XPhyto Therapeutics Closes Private Placements for Gross Proceeds of $7,000,0000

written by Raj Shah | November 27, 2021

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November 26, 2021 (Source) – XPhyto Therapeutics Corp. ("**XPhyto**" or the "**Company**") (CSE:XPHY)(OTCQB:XPHYF)(FSE:4XT) is pleased to announce that further to its news release dated November 3, 2021, it has now closed its $1.00 common share non-brokered private placement (the "**Equity Offering**"), as well as its previously announced non-brokered convertible debenture unit offering (the "**Debenture Offering**").

The Equity Offering resulted in the distribution of 4,500,000 common shares of the Company (a "**Share**") for gross aggregate proceeds of $4,500,000. The Debenture Offering resulted in gross aggregate proceeds of $2,500,000 through the issuance of $2,500,000 in principal, convertible into Shares at a conversion price of $1.25 per Share, and 2,000,000 Share purchase warrants, exercisable into Shares at an exercise price of $1.50 for a period of 2 years.

The Debenture will mature and be repayable on the date that is 2 years from the closing date, and bear interest at a rate of 8% per annum until maturity, which will be calculated and payable semi-annually on the last day of June and December in each year. The terms of the Debentures further provide that the Company may from time to time, at the Company's option, prepay all or part of the principal amount plus accrued and unpaid interest without penalty or bonus. Conversion of the Debentures may be forced at

the option of the Company if the 15-day volume weighted average price of the Shares on the Canadian Securities Exchange exceeds 250% per share of the exercise price.

In consideration for the services of an eligible finder who introduced subscribers to the Company for the completion of the Equity Offering, the Company issued 360,000 common share purchase warrants, exercisable at $1.11 into common shares of the Company for a period of 24 months from closing, and paid cash commissions aggregating $360,000 to such finders. The eligible finder that introduced the subscriber to the Company for purpose of completing the Debenture offering received 160,000 common share purchase warrants, exercisable at $1.25 into common shares of the Company for a period of 24 months from closing, and were paid $200,000 in cash commission.

The CFO of the Company (the "**Insider**") participated in the Equity Offering by purchasing a total of 25,000 Shares. The Issuance of the securities to the Insider pursuant to the Equity Offering is considered to be a "related party transaction" subject to Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). The Company intends to rely on exemptions from the formal valuation and minority shareholder approval requirements provided under sections 5.5(a) and 5.7(a) of MI 61-101 as neither the fair market value (as determined under MI 61-101) of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involves interested parties, exceeded 25% of the Company's market capitalization.

The Company intends to use the proceeds from each of these private placements to complete its previously announced acquisition of 3a-diagnostics GmbH, as well as for corporate development and general working capital purposes. For further information related to the acquisition of 3a-diagnostics GmbH,

please see the Company's news release dated November 3, 2021.

All securities issued or issuable in connection with closing of the Equity Offering and the Debenture Offering 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, expiring March 26, 2022.

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"
Hugh Rogers, CEO and Director

Investor Inquiries:
Mr. Knox Henderson
T: 604-551-2360
E: info@xphyto.com

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 use of funds for the Offering, including the completion of the acquisition of 3a-diagnostics GmbH, on the terms proposed or otherwise. 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.

SOURCE: XPhyto Therapeutics Corp.