

FOR IMMEDIATE RELEASE



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NEWS RELEASE

LATTICE BIOLOGICS COMPLETES \$500K PRIVATE PLACEMENT ANNOUNCED ON JUNE 28, 2016

New funding to help meet expected rise in demand for the Company's products

NOT FOR DISSEMINATION IN THE US OR THROUGH US NEWSWIRE SERVICES

August 08, 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 second and final tranche of the partially brokered private placement of Units of the Company (the "**Units**") announced on June 28, 2016 (the "**Offering**").

The Company issued 1,602,725 Units at a price of Can\$0.20 per Unit, representing aggregate gross proceeds of US\$243,501. This completes the private placement which includes gross proceeds of US\$500,000.

The net proceeds from the Offering will be used for working capital to meet the expected rise in demand for products after receiving vendor approval at two major hospital groups (announced on [June 9, 2016](#) and [June 20, 2016](#)) and preferred vendor status with the VA Hospitals (announced on [August 1, 2016](#)), as well as to meet the Company's short-term debt obligations.

Each "Unit" consists of one common share in the capital stock of the Company (a "**Unit Share**") 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\$0.20 per share for a period of 36 months from the date of closing of the Offering. The Company has the right to increase the size of the Offering without providing further notice to subscribers.

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 December 9, 2016. Lattice Biologics has received conditional approval from the TSX Venture Exchange ("TSXV") for the Offering.

Shares for Services:

At this time, the Company also announced its intention to issue shares to two individuals in exchange for the provision of certain services (the "Services").

The Company has entered into two agreements (the "Agreements"), pursuant to which the Company will have the option to issue common shares of the Company as payment for the Services (the "Shares").

In addition to the Shares being issued as compensation, one of the Agreements provides the Company with the option to issue Shares as payment for certain bonus payments equal to a maximum of US\$480,000 per year (the "Bonus Shares").

The number of Shares to be issued shall be determined by using the volume weighted average price of the Company's common shares on the TSXV for the five business days prior to the date of issuance.

The Shares may be issued in installments until such Agreements are amended or terminated in accordance with the provisions of the Agreements. The Shares and Bonus Shares will be subject to a four-month resale restriction.

The provisions of the Agreements are subject to approval by the TSXV and to compliance with all applicable regulatory requirements.

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, 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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