

FOR IMMEDIATE RELEASE



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NEWS RELEASE

LATTICE BIOLOGICS CLOSES FIRST TRANCHE OF PRIVATE PLACEMENT ANNOUNCED ON SEPTEMBER 13, 2016

Investors contribute US\$100K to support the Company's entry into the amnion market
just two days after the announcement of this funding raise

NOT FOR DISSEMINATION IN THE US OR THROUGH US NEWSWIRE SERVICES

September 15, 2016 - Scottsdale, AZ - Lattice Biologics Ltd. ([TSX-V: LBL](#)) ([OTCBB: BLVKF](#)) ("**Lattice Biologics**" or the "**Company**") is pleased to announce that it has closed the first tranche of the non-brokered private placement of Units of the Company (the "**Units**") announced on [September 13, 2016](#) (the "**Offering**").

The Company issued 647,250 Units at a price of Can\$0.20 per Unit, representing aggregate gross proceeds of US\$100,000.

Each "**Unit**" consists of one common share in the capital stock of the Company and one-half of one non-transferable common share purchase warrant of the Company (a "**Warrant**"). Each whole Warrant is exercisable into an additional common share at a price of Can\$0.265 per share for a period of 36 months from the date of closing of the Offering.

The common shares to be issued, and any common shares issuable upon exercise of the Warrants will be subject to a hold period expiring on January 16, 2017.

Lattice Biologics has received conditional approval for the Offering from the TSX Venture Exchange ("**TSXV**").

The net proceeds from the Offering will be used for general working capital, including funds to acquire amnion donors to begin production of Lattice Biologics' newly developed amniotic fluid for regenerative use. Lattice Biologics plans to launch its new regenerative amniotic fluid product later this year in response to the United States' US\$2.8 billion addressable market that is currently growing and unsatisfied.

Conversion of Debt to Equity:

The Company also announced that it has filed early warning reports in respect of the shares issued to Guy Cook and Cheryl Farmer pursuant to the conversion of Can\$1,799,316 of debt to equity announced on [March 2, 2016](#) and [September 13, 2016](#). The early warning reports have been filed on [SEDAR](#) under the Company's issuer profile. To obtain a copy of the reports, please contact Guy Cook at (480) 563-0800 or refer to SEDAR.

Lattice Biologics Ltd.

Guy Cook,
Chief Executive Officer
Telephone No: (480) 563-0800

About Lattice Biologics Ltd.:

Lattice Biologics recently completed its RTO, becoming a publically traded company on January 4, 2016 and is traded on the TSX-V under the symbol: LBL. The Company is an emerging personalized/precision medicine leader in the field of cellular therapies and tissue engineering, with a focus on bone, skin, and cartilage regeneration.

Lattice Biologics develops and manufactures biologic products to domestic and international markets. Lattice's products are used in a variety of surgical applications.

Lattice Biologics maintains its headquarters, laboratory and manufacturing facilities in Scottsdale, Arizona as well as offices in Toronto Ontario. The facility includes ISO Class 1000 and ISO Class 100 clean rooms, and specialized equipment capable of crafting traditional allografts and precision specialty allografts for various clinical applications. The Lattice Biologics team includes highly trained tissue bank specialists, surgical technicians, certified sterile processing and distribution technicians, and CNC operators who maintain the highest standards of aseptic technique throughout each step of the manufacturing process. From donor acceptance to the final packaging and distribution of finished allografts, Lattice is committed to maintaining the highest standards of allograft quality, innovation, and customer satisfaction.

Lattice Biologics maintains all necessary licensures to process and sell its tissue engineered products within the U.S. and internationally. This includes Certificates to Foreign Governments from the U.S. Food and Drug Administration (FDA) and registrations for 29 countries, which allow the export of bone, tendon, meniscus, ligament, soft tissue, and cartilage products outside of the U.S.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Statement on Forward-Looking Information:

Certain information contained in this news release constitutes “forward-looking statements” within the meaning of the ‘safe harbour’ provisions of Canadian securities laws. All statements herein, other than statements of historical fact, are to be considered forward looking. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “potential”, “future”, “expected”, “could”, “possible”, “goal”, “intends”, “will” or similar expressions. Forward-looking statements in this news release include, without limitation: information pertaining to the Company’s strategy, plans, or future financial performance, such as statements with respect to the Offering and the use of proceeds, future revenues or products, and other statements that express management’s expectations or estimates of future performance. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Lattice to be materially different from those expressed or implied by such forward-looking statements.

Forward-looking statements are necessarily based upon a number of factors and assumptions that, while considered reasonable by management as of the date such statements are made, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The factors and assumptions that could prove to be incorrect, include, but are not limited to: that market prices will be consistent with expectations, the continued availability of capital and financing, and that general economic, market and business conditions will be consistent with expectations. The forward-looking statements are not guarantees of future performance. We disclaim any obligation to update or revise any forward-looking statements, except as required by law. Readers are cautioned not to put undue reliance on these forward-looking statements.

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