265 Watline Avenue, Mississauga, Ontario L4Z 1P3
Tel: 905-361-8910 Fax: 905-361-8911

News Release

Microbix Announces Expanded Customer Supply Agreement

$25 Million of Expected Sales, With Approximately $10 Million of New Business

TORONTO, August 8, 2017 – Microbix Biosystems Inc. (TSX: MBX), an innovator of biological products and technologies, announces the execution of an agreement to supply an existing long-term customer with an increasing quantity of Microbix' viral antigen products over the next five years, with the parties having the option to extend that term. Sales from the agreement are expected to total $25 million, with approximately $10 million being new business.

Microbix infectious disease antigens are incorporated into diagnostic tests used by laboratories and hospitals around the world. The customer is a major global diagnostics company with growing sales of infectious disease tests that require more antigen supply.

The agreement also expedites the conversion to product derived from Microbix' new bioreactor – replacing its roller-bottle processes. The bioreactor process is expected to provide enhanced manufacturing capacity and immediate economic benefits for both Microbix and its customers. The companies have also agreed to explore additional opportunities to collaborate.

Phil Casselli, SVP of Business Development at Microbix, commented, "Our customer is a leading global diagnostics producer and our long-term partnership with them has been rewarding for both companies. We're delighted to expand this key relationship through this agreement, which also demonstrates the growing demand for Microbix' products."

Cameron Groome, CEO and President of Microbix, added, "We thank this important customer for its confidence in Microbix' capabilities. This agreement reinforces our position as a leading global provider of infectious disease antigens."

About Microbix

Microbix Biosystems Inc. develops and commercializes proprietary biological and technology solutions for human health and wellbeing. Microbix manufactures a wide range of critical biological materials for the global diagnostics industry. The Company also applies its biological expertise to develop other innovative and proprietary technologies and products. Its development pipeline currently includes two such proprietary products: (1) Kinlytic® Urokinase, a biologic thrombolytic drug used to treat blood clots, and (2) Lumisort™, a technology for ultra-rapid and efficient sorting of somatic cells that can be used to enrich cell populations of interest, such as in sexing semen. Established in 1988, Microbix is a publicly traded company listed on the Toronto Stock Exchange and is based in Mississauga, Ontario, Canada.

Forward-Looking Information

This news release includes "forward-looking information," as such term is defined in applicable securities laws. Forward-looking information includes, without limitation, the risks associated with the referenced customer supply agreement and its related expectations, the overall business and business units or the development pipeline, other commercial such as those referenced herein, operations in foreign jurisdictions, development and production facilities, production (including control over costs, quality, quantity and timeliness of delivery of products), foreign currency and exchange rates, maintaining adequate working capital and raising further capital on acceptable terms or at all, and other similar statements concerning anticipated future events, conditions or results that are not historical facts. These statements reflect management's current estimates, beliefs, intentions and expectations; they are not guarantees of future performance. The Company cautions that all forward looking information is inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond the Company's control. Accordingly, actual future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward-looking information. All statements are made as of the date of this news release and represent the Company's judgement as of the date of this new release, and the Company is under no obligation to update or alter any forward-looking information.

For further information, please visit www.microbix.com.

Company Contacts:

Cameron Groome, CEO – (905) 361-8910 x 350 cameron.groome@microbix.com

Jim Currie, CFO – (905) 361-8910 x 255 jim.currie@microbix.com

Stephen Kilmer, Investor Relations – (647) 872-4849 stephen.kilmer@microbix.com