

## FOR IMMEDIATE RELEASE

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### NEWS RELEASE

## LATTICE BIOLOGICS ANNOUNCES NEW PRIVATE PLACEMENT AND ELIMINATES CAN\$1.8 MILLION IN DEBT

**New funding raise of up to US\$750,000 to procure amnion tissue for new regenerative  
medicine biologic expected to create significant revenue next year**

NOT FOR DISSEMINATION IN THE US OR THROUGH US NEWSWIRE SERVICES

**September 13, 2016 - Scottsdale, AZ - Lattice Biologics Ltd.** ([TSX-V: LBL](#)) ([OTCBB: BLVKF](#)) ("**Lattice Biologics**" or the "**Company**") is pleased to announce a private placement of Units of the Company (the "**Units**") at a price of Can\$0.20 per Unit, for gross proceeds of up to US\$750,000 (the "**Offering**"). 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\$0.265 per share for a period of 36 months from the date of closing of the Offering.

The 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 a large and growing market that is currently unsatisfied. The product is a novel, targeted regenerative therapeutic aimed at osteoarthritis (OA), spine, neuro, plastic surgery, sports medicine, and foot and ankle indications. Bolstered by strong efficacy and safety data, this new product line will serve a US\$2.8 billion addressable market in the United States and is projected to represent a significant increase in Lattice Biologics' annual revenue in 2017.

The infusion of funds will also strengthen the Company's ability to complete strategic Mergers and Acquisitions (M&A). Management continues to investigate select M&A opportunities based on their potential to increase market share, improve technology and innovations, or expand the Company's high-margin product offerings. Lattice Biologics has identified a promising biotech start-up for acquisition, which --if the transaction is completed-- will come with important controlling and blocking patents that will provide a unique advantage and power the Company's entry into the amnion market.

*"Our team is thrilled to unveil a new regenerative amniotic fluid line for a wide variety of applications," said Guy Cook, Lattice Biologics CEO. "The new funding will allow us to support physicians in providing their patients with an efficient regenerative medicine solution. We have given great thought to the 27 million individuals suffering from OA pain, as well as many others who can benefit from treatment, while developing this product and we can't wait to start delivering results."*

The Offering is subject to TSX Venture Exchange ("**TSXV**") acceptance.

This is the latest development in the Company's ongoing forward momentum. The Offering closely follows Lattice Biologics' fourth announcement as an approved vendor with a major healthcare services organization. The approval (announced [September 6, 2016](#)) with a US\$15 billion integrated health system includes 39 hospitals and more than 400 care centers across California, Arizona, and Nevada.

#### **Conversion of Debt to Equity:**

The Company is also pleased to announce that it has obtained TSXV approval to issue 8,568,171 common shares of the Company to settle outstanding debt in the amount of Can\$1,799,316.12.

Can\$1,301,669.64 in debt held by Guy Cook and Can\$497,646.48 in debt held by Cheryl Farmer has been converted to equity at a price of Can\$0.21 per share and the debt has now been extinguished.

The conversion of debt to equity was previously announced by the Company on [March 2, 2016](#).

Lattice Biologics Ltd.

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

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#### **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.

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*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, 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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