



XPHYTO THERAPEUTICS SIGNS TERM SHEET FOR GERMAN CANNABIS DISTRIBUTION

Vancouver, Canada (November 04, 2019) - XPhyto Therapeutics Corp. (CSE:XPHY; FSE:4XT) (“XPhyto” or the “Company”) is pleased to announce that it has signed a term sheet (the “Term Sheet”) with a major cannabis grower and processor (the “Supplier”) for exclusive distribution of EU GMP flower, extracts, isolates, and crystallites in Germany. The supplier is a major international grower and extractor in the process of EU GMP certification of its facilities and with scalable production in excess of 100,000 hectares which includes, indoor medical-grade hydroponic high-THC flower and outdoor high and low-THC cannabis strains for extraction purposes.

Through its wholly owned German subsidiary, Vektor Pharma TF GmbH, XPhyto holds a number of German narcotics permits, including a commercial cannabis import licence. The Company intends to import and distribute cannabis flower, isolates and derivative products in Germany and the EU beginning in Q1 2020. XPhyto has engaged with and carried out due diligence on a number of potential suppliers over the past six months. Following this process, we are pleased to report that the current anticipated supplier has demonstrated an industry-leading commitment to quality and consistency of product.

“In our experience, quality and consistency is absolutely necessary for the German cannabis market, the largest medical cannabis market in the world,” said Hugh Rogers, CEO of XPhyto Therapeutics Corp. “We look forward to proceeding to a multi-year engagement to bring medical-grade cannabis products to Germany. This is a significant part of our focus on near-term cashflow opportunities.”

The Company also holds a unique German cannabis cultivation and extraction licence for scientific purposes through its 100% owned subsidiary BUNKER Pflanzenextrakte GmbH. XPhyto and Bunker have designed the cultivation and extraction facility to incorporate cannabis processing, packaging, storage and distribution capability.

About XPhyto Therapeutics Corp.

XPhyto is a next-generation cannabis company focused on formulation, clinical validation, and emerging 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.

Neither the CSE nor its Market Regulator (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this news release.