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NEWS RELEASE

GIVING SURGEONS WHAT THEY WANT: 7 NEW PRODUCTS FROM LATTICE BIOLOGICS

**New bone, dermal, and putty allografts designed with surgeon feedback to promote
regeneration for a variety of surgical indications**

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August 4, 2016 - Scottsdale, AZ - Lattice Biologics Ltd. ([TSX-V: LBL](#)) ([OTCBB: BLVKF](#)) (the "Company") announced today 7 new biologic products as part of our ongoing commitment to deliver the highest quality innovative regenerative medicine solutions. These products have been developed by our Research and Development team in concert with valuable feedback from Lattice Biologics' Scientific Advisory Board (SAB) members and surgeon partners.

These novel allografts reflect the Company's continued efforts to refine and expand its product offering to meet the industry's changing needs with advanced technology. Through the highest processing methods and modern solutions to today's surgical challenges, these products embody the Company's mission "to honor the gift of tissue donation by adhering to the highest standards in safety, service, and quality."

"This is a great product. We are very satisfied with its performance." - Plastic Surgeon in Pittsburgh, PA in regards to using new Lattice Biologics products.

"We are very proud of our development team and their extremely fast turnaround time for these new products, which represent surgeon feedback based on countless hours in the operating room, managing some of the most complex cases," commented CEO, Guy Cook. *"They have been developed to be responsive to the unique challenges of common indications and deliver improved results."*

"The unique shapes and sizing of these products," continued Cook, "helps speed the surgery process, which reduces the amount of time patients are under anesthesia and the potential for complications. Our R&D team has also improved the handling properties of several allografts to achieve a new industry standard in response to surgeon requests."

PRODUCTS:

Schulman Cortical Bone Pins Cortical Bone Allograft
Indications: Intended for a variety of applications, including: small joint fusions for the hand and foot; first metatarsophalangeal joint fusions of the foot; tarsometatarsal joint fusions of the foot (including repositional arthrodesis first metatarsal-cunieform joint (lapidus bunionectomy) and charcot reconstruction); metatarsal osteotomies: Austin Bunionectomy, Scarf Bunionectomy, and Weil Lesser Metatarsal Osteotomies and Taylor's Bunionectomy with Osteotomy; Akin Osteotomy (Hallux Phalangeal Osteotomy); subtalar joint, talonavicular joint and calcaneonavicular joint fusions (triple arthrodesis); revision arthrodesis (fusion); sternal closure assist; and proximal tibial osteotomies.
Sizes (Dia. X L): 2.0cm x 4cm, 2.5cm x 4cm, 3.0cm x 4cm
Benefits: The Schulman pins --named for podiatric surgeon and Lattice Biologics SAB member, Dr. Daniel Schulman , who pioneered the product and its indications with the Company-- are an osteoconductive bone graft that acts as a fixation device for bone fusion or osteotomy. They are a modern alternative to existing temporary and permanent metal implants (such as screws, metal pins, and Kirschner wires/K-wires) that poses less risk of infection to patients. Unlike metal implants, these pins incorporate with patient bone and do not need to be removed. This results in less pain and swelling and improved healing. The first three case studies featuring the Schulman Pin are expected to be published in the near future.

AdMatrix RC Allograft Acellular Dermal Scaffold for rotator cuff repair
Indications: Rotator cuff repair, foot and ankle surgeries, and hand surgeries.
Sizes (L x W x thickness): 4 x 7cm x 3.5mm
Benefits: The AdMatrix RC Allograft is beneficial as a mechanically favorable scaffold with enhanced suture retention strength to provide support and reinforcement of the rotator cuff tendon and ligamentous tissue.

"The ADM graft for (the doctor) was received in a positive manner. He liked the feel of the graft and mentioned that it performed very well!" - Surgical Assistant - Chicago, IL

AdMatrix - Football Cut Acellular Dermal Matrix (ADM) Allograft in football shape
Indications: Unilateral and bilateral breast reconstruction.
Size (L x W x thickness): Pre-shaped 8x16cm x 1.5mm
Benefits: As a pre-cut shape, this allograft reduces the surgical time necessary for implantation. This increases surgeon efficiency and reduces risk to patient by shortening the operation time.

ADM is a beneficial alternative to autografts that minimizes inflammation, reduces donor site morbidity, and allows for quicker recovery time. AdMatrix has shown exceptionally high incorporation rates, combined with extremely low seroma rates. AdMatrix is a terminally sterilized allograft, with Electron-Beam (E-Beam) irradiation. This technique utilizes much tighter tolerances than gamma ray irradiation, which allows for shorter irradiation times and fewer off-target effects such as heating, drying, or cross-linking.

The AdMatrix process for generating decellularized dermis does not involve *lyophilization* (freeze drying). Lyophilization of collagen can contribute to some cross-linking between collagen chains, which can degrade the graft's pliability, viscoelasticity, and handling properties. Forgoing lyophilization during processing preserves the proteins present in the dermal matrix more closely to their native state, providing a better substrate for the enzymes required for wound healing and tissue remodeling. As such, AdMatrix maintains a more intact 3D structure, which accelerates allograft incorporation and patient healing.

Like all Lattice Biologics products, the AdMatrix line is surgeon-driven to help improve patient outcomes. Surgical feedback on AdMatrix has been outstanding.

"Everything went great... they worked really well and I liked using them. I think they were more pliable than Alloderm." - Plastic Surgeon - Atlanta, GA

3D Fuse DBM Putty | 100% Demineralized Bone Matrix Putty

3D Fuse DBM Putty is a unique, patented composition derived from 100% human allograft bone tissue.

Indications: Bone graft substitute and bone void filler for spine fusions and posterolateral gutters of the spine, as well as general orthopedic applications. 3D Fuse is also used in podiatric reconstructions and oral/maxillofacial reconstructions.

Size(s): 1cc, 2.5cc, 5cc, and 10cc supplied in flowable syringes

Benefits: In response to surgeon feedback, 3D Fuse has been formulated for enriched mineral content, increased osteoinduction, and improved handling properties. 3D Fuse's concentration of a critical component protects against dessication during storage at room temperature. The product delivers enhanced malleability and viscoelasticity while still retaining resilience to body temperature. Most importantly, 3D Fuse DBM putty permits cellular ingrowth, which encourages regeneration of bone tissue upon populating the patient's own bone progenitor cells.

3D Boats | Pre-shaped Cortical Fiber Boats

Indications: Multilevel fusions and posterolateral gutters.

Sizes (L x W): 50 x 20mm and 100 x 20mm

Benefits: The unique sizes and shapes of this product differs from most other allografts in this category, which are not as large. The large, canoe-shaped "boat" can accommodate increased amounts of allograft product or bone marrow aspirate, allowing for endogenous cells to migrate throughout the length of the scaffold to accelerate fusion and healing.

3D Wrap | 100% Demineralized Flexible Cortical Bone Allograft

Indications: Can be used to "wrap" around a defect or bone. Specific indications include: spiral fractures or non-unions; use as a bone dam to hold another allograft in place (as in an acetabulum blowout); and use in spinal fusion to hold an allograft in posterolateral gutters.

Sizes: small, medium, large, and extra large

Benefits: 3D Wrap is unique for these indications as a cortical bone product instead of cancellous bone or putty allograft. Its flexibility responds to surgeon requests for improved handling properties.

[Surface Demineralization for Cortical Spacers](#) | [Enhanced Surfacing Technology](#)

Lattice Biologics has applied the same demineralization technique we use in our highly effective DBM putty products to several of our cortical spacer allografts to release the specific growth factors associated with spinal fusion.

Indications/uses: Spinal fusion

Sizes: 11 x 14mm footprint with heights of 5mm - 10mm

Benefits: Surface demineralization makes certain growth factors available that would otherwise be trapped in the non-demineralized cortical bone. This technique promotes accelerated bone fusion and allograft incorporation and enhanced healing. Additionally, the large footprint of the cortical spacers increases stabilization of the graft, making them less likely to slip and providing greater anatomical stability.

Lattice Biologics Ltd.

Guy Cook,
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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.

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.

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