Vancouver, Canada (November 25, 2019) - XPhyto Therapeutics Corp. (CSE:XPHY; FSE:4XT) (“XPhyto” or the “Company”) is pleased to announce that the Company’s pharmaceutical grade extraction and processing laboratory (the “Lab”) at the Faculty of Pharmacy and Pharmaceutical Sciences, University of Alberta, Edmonton, Alberta (the “Faculty of Pharmacy”), is now complete and is ready for commissioning and operations.

The XPhyto team at the Faculty of Pharmacy recently took delivery of an innovative proprietary CO2 extraction unit. Notably, this equipment will operate within an ISO certified clean room designed for pharmaceutical manufacturing. The Lab is supervised by Professor Raimar Loebenberg, founder and director of the Drug Development and Innovation Centre at the University of Alberta, and director of XPhyto. Dr. Loebenberg received his PhD in pharmaceutics from Johann Wolfgang Goethe-University, Frankfurt, Germany.

“This is a major step forward for XPhyto in the development of novel pharmaceutical-grade cannabis formulations,” said Dr. Loebenberg. “Our team has already identified a number of potential opportunities that merit development and clinical study. The ability to control the cannabis extraction, isolation and formulation process in an ISO certified cleanroom is quite remarkable.”

XPhyto’s current cannabis research and development focus at the Lab is on topical treatments for inflammatory dermatology indications and oral and ingestible treatments for pain management and sleep disorders. The Company is also working on solubility solutions for both decarboxylated and acid forms of cannabinoids. Operations at the Lab will run in parallel to German operations, via its 100% owned Vektor Pharma TF GmbH, which are focused on novel thin film (oral and transdermal) drug delivery methods and innovative cannabis-based products.

“We believe the next wave of cannabis investment opportunities (3.0) will be focused on formulation, drug delivery, precision dosing, clinical validation, and European and emerging markets. With XPhyto’s pharma-grade extraction lab coming online in Canada and our cannabis import licences and EU GMP lab in Germany, we are very well positioned to take advantage of emerging trends in the rapidly evolving cannabis industry,” said Hugh Rogers, CEO of XPhyto.

In anticipation of the extraction equipment commissioning, XPhyto has engaged in discussions with multiple potential third-party collaborators seeking cannabis related contract research and development services from the Lab and the XPhyto team. This presents a new business opportunity for the Company. XPhyto invites any parties interested in cannabis medical formulation and clinical validation on a contract or partnership basis to contact the Company.

About XPhyto Therapeutics Corp.

XPhyto is a next-generation cannabis company focused on formulation, clinical validation, and European markets. XPhyto’s 100% owned German subsidiary, Bunker Pflanzenextrakte GmbH, has been granted a unique German cannabis cultivation and extraction licence for scientific purposes by the German Federal Institute for Drugs and Medical Devices (BfArM). Bunker has two exclusive R&D collaboration agreements with the Technical University of Munich, Faculty of Chemistry as well as the Chair of
Beverage and Brewing Technology. XPhyto acquired 100% of Vektor Pharma TF GmbH, a German narcotics manufacturer, importer and researcher with expertise in the design, testing and manufacture of thin film drug delivery systems, particularly transdermal patches and sub-lingual (oral) strips for the clinical management of pain. XPhyto is pursuing additional opportunities in Germany including commercial 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.

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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 derive the expected, or any, benefits from the Licence; that the Company may be unable to scale its business; product liability risks; frequent changes to cannabis regulations in Canada and internationally; 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; 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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