



EPILEPSY TREATMENT TO BE DEVELOPED WITH XPHYTO THERAPEUTICS' ORAL THIN FILM DELIVERY SYSTEM

Vancouver, Canada (December 9, 2019) - XPhyto Therapeutics Corp. (CSE:XPHY; FSE:4XT) ("XPhyto" or the "Company") is pleased to announce that the development of Epilepsy treatment products using its proprietary oral thin film delivery system will be a priority initiative for 2020. The Company is focusing on generic cannabidiol-based dissolvable oral wafers for the treatment of severe childhood forms of Epilepsy, specifically Dravet syndrome ("Dravet") and Lennox-Gastaut syndrome ("LGS").

Current FDA/EMA-approved cannabidiol-based treatment for Dravet and LGS is founded on a plant extract oil containing 100mg of cannabidiol (CBD) per milliliter. Based on initial dissolution testing using XPhyto's proprietary thin film drug delivery system, previously announced on November 11, 2019, the Company's oral delivery system may yield as much as a 10-20x increase in bioavailability of CBD over existing oil delivery methods.

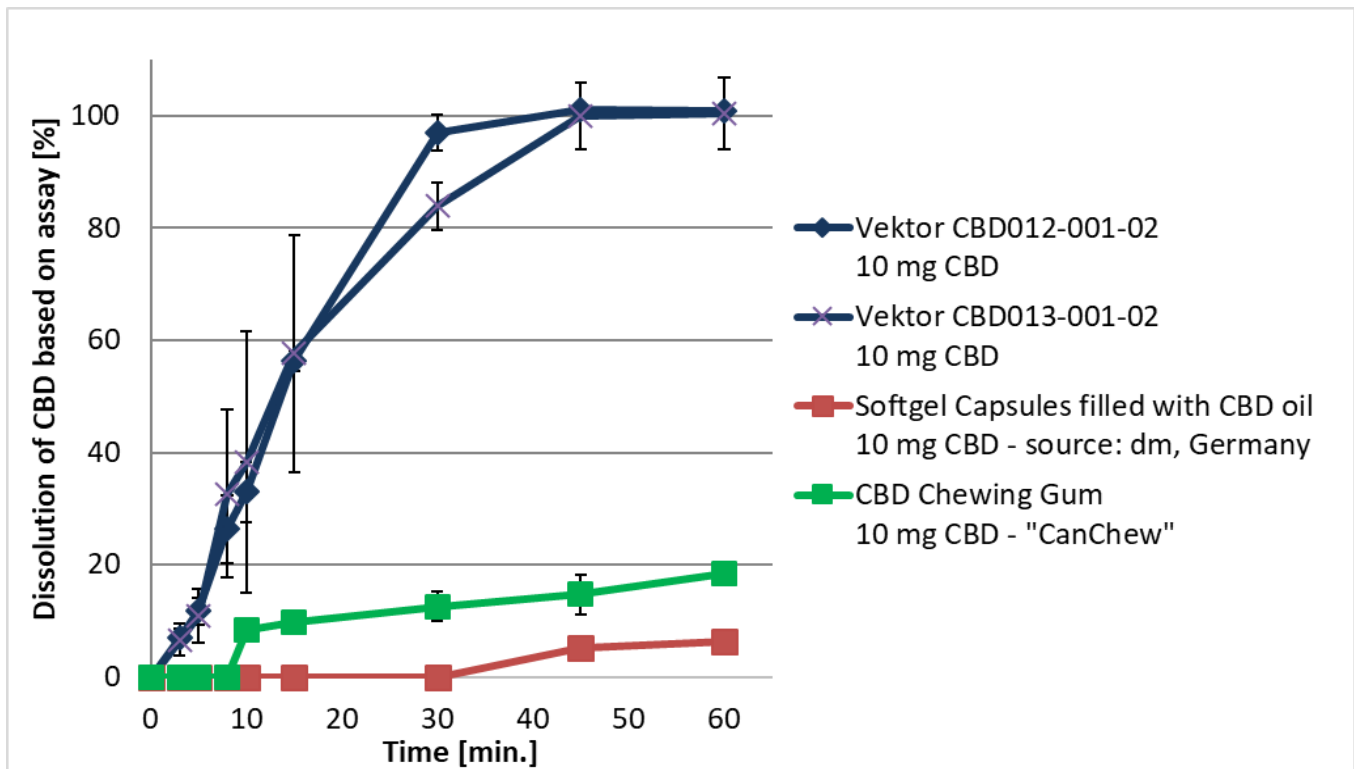


Figure 1. XPhyto results showing significantly improved dissolution properties of Vektor's CBD formulations and oral delivery system vs softgel capsules and chewing gum.

"XPhyto believes that an efficient and well-defined dosage form is the future of cannabis-based medicine. High bioavailability with controlled and reproducible delivery is critical," said Hugh Rogers, CEO of XPhyto. "Our initial results suggest significant potential timing and efficiency advantages over conventional delivery methods."



XPhyto's thin film drug delivery system was developed by its wholly owned German subsidiary, Vektor Pharma TF GmbH ("Vektor"). Vektor is a narcotics manufacturer, importer, and researcher located near Munich, Germany. Vektor's previous development work has included narcotics delivery systems for conventional oncology and non-oncology pain treatment, such as Fentanyl, Hydromorphone, and Oxycodone, and more recently, the development of efficient cannabis delivery and dosage systems.

Oral thin film drug delivery is a large and growing international industry which provides an alternative to conventional solid and liquid oral dosage forms. Transparency Market Research estimates that the global market for thin film drug manufacturing will be worth US\$15.984 billion by 2024 and rising at a solid 9.0% CAGR between 2019 and 2024.

About XPhyto Therapeutics Corp.

XPhyto is a next-generation cannabis company focused on formulation, clinical validation, and emerging European markets. XPhyto's 100% owned German subsidiary, Bunker Pflanzenextrakte GmbH, has been granted a unique German cannabis cultivation and extraction licence for scientific purposes by the German Federal Institute for Drugs and Medical Devices (BfArM). Bunker has two exclusive R&D collaboration agreements with the Technical University of Munich, Faculty of Chemistry as well as the Chair of Beverage and Brewing Technology. XPhyto acquired 100% of Vektor Pharma TF GmbH, a German narcotics manufacturer, importer and researcher with expertise in the design, testing and manufacture of thin film drug delivery systems, particularly transdermal patches and sub-lingual (oral) strips for the clinical management of pain. XPhyto is pursuing additional opportunities in Germany including commercial 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.

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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 an industry leading 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 derive the expected, or any, benefits from the Licence; that the Company may be unable to scale its business; research and development results may not be positive; product liability risks; frequent changes to cannabis regulations in Canada and internationally; 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; 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.

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