



ALGAE DYNAMICS CORP ENTERS INTO A LETTER OF INTENT WITH BONIFY TO PRODUCE UNIQUE CANNABIS OIL PRODUCTS; ACCELERATES GO-TO-MARKET STRATEGY

TORONTO--August 16, 2017--ALGAE DYNAMICS CORP (OTCQB: ADYNF) (the "Company"), a company focused on the development of unique health products and pharmaceuticals utilizing cannabis and algae oils, today announced that it has further refined its relationship with 6779264 Manitoba Ltd dba Bonify ("Bonify") in a Letter of Intent ("LOI") dated August 10, 2017. Bonify is a Licensed Producer, pursuant to the Access to Cannabis for Medical Purposes Regulations in Canada, with the capability to grow multiple strains of cannabis in its state-of-the-art 320,000 square foot facility.

The Company previously announced a Memorandum of Understanding with Bonify on May 9, 2017, in which Bonify agreed to supply raw cannabis plant material for processing into cannabis oil for sale and for use in research. In the recently completed LOI, the Company and Bonify have outlined the following:

- 1) The purchase and installation of cannabis oil extraction equipment by the Company in Bonify's facility;
- 2) The processing of cannabis material supplied by Bonify and other Licensed Producers in the oil extraction facility;
- 3) The supply of cannabis oil and algae omega-3 oils to The University of Waterloo and University of Western Ontario to support the Sponsored Research Agreements that the Company has in place with the two universities; and
- 4) The sharing of direct expenses, and, after adjustment for the market value of cannabis material supplied by Bonify and third parties, sharing of revenues from the sale of cannabis oil and algae-cannabis oil products.

The term of the agreement is for three years from the commencement of operations and is renewable by mutual agreement. The Company and Bonify agree to use best efforts to complete formal documentation of the agreement by September 30, 2017. Upon termination of the agreement, the Company agrees to transfer title of the equipment to Bonify. The Company has engaged investment bankers to assist with the raising of necessary capital to purchase and install the extraction equipment.

Given the favorable terms of this agreement, the Company does not anticipate moving forward with its previously announced joint venture with ARA – Avanti Rx Analytics Inc. in which it was contemplated that oil extraction would be done utilizing the latter's facility.

Assuming that all regulatory approvals are in place, initial revenues are expected within six to nine months following completion of financing.

Paul Ramsay, Chairman and President of Algae Dynamics Corp, stated, "We believe this Letter of Intent gives us an improved pathway to early revenues as well as a reliable high-quality source of cannabis oil for the universities to support our important algae-cannabis oil research. We look forward to expeditiously completing this agreement."



Jeff Peitsch, President and CEO of Bonify, commented, “Our team is pleased to be working with Algae Dynamics Corp in support of the Company’s ongoing research and product development work with universities. We see many benefits to working together with innovative companies such as Algae Dynamics in this burgeoning cannabis market.”

About Bonify

Bonify is a Canadian-owned Licensed Producer and leading provider of medical cannabis. By maximizing research findings and strictly adhering to best-in-class practices, quality standards and procedures, Bonify produces medical cannabis products to help individuals get the most out of life each and every day. With over 1,000,000 square feet of potential productive capacity at its present site in Winnipeg, Manitoba, Canada, when at full scale, Bonify will be capable of growing over 100,000 kgs of cannabis annually.

About Algae Dynamics Corp

ADC is engaged in the development of unique health products and pharmaceuticals that utilize hemp, cannabis and algae oils. We have engaged two Canadian universities to provide research into the use of extracts from cannabis oil, which we plan to use to develop products that combine the significant health benefits of Omega-3s derived from algae oil and extracts from cannabis oil. Our research is focused on the use of cannabis oil in the context of cancer, and the use of cannabis derivatives for the development of novel pharmacotherapies for mental health.

For more information, visit <http://www.algaedynamics.com>

FORWARD-LOOKING STATEMENTS

This news release contains "forward-looking statements" as that term is defined in Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. Statements in this press release which are not purely historical are forward-looking statements and include any statements regarding beliefs, plans, expectations or intentions regarding the future. Such forward-looking statements include, among other things, use of proceeds and the development, costs and results of current or future actions and opportunities in the sector. Actual results could differ from those projected in any forward-looking statements due to numerous factors. Such factors include, among others, the inherent uncertainties associated with new projects and development stage companies, our ability to raise the additional funding we will need to continue to pursue our exploration and development program, and our ability to retain important members of our management team and attract other qualified personnel. These forward-looking statements are made as of the date of this news release, and we assume no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those projected in the forward-looking statements. Although we believe that any beliefs, plans, expectations and intentions contained in this press release are reasonable, there can be no assurance that any such beliefs, plans, expectations or intentions will prove to be accurate.

Investors should consult all the information set forth herein and should also refer to the risk factors disclosure outlined in our annual report on Form 10-K for the most recent fiscal year, our quarterly reports on Form 10-Q and other periodic reports filed from time-to-time with the Securities and Exchange Commission.



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