COVID-19 SCREENING TEST, ORAL THIN FILM BIOSENSOR PRODUCTS
AND HIGH-THROUGHPUT BIOSENSOR IDENTIFICATION PLATFORM

Vancouver, Canada (April 20, 2020) - XPhyto Therapeutics Corp. (CSE:XPHY / FSE:4XT / OTC:XPHYF) ("XPhyto" or the "Company") is pleased to announce that it has signed a definitive development, technology purchase and licence agreement (the "Agreement") with 3a-Diagnostics GmbH ("3a") for the development and commercialization of real-time, low-cost and easy-to-use oral dissolvable thin film ("ODF") screening tests for the rapid detection of infectious diseases.

3a is a research-based biotechnology company located approximately 50 kilometers Southeast of Stuttgart, Germany, specializing in the development, production and marketing of point-of-care test systems. 3a refers to their approach as "anywhere" (no power or additional equipment required), "anytime" (decentralized and rapidly deployable), and "anyone" (no specialized training required).

"Rapid low-cost screening tools allow for unprecedented identification of symptomatic and asymptomatic patients from larger populations," said Dr. Heinrich Jehle, Managing Director of 3a. "Our partnership with XPhyto has the potential to add significant value to 3a’s existing product portfolio, address a critical near-term need, COVID-19, and prepare 3a for the next pandemic threat through platform enhancement.”

The Agreement sets out the framework for multiple development and commercialization programs (the “Programs”) to be carried out between XPhyto and 3a: 1) further development and commercialization of 3a's existing product pipeline (the “Products”) which includes the use of XPhyto’s ODF platform to administer 3a's biosensors; 2) development of a high-throughput biosensor screening platform for rapid identification of new biosensor targets; and 3) development of a dissolvable oral thin film COVID-19 screening test. In consideration for funding the Programs and for share and sales-based compensation, XPhyto will retain an exclusive global licence for commercialization of all new products developed by 3a or using their development platforms and a non-exclusive global licence for the current Products in development.

Engineered using a proprietary biosensor development platform ("Platform 1.0"), 3a has developed a pipeline of peptide-based biosensor screening tests for bacterial and viral infectious diseases which include: stomatitis, periimplantitis, periodontitis, scarlet fever, and influenza. Positive detection of the causative pathogen results in enzymatic release of an extreme (but safe) bitter compound. The most advanced Product, for detection of stomatitis, is expected to be commercially available in Germany in late 2020. 3a has also designed a scalable next generation microbial-enzyme screening tool ("Platform 2.0") for high-throughput identification of biosensor targets to facilitate rapid development of new tests in response to pandemic outbreaks, such as COVID-19.

The Programs will be carried out by 3a and Vektor Pharma TF GmbH ("Vektor"), a wholly owned subsidiary of XPhyto. Vektor is a German thin film drug delivery researcher and manufacturer located approximately 140 kilometers Southeast of Stuttgart, Germany. The company and its team specialize in the design, testing and manufacture of oral and transdermal thin film systems. Vektor also holds a number of 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 and thin film manufacturing equipment.

“XPhyto and 3a-Diagnostics have recognized a natural synergy between our technologies. 3a owns a proprietary biosensor platform with multiple products in development and XPhyto’s wholly owned subsidiary, Vektor, specializes in research, development and manufacture of oral dissolvable thin film medical products. By working together, we create the opportunity to quickly develop critical new products, adapt 3a’s biosensor technology to Vektor’s dissolvable oral delivery system and carry out EU GMP manufacturing as required,” said Hugh Rogers, CEO of XPhyto.

Pursuant to the Agreement and subject to certain development milestones with respect to Platform 2.0 activities and COVID-19 evaluation work, XPhyto has committed to fund 3a’s research and development work up to 1,073,000 € over an eleven-month period. XPhyto has committed to fund the adaption of 3a’s biosensor Products to Vektor’s ODF platform up to a total of 250,000 € over approximately five months.

Also pursuant to the Agreement, XPhyto will issue 50,000 common shares to 3a immediately and 200,000 common shares upon achieving certain COVID-19 development milestones. An additional 250,000 common shares will be issued to 3a upon achieving 25M € in gross sales within 24 months. 3a will retain a 5% royalty on net sales of all products sold by XPhyto.

Shares issued pursuant to the Agreement will be subject to a statutory four month hold period.

**About XPhyto Therapeutics Corp.**

XPhyto is a next-generation cannabis 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 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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