

Form 51-102F3
Material Change Report

1. Name and Address of Company

XPhyto Therapeutics Corp.
Suite 270 – 1820 Fir Street
Vancouver, BC, V6J 3B1

2. Dates of Material Change(s)

August 31, 2022

3. News Release(s)

The news release dated August 31, 2022, was disseminated via Accesswire.

4. Summaries of Material Changes

The Company announced the closing of the second tranche of its private placement and a settlement of debt transaction.

5. Full Description of Material Changes

5.1 Full Description of Material Change

See attached news release.

5.2 Disclosure for Restructuring Transactions

Not applicable.

6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

Hugh Rogers, CEO – 780-818-6422

9. Date of Report

August 31, 2022

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DISSEMINATION IN THE UNITED STATES**

XPhyto Closes Second Tranche of Financing

Vancouver, Canada – August 31, 2022 - XPhyto Therapeutics Corp. (CSE:XPHY / OTC:XPHYF / FSE:4XT) (“**XPhyto**” or the “**Company**”) is pleased to announce that further to its news releases of July 22, 2022, and August 2, 2022, it has closed the second tranche of its private placement in the amount of 5,000,000 units of the Company (the “**Units**”) at a price of \$0.36 per Unit for total gross proceeds of \$1,800,000. Each Unit consists of one common share of the Company and one-half of one share purchase warrant, each whole warrant exercisable into one additional common share of the Company at a price of \$0.50 per share for a period of two years from the date of issue.

The Company paid \$144,000 and issued 400,000 share purchase warrants in finder’s fees with respect to the placement. Each finder’s warrant is exercisable into one common share at a price of \$0.50 per share for a period of two years from the date of issue.

All securities issued under the placement are subject to a regulatory hold period expiring four months from the date of issue.

The Company will use net proceeds of the placement to fund its research, development and commercialization activities and for general working capital.

The securities referred to above 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.

The Company also announces that it has agreed to issue 442,839 common shares at a deemed price of \$0.465 per common share to settle an aggregate €156,000 of debt with an arm’s length third party (the “**Transaction**”). The Company determined to satisfy this outstanding indebtedness with shares in order to preserve its cash for operations. All securities issued pursuant to the Transaction are subject to a regulatory hold period expiring four months from date of issue.

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.
Hugh Rogers, CEO and Director

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 a successful diagnostic, drug delivery, and 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 a commercial product; that the sale of products may not be a viable business; that the Company may be unable to scale its business; product liability risks; product regulatory risk; 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.

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.