XPhyto Provides Progress Report on Mescaline Program for Psychedelic Therapies

- Research and development lab set up, preliminary mescaline synthesis complete
- Modified synthesis process developed, mescaline batches manufactured
- Development of analytical methods and validation, GMP standard operating procedures and manufacturing scale-up underway

Vancouver, Canada (June 08, 2021) - XPhyto Therapeutics Corp. (CSE:XPHY / OTC:XPHYF / FSE:4XT) ("XPhyto" or the "Company") is pleased to announce that its GMP mescaline synthesis program is on schedule with the completion of initial production batches. The industrial scale manufacture of pharmaceutical grade psychedelic compounds, including mescaline and psilocybin, is an important part of XPhyto's psychedelic medicine program and will provide a foundation for its drug formulation and clinical validation work.

Since launching its mescaline synthesis program in early 2021, XPhyto is pleased to be on schedule having completed lab set up, preliminary synthesis, modified synthesis, and initial batch production. The Company is currently focused on the scale up of production capability and the development of analytical methods and validation. Development of standard operating procedures (SOP) for GMP certification of the synthesis process is also underway.

"With both its North American GMP mescaline synthesis program and German-based psilocybin biotechnology production underway, the first stage of XPhyto's psychedelic medicine program is progressing on schedule. As the manufacturing programs advance, we look forward to focusing our expertise on psychedelic drug formulation," said Hugh Rogers, CEO & Director. "We see a significant market opportunity in the production of pharmaceutical grade psychedelics followed by the standardization of dosage formulations with precise, predictable and efficient drug delivery for clinical study and therapeutic use."

Psychedelic compounds have emerged as a new class of drugs with the potential to improve the treatment of mental health related medical conditions such as depression, anxiety, addiction, and trauma-related stress disorder. Mescaline (3,4,5-trimethoxyphenethylamine) is a naturally occurring psychedelic compound found in certain cacti, such as peyote, and as recently reported in the publication ACS Pharmacology and Translational Science, naturalistic use of mescaline is associated with self-reported psychiatric improvements and enduring positive life changes. Of the respondents reporting histories of depression, anxiety, post-traumatic stress disorder (PTSD), and alcohol and drug use disorders

(AUD and DUD), most (68–86%) reported subjective improvement following their most memorable mescaline experience. [i]

Further to the Company's press release dated February 3, 2021, its GMP mescaline production program is carried out under contract by Applied Pharmaceutical Innovations ("API"), a not-for-profit institution at the University of Alberta created to support translational drug development for industry and innovators. All intellectual property is retained by XPhyto.

On November 3, 2020, the Company announced an agreement with a leading German university for the exclusive development of a proprietary biotechnology process for the industrial manufacture of pharmaceutical grade psilocybin.

The Company will provide further information and updates in due course.

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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[i] ACS Pharmacol. Transl. Sci. 2021, 4, 2, 543–552