



**ALGAE DYNAMICS CORP ANNOUNCES RESEARCH AGREEMENT WITH UNIVERSITY OF WESTERN ONTARIO TO INVESTIGATE THE USE OF CANNABIS DERIVATIVES FOR THE DEVELOPMENT OF NOVEL PHARMACOTHERAPIES FOR MENTAL HEALTH**

**TORONTO, CANADA / March 13, 2017, 9:30 AM EDT/** ALGAE DYNAMICS CORP (OTCQB: ADYNF) (the "Company"), a development stage company focused on the development of unique health products and pharmaceuticals utilizing cannabis and algae oils, today announced a research and product development agreement with Western University to perform research on cannabis oil and its constituents in the context of depression, post-traumatic stress disorder, anxiety and schizophrenia. This is the second of the recently announced research agreements with Canadian universities involving cannabis oil research. This announcement brings Algae Dynamics total university research contributions to \$1.6 million for both programs.

This announcement follows the Company's previously announced new strategic initiative to explore the extraction of oils from other botanicals, most notably cannabis, and to seek product development and formulation opportunities that combine the benefits of algae and cannabis oils. This research agreement will directly support this initiative and will "focus on translational pharmaceutical research, with a specific focus on identifying how specific phytochemical compounds found in cannabis, including delta-9-tetrahydrocannabinol (THC), cannabidiol (CBD), cannabinoid-derived terpenoids and other potential phytochemical derivatives of cannabis may serve as novel pharmacological treatments for symptoms associated with depression, post-traumatic stress disorder, anxiety and schizophrenia."

Paul Ramsay, Chairman and President of the Company said, "With this research agreement, we are building upon the previously announced strategic initiative into the use of extracts from cannabis oil, in conjunction with algae oil, to develop unique health products and formulations. In our previous press release, we outlined a three-part approach, the first being Research and Development work with Canadian universities. This is the second of such research agreements relating to the use of botanical extracts including cannabinoids that we expect to employ".

The investigator leading the research is Dr. Steven Laviolette, a Professor and Neuroscientist in the Schulich School of Medicine & Dentistry at Western University. Dr. Laviolette is a leader in the study of cannabinoids in mental health. Dr. Laviolette's research team has previously made numerous fundamental discoveries related to how cannabinoids impact and may serve as treatments for mental health disorders including schizophrenia, depression, post-traumatic stress disorder and anxiety. Dr. Laviolette's primary research focus is in characterizing how specific phytochemical derivatives of cannabis may interact with specific brain pathways and molecular mechanisms whereby they may improve symptoms associated with various mental



health disorders. Research from Dr. Lavolette's team has been published in the top neuroscience and psychiatry journals in the world. His full profile may be seen on the Western University, website [www.uwo.ca](http://www.uwo.ca):

[http://www.schulich.uwo.ca/anatomy/people/bios/faculty/lavolette\\_steve.html](http://www.schulich.uwo.ca/anatomy/people/bios/faculty/lavolette_steve.html)

The Company's contribution to the four-year Sponsored Research Agreement, which commences April 1, 2017 and terminates March 30, 2021, is C\$250,000 per year. The Company believes, from past experience, that it will be able to leverage the research expenditures with matching scientific grants pursuant to programs of various branches of government. The Company will be responsible for the filing of patents relating to this research and will own such patents if and when issued. The Company has agreed to make payments to the University upon filing of each patent, when each patent is issued, after first commercial sale and when gross sales reach C\$1,000,000. There are no ongoing royalty payments, relating to the use of the patents. The workplan may be extended and modified to achieve best outcomes which may include 1) delegating specific research areas of research work that require additional technologies to appropriate providers; and 2) engaging research collaborators to extend the research into additional areas of benefit to the Company.

The Company's core product development strategy has been the production of high volume specific algae species and extraction of Essential Fatty Acids (**EFAs**) which is the foundation of the endocannabinoid system (ECS). The ECS is a group of endogenous cannabinoid receptors located in the mammalian brain and throughout the central and peripheral nervous systems, consisting of neuromodulatory lipids and their receptors. The extracted algae Omega 3 oil with high concentrations of DHA is used as a health supplement product. In light of the potential synergies, the Company has developed its strategy which is aimed at developing new products and formulations that combine the health benefits of algae and cannabis oils.

As reported earlier, the Company is continuing to seek opportunities to partner with or take ownership in existing Access to Cannabis for Medical Purposes Regulations (ACMPR) licensed producers to allow for access to the marketplace.

### **About Algae Dynamics Corp**

ADC is currently engaged in the development of unique health products and pharmaceuticals that utilize hemp, cannabis and algae oils. This is an extension of our plan to commercialize our proprietary BioSilo(R) algae cultivation system for the high volume, low cost production of pure contaminant-free algae biomass which is high in Omega-3 fatty acids. 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 focusing 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.

**NOTE REGARDING 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 of 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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