 45-106 <i>Asset Acquisition</i>	50,000 shares	N/A
Manuel Bea	50,000 common shares 50,000 warrants	\$1.0	 \$1.0	Section 2.24 of NI 45-106 <i>Employee, executive officer, director and consultant</i>	Nil	N/A
Canaccord Genuity Corp.	200,000 common shares	\$1.0	N/A	Section 2.3 of NI 45-106 <i>Accredited Investor</i>	1,250,000 common shares 2,740,400 warrants ⁽¹⁾	N/A

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Notes:

1. Canaccord beneficially owns an aggregate of 1,250,000 common shares of the Issuer and 2,740,400 warrants of the Issuer.

(1) Indicate if Related Person

7. Details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired: The Issuer intends to rely on: (a) representations and warranties in the Agreement; (b) confirmation certificate signed by the managing directors of Vektor.
8. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the acquisition (including warrants, options, etc.): Not applicable
- (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the acquisition (name, and if a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer):
Not applicable
- (b) Cash Not applicable
- (c) Securities Not applicable
- (d) Other Not applicable
- (e) Expiry date of any options, warrants etc. Not applicable
- (f) Exercise price of any options, warrants etc. Not applicable
9. State whether the sales agent, broker or other person receiving compensation in connection with the acquisition is a Related Person or has any other relationship with the Issuer and provide details of the relationship.
Not applicable
10. If applicable, indicate whether the acquisition is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months.
Not applicable

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Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance on behalf of the Issuer.
2. As of the date hereof there is not material information concerning the Issuer which has not been publicly disclosed.
3. the Issuer has obtained the express written consent of each applicable individual to:
 - (a) the disclosure of their information to the Exchange pursuant to this Form or otherwise pursuant to this filing; and
 - (b) the collection, use and disclosure of their information by the Exchange in the manner and for the purposes described in Appendix A or as otherwise identified by the Exchange, from time to time
4. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CSE Policy 1).
5. All of the information in this Form 9 Notice of Issuance of Securities is true.

Dated September 13, 2019.

Hugh Rogers
Name of Director or Senior
Officer

"Hugh Rogers"
Signature

Chief Executive Officer
Official Capacity

Appendix A

PERSONAL INFORMATION COLLECTION POLICY REGARDING FORM 9

The Canadian Securities Exchange and its subsidiaries, affiliates, regulators and agents (collectively, “CSE or the “Exchange”) collect and use the information (which may include personal or other information) which has been provided in Form 9 for the following purposes:

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- To determine whether an individual is suitable to be associated with a Listed Issuer;
- To determine whether an issuer is suitable for listing;
- To determine whether allowing an issuer to be listed or allowing an individual to be associated with a Listed Issuer could give rise to investor protection concerns or could bring the Exchange into disrepute;
- To conduct enforcement proceedings;
- To ensure compliance with Exchange Requirements and applicable securities legislation; and
- To fulfil the Exchange’s obligation to regulate its marketplace.

The CSE also collects information, including personal information, from other sources, including but not limited to securities regulatory authorities, law enforcement and self-regulatory authorities, regulation service providers and their subsidiaries, affiliates, regulators and agents. The Exchange may disclose personal information to these entities or otherwise as provided by law and they may use it for their own investigations.

The Exchange may use third parties to process information or provide other administrative services. Any third party will be obliged to adhere to the security and confidentiality provisions set out in this policy.

All personal information provided to or collected by or on behalf of The Exchange and that is retained by The Exchange is kept in a secure environment. Only those employees who need to know the information for the purposes listed above are permitted access to the information or any summary thereof. Employees are instructed to keep the information confidential at all times.

Information about you that is retained by the Exchange and that you have identified as inaccurate or obsolete will be corrected or removed.

If you wish to consult your file or have any questions about this policy or our practices, please write the Chief Privacy Officer, Canadian Securities Exchange, 220 Bay Street – 9th Floor, Toronto, ON, M5J 2W4.