



**ALGAE DYNAMICS CORP ANNOUNCES RESEARCH AGREEMENT WITH UNIVERSITY OF WATERLOO TO INVESTIGATE USE OF CANNABIS OIL IN THE CONTEXT OF CANCER**

**TORONTO, CANADA / February 24, 2017, 9:30 AM ET/** ALGAE DYNAMICS CORP (OTCQB: ADYNF) (the "Company"), a development stage company focused on the commercialization of its proprietary BioSilo(R) cultivation and extraction system for the growth of algae strains for use in the food and health supplement industry, today announced a research agreement with the University of Waterloo to perform fundamental research on cannabis oil and its constituents in the context of the development and treatment of cancers of the colorectum, pancreas, breast and prostate. The Sponsored Research Agreement is entitled "Studies on botanical oils from Algae Dynamics".

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 "carry out studies relating to the cellular safety and known cancer-related potential of components" within botanical oils, with a focus on cannabis.

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 first 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. Jonathan Blay, a professor and researcher in the School of Pharmacy at the University of Waterloo. Dr. Blay has an extensive background in cancer research and the fostering of novel areas of cancer research in Canada. Dr. Blay's main research focus is in understanding the tumor microenvironment of solid cancers, particularly cancers of the colorectum, pancreas, breast and prostate. His laboratory focuses on mechanisms that lead to the spread of cancer, or metastasis, and ways to interfere with that dissemination of disease using novel therapeutics. His full profile may be seen on the University of Waterloo website:

<https://uwaterloo.ca/pharmacy/people-profiles/jonathan-blay>



The Company's contribution to the three-year Sponsored Research Agreement, which commences April 1, 2017 and terminates March 30, 2020, is C\$200,000 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 extraction of Omega-3 fatty acids from certain strains of algae, with high concentrations of DHA, 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. Omega-3 fatty-acids are required for the production of ECS and cannabinoid receptors. 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 commercialization of our proprietary BioSilo(R) algae cultivation system for the high volume, low cost production of pure contaminant-free algae biomass. This biomass is high in Omega-3s DHA/DPA, vitamins, minerals and antioxidants, all of which are in demand by the growing multibillion dollar food/beverage and health care sectors. Our integrated BioSilo(R) manufacturing system provides low cost algae biomass production with modest capital cost requirements compared to conventional approaches. Furthermore, our "controlled outcomes" technology provides ultra-high purity algae biomass, differentiating it from other producers in the market. Following completion of a commercial-scale production facility we intend to produce algae biomass for sale into the functional additive and supplement markets, focusing on Chlorella and Omega-3 oil.



## **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.

### **FOR MORE INFORMATION, PLEASE CONTACT:**

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