

XPhyto provides progress update on Psychedelic Medicine Programs and Novel Compounds Milestone

Vancouver, Canada, and Uttenweiler, Germany (February 22, 2022) - XPhyto Therapeutics Corp. (CSE:XPHY / OTC:XPHYF / FSE:4XT) (“XPhyto” or the “Company”) is pleased to provide an update on its wholly owned subsidiary XPhyto Laboratories Inc. (“XPhyto Labs”). XPhyto Labs’ psychedelic medicine programs based in Edmonton, Canada, are focused on a multi-pronged approach to psychedelic medicine including GMP drug synthesis, proprietary drug delivery systems, novel psychedelic analogue engineering, and clinical validation.

Psychedelic Medicine - Canada

Through its exclusive contract R&D collaboration with Applied Pharmaceutical Innovation (“Applied”), first announced on February 3, 2021, XPhyto Labs is pursuing the application of psychedelic compounds as impactful solutions to mental health-related conditions.

Based on a systematic literature review, the Company identified mescaline (3,4,5-trimethoxyphenethylamine) as a promising candidate for the treatment of a broad range of mental disease states such as depression, anxiety, PTSD, and addiction, as well as cluster headaches. XPhyto and Applied developed a repeatable two-step reaction process with a yield greater than 60% and purity exceeding 99%, which is ideal for clinical use. Analytical methods were developed and validated and to date approximately 60 g of GMP grade mescaline has been manufactured for clinical trial evaluation.

With respect to mescaline drug delivery, XPhyto is focused on formulations designed to avoid common negative side-effects and provide precise and predictable dosage forms for clinical use. Mescaline is a naturally occurring psychedelic compound found in certain cacti, most notably peyote, San Pedro, and Peruvian Torch. These cacti are typically consumed via ingestion which has been associated with gastrointestinal discomfort, nausea, and a lack of dosing predictability. The Company is pursuing a novel drug delivery system designed to prevent these common negative side-effects and complications; however, due to sensitivity related to intellectual property, further details cannot be disclosed at this time. The Company will announce further details in due course.

In addition to GMP mescaline synthesis and drug delivery, the Canadian operations are also focused on the design and synthesis of novel “2nd generation” psychedelic analogues. The Company has successfully developed and manufactured two promising novel compounds with properties designed to increase bioavailability. Intellectual property related information will be disclosed in due course.

XPhyto and Applied are developing a mescaline clinical trial strategy and are currently in the planning process for a robust Phase I clinical trial to commence in late 2022 to evaluate the safety and dosing parameters for mescaline-based treatment employing a proprietary drug delivery system. Details will be provided as decisions are finalized over the coming months.

“We see a lot of potential therapeutic value in psychedelic compounds for their ability to positively influence neural networks through growth and reorganization,” said Prof. Dr. Löbenberg, XPhyto director and founder and director of the Drug Development and Innovation Centre, University of Alberta. “Our focus is to develop production methodology for GMP manufacturing, proprietary drug formulations with precise, predictable and efficient API delivery for clinical investigation and therapeutic use of novel next-generation psychedelic compounds.”

Psychedelic Medicine - Germany

In addition to operations in Canada and in collaboration with a major German university, the Company is pursuing the development of industrial scale production methodology for GMP psilocybin through an advanced biosynthesis process focused on the insertion of genes from the psilocybin mushroom into certain bio-organisms. Gene insertion is complete and the micro-organisms are now producing psilocybin. The Company will announce further details in due course.

About XPhyto Therapeutics Corp.

XPhyto Therapeutics Corp. is a diversified bioscience accelerator focused on next-generation drug delivery, diagnostic, and new active pharmaceutical ingredient investment opportunities, including: precision transdermal and oral dissolvable drug formulations; rapid, low-cost infectious disease and oral health screening tests; and standardization of emerging active pharmaceutical ingredients for neurological applications, including psychedelic compounds and cannabinoids. The Company has research and development operations in North America and Europe, with an operational focus in Germany, and is currently focused on regulatory approval and commercialization of medical products for European markets.

XPhyto Therapeutics Corp.

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Forward looking statements

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