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XPhyto Closes Final Tranche of Fully Subscribed Financing

Vancouver, Canada – September 2, 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, August 2, 2022 and August 30, 2022, it has closed the final tranche of its private placement in the amount of 2,190,000 units of the Company (the “**Units**”) at a price of \$0.36 per Unit for total gross proceeds of \$788,400. 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 \$63,072 and issued 175,200 share purchase warrants in finder’s fees with respect to the placement. Each finder’s warrant is exercisable into one common share of the Company 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 \$3,600,000 financing 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.

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.