



## **XPHYTO THERAPEUTICS ANNOUNCES CLOSING OF FULLY SUBSCRIBED PRIVATE PLACEMENT OF CONVERTIBLE DEBENTURE UNITS**

**Vancouver, Canada (January 31, 2020) - XPhyto Therapeutics Corp. (CSE:XPHY; FSE:4XT) ("XPhyto" or the "Company")** is pleased to announce today that it has closed the sale of 2,000 convertible debenture units ("**Debenture Units**") for gross proceeds of \$2,000,000 pursuant to a non-brokered private placement (the "**Offering**") of Debenture Units. Each Debenture Unit consists of: (i) \$1,000 principal amount of 8.0% unsecured convertible debentures (the "**Debentures**") and (ii) 1,000 common share purchase warrants (each a "**Warrant**").

The Debentures bear interest from their issue date at 8.0% per annum, calculated and payable semi-annually and mature two years following the date of issuance (the "**Maturity Date**"). The Debentures are convertible at the option of the holder into common shares of the Company (the "**Common Shares**") at any time prior to the Maturity Date at a conversion price of \$1.00 per Common Share (the "**Conversion Price**"). Conversion of the Debentures may be forced in part or in whole at the option of the Company if the 15-day volume weighted average price of the Common Shares on the Canadian Securities Exchange exceeds \$2.50 per share.

Each Warrant is exercisable to acquire one Common Share (a "**Warrant Share**") at an exercise price of \$1.50 per Warrant Share until January 31, 2022.

In connection with the Offering, the Company paid a cash fee of \$120,000 and issued 120,000 finder warrants (the "**Finder's Warrants**") to Canaccord Genuity Corp. Each Finder's Warrant entitles the holder thereof to purchase one Common Share at an exercise price of \$1.00 until January 31, 2022.

The Company has also issued an aggregate of 500,000 warrants (the "**Consideration Warrants**") to PharmaCielo Ltd. as consideration for the strategic partnership and supply agreement dated January 13, 2020, as previously announced on January 27, 2020. Each Consideration Warrant is exercisable to acquire one Common Share at an exercise price of \$2.00 for a period of two years following the date of issuance.

The Debentures and the Warrants comprising each Debenture Unit, the Finder's Warrants, the Consideration Warrants and any Common Shares issuable upon conversion or exercise thereof, are subject to a statutory four month and one day hold period until June 1, 2020.

The Company intends to use the net proceeds from the Offering to facilitate European imports by way of expanded EU GMP lab processing and storage capacity, regulatory compliance, inventory purchase and product development, manufacturing, and distribution as well as general working capital purposes.



### **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.

### **For further information, please contact:**

Hugh Rogers  
CEO & Director  
+1.780.818.6422  
[info@xphyto.com](mailto:info@xphyto.com)  
[www.xphyto.com](http://www.xphyto.com)

*Some of the statements contained in this press release are forward-looking statements and information within the meaning of applicable securities laws. Forward-looking statements and information can be identified by the use of words such as "expects", "intends", "is expected", "potential", "suggests" or variations of such words or phrases, or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements and information are not historical facts and are subject to a number of risks and uncertainties beyond the Company's control. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this news release. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, except as may be required by 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.*