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XPhyto Therapeutics Announces Closing of First Tranche of Non-Brokered Private Placement

VANCOUVER, BC – August 2, 2022 - XPhyto Therapeutics Corp. (“**XPhyto**” or the “**Company**”) (CSE: XPHY) is pleased to announce that the Company has closed the first tranche of its previously announced non-brokered private placement in the amount of 2,810,000 units of the Company (the “**Units**”) at a price of \$0.36 per Unit for gross proceeds of \$1,011,600 (the “**Tranche**”). The total placement size, cumulative of all tranches, is anticipated to be a maximum of 10,000,000 Units issued for gross maximum proceeds of \$3,600,000 (the “**Private Placement**”). The Company intends to close the second tranche of its Private Placement in the near future.

Each Unit consists of one common share in the capital of the Company (a “**Common Share**”) and one-half of one Common Share purchase Warrant (each whole warrant, a “**Warrant**”). Each Warrant will entitle the holder to acquire one Common Share (a “**Warrant Share**”) at an exercise price of \$0.50 per Warrant Share for a period of 24 months from the date of issuance. For additional details related to the Private Placement, please see the Company’s news release dated July 22, 2022.

In connection with closing of the Tranche, the Company paid cash finder’s fees in the amount of \$80,928 and issued a total of 224,800 finder’s warrants (the “**Finder’s Warrants**”) to an eligible finder. The Finder’s Warrants are non-transferable common share purchase warrants exercisable for one Common Share at a price of \$0.50 per Common Share for a period of 24 months from the date of issuance.

All securities issued or issuable in connection with closing of the Private Placement, including those issued pursuant to this Tranche, will be subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation.

The securities referred to in this news release have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption from the U.S. registration requirements. This news release does not constitute an offer for sale of securities for sale, nor a solicitation for offers to buy any securities.

About XPhyto Therapeutics Corp.

XPhyto Therapeutics Corp. is a 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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Cautionary Statement Regarding “Forward-Looking” Information

This release includes certain statements that may be deemed "forward-looking statements". All statements in this release, other than statements of historical facts, that address events or developments that the Company expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Forward-looking information in this release includes the anticipated completion of additional tranches of the Private Placement. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include regulatory actions, market prices, and continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. Except as required by applicable securities laws, the Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.