Avivagen

For Immediate Release

Avivagen Provides Business Updates

Ottawa, ON / TNW-Accesswire / June 5, 2017 / – Avivagen Inc. (TSXV:VIV, OTC Pink:CHEXF) ("Avivagen" or the "Corporation"), a corporation with a proven and commercially-ready, patent-protected product intended to replace the antibiotics added to livestock feeds as growth promoters, announces business updates and an operational update from its Chairman and Interim CEO Kym Anthony.

Kym Anthony stated, "Our mandate is now to prepare Avivagen for global scale up, optimization of regulatory strategies and readiness for market access and acceleration of commercialization of our OxC-beta™ for Livestock product. These areas of focus will enable the Corporation, if successful, to realize on a significant opportunity for its investors. The Corporation has tremendously talented and dedicated people, whom, I believe, will allow Avivagen to succeed. Please find below recent updates on the Corporation's progress."

KEY BUSINESS ACHIEVEMENTS IN THE PAST 90 DAYS

- **Engaged in discussions with multiple parties for potential distribution or licensing agreements of OxC-beta™ for Livestock**
- **Received two additional purchase orders for OxC-beta™ for Livestock from UNAHCO in both April and May 2017, with the most recent order being for more than 2.5 times the original purchase order amount – on terms that are consistent with Avivagen's financial margin targets**
- **Executives from UNAHCO and Avivagen discussed the purchasing plan and vision for product roll-out for OxC-beta™ for Livestock**
- **Engaged two regulatory consultants to help pursue regulatory pathways for approval of OxC-beta™ for Livestock in the U.S. and European markets**
- **Added a U.S.-based life sciences and pharma expert to the board of directors as elected at the last Annual meeting of shareholders**
- **Obtained positive results from an animal study for human applications**
- **Filed additional intellectual property patents**
- **Completed a 10:1 share consolidation on May 12, 2017 with post-Consolidation trading in the Corporation's common shares commencing on the TSX Venture Exchange at the start of trading on May 25, 2017**

THE RISE OF ANTIBIOTIC RESISTANCE
A Global Problem with an Urgent Need for Solutions

It seems difficult to overstate the public concern and growing awareness of the dangers posed by the use of antibiotics in livestock feeds today, and the interest in alternatives to antibiotic use as growth promoters. *Antibiotic resistance* is an important, global, human health concern, with massive negative economic impacts. Many food producers depend on in-feed antibiotics to reliably prevent disease and boost growth in livestock animals. However, these in-feed antibiotics are being banned outright or phased out in many jurisdictions because many bacteria are becoming resistant to antibiotic treatments, as antibiotic growth promoters added to livestock feeds are a key contributor to the development of resistance. In the U.S. alone, the CDC[i] says that resistant bacteria cause:

- At least 2 million infections per year
- 23,000 deaths per year
- Direct costs of as high as $20 billion per year
- Up to $35 billion per year in costs for lost productivity

With a means to reliably and economically protect livestock through the use of OxC-beta™ for Livestock, Avivagen believes it has brought to market an alternative to antibiotics used as growth promoters, without the risk of causing antibiotic resistance.

Market and Regulatory Access

Avivagen secured its first commercial sale in November of last year with UNAHCO, the second largest integrated feed company in the Philippines, followed by a repeat order in April 2017 and another, new order in May 2017 for more than 2.5 times the April 2017 purchase order. With Taiwan also approved for distribution, the Corporation is actively working to gain approval in other Asian jurisdictions such as Vietnam, South Korea and Indonesia. In concert with this strategy, the Corporation recently hired Dr. Edward Robb, CEO of BioPharmaPotentials, whose primary focus is to help expedite the regulatory approval process within the United States, and is also working with Dr. Klaus Hellmann, CEO of Klifovet AG, to help expedite the regulatory approval process in Europe.

The global feed market is now over 1 billion tons of feed sold annually in a market valued at US$300B – US$450B.[ii] Avivagen intends to gain worldwide regulatory and market access and then partner with large companies whose resources and relationships will allow for maximum market penetration. The Corporation believes that OxC-Beta™ for Livestock could be sold as an additive to the feed companies and which represents a significant opportunity to Avivagen.

Pursuit of Strategic Partnering Opportunities

Avivagen understands that its target market, while very large and attractive, is not without challenges for a small company – from economic and other resource constraints to trying to build a geographic footprint internationally to drive sales. As a result of this and with careful analysis, the Corporation is actively pursuing potential distribution and partnership agreements with companies, whose size and stature could, if secured, significantly accelerate the growth trajectory of the Corporation. While we have initiated discussions with companies such as these, there cannot yet be any guarantee that any agreement will be concluded or that such deals would be favourable to Avivagen.

Vivamune Re-launch

While the Corporation's primary focus is and will continue to be the replacement of antibiotics in animal feed, Avivagen believes that the Corporation's companion animal health product line – Vivamune Vital Health[3] – has the potential to contribute to its overall revenue stream by providing a safe and effective product to companion animals that will optimize their health and quality of life. The Corporation plans to re-launch its Vivamune Vital Health[3] line of products through an exciting, new social media marketing campaign, focused directly at pet parents, with Amazon as Avivagen's supply chain partner.

Augmenting the Board and Management for Future Success

As one of the world's largest markets, gaining access to the U.S. is a main priority for the Corporation. Avivagen was fortunate to have Mr. Jeffrey Kraws join its Board of Directors. In addition to being an analyst for biotech stocks for almost two decades, Avivagen believes that Mr. Kraws has cultivated a wealth of industry knowledge and a level of credible, insightful equity analysis that few share. Mr. Kraws expertise and insight is expected to prove invaluable in helping establish Avivagen within the U.S. market.

Intellectual Property Portfolio

With intellectual property protection on various aspects of its products extending into the late 2020s and mid-2030s, Avivagen continues to build its portfolio of seven families of issued or pending patents, aided especially by the results of new livestock trials using our OxC-beta™ Livestock product. These patents are supported by the results of 16 separate trials to date, together with published papers in peer-reviewed scientific literature.

Potential Human Markets

On April 10, 2017, the Avivagen announced positive results from a proof-of-concept study that could extend OxC-beta™ technology into human health applications. The proof-of-concept study evaluated OxC-beta™ technology as a preventative therapeutic against C. difficile infection (CDI). As strains of C. difficile change, antibiotics are becoming less effective or even completely ineffective in clearing CDI. It is estimated that CDI adds an annual economic burden of US$1.5 billion to the United States healthcare system.[iii]

The proof-of-concept study evaluated Avivagen's OxC-beta™ technology for the ability to improve survival rate, increase median time until death, and improve clinical indicators of health using a standard mouse model of human C. difficile infection. The research was conducted by the National Research Council of Canada (NRC). Further trials are scheduled in the near future.

Search for a New CEO

In February of this year, the Corporation retained the services of a well-respected international executive search firm in order to assist Avivagen in seeking placement of a CEO to lead the Corporation. While there have been a number of qualified candidates identified, the Board of Directors recognizes that it is paramount that the ideal candidate be chosen to lead the Corporation at this pivotal time, and therefore wants to ensure that this process is done thoroughly and prudently. While this search continues, management and the Board continue to strongly focus on the mandates mentioned above.

About Avivagen

Avivagen Inc. is a public company traded on the TSXV under the symbol VIV and the OTC Pink under the symbol CHEXF and is headquartered in Ottawa, Canada, based in partnership facilities of the National Research Council of Canada and Charlottetown, Prince Edward Island. For more information, visit **www.avivagen.com**.

About OxC-beta™ Technology and OxC-beta™ Livestock
Avivagen's OxC-beta™ technology is derived from Avivagen discoveries about carotenoids, compounds that give certain fruits and vegetables their bright colors and is a non-antibiotic means of maintaining optimal health and growth. OxC-beta™ Livestock is a proprietary product shown to be effective and economic in replacing the antibiotics commonly added to livestock feeds. OxC-beta™ Livestock is currently registered and available for sale in the Philippines, Taiwan and Thailand.

Avivagen's OxC-beta™ Livestock product has been proven safe and effective and could fulfill the global mandate to remove all in-feed antibiotics as growth promoters. Sixteen international livestock trials with poultry and swine using OxC-beta™ Livestock have demonstrated that the product performs as well as, and, sometimes, in some aspects, better than in-feed antibiotics.

Forward Looking Statements
This news release includes certain forward-looking statements that are based upon the current expectations of management. Forward-looking statements involve risks and uncertainties associated with the business of Avivagen Inc. and the environment in which the business operates. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking, including those identified by the expressions "aim", "anticipate", "appear", "believe", "consider", "could", "estimate", "expect", "if", "intend", "goal", "helps", "hope", "likely", "may", "plan", "possibly", "potentially", "pursue", "seem", "should", "whether", "will", "would" and similar expressions or opinions of management. Forward—looking statements in this news release include but are not limited to statements about the ability of Avivagen's products to replace antibiotics; Avivagen's ability to scale up or obtain regulatory approval or commercial success in new jurisdictions; Avivagen's ability to realize on opportunities to the benefit of its investors; Avivagen's ability to expand its products into human applications; Avivagen's ability to enter into partnership or distribution agreements with third parties to sell its products; the ability of certain products to contribute to Avivagen's revenues or growth; Avivagen's plans to re-launch its Vivamune Vital Health line of products; whether Avivagen's new director and personnel will contribute to the Corporation's success; . whether Avivagen will be able to engage a new Chief Executive Officer; and Avivagen's plans for further product trials.

Avivagen is an early-stage commercialization company which faces significant risks and uncertainties in connection with its business and readers should be cautioned that investors may lose the entire value of their investment. Some of these risks and uncertainties include, but are not limited to, the following: Avivagen's ability to continue as a going concern; whether the Corporation can expand its global regulatory advisor network in order to gain market approval of OxC-beta™; Avivagen has only one manufacturer of its products and, if that manufacturer cannot produce its products, Avivagen will not be able to find another manufacturer, if at all; whether the Corporation can obtain market approval in additional geographies, if at all; whether discussions will advance with potential strategic partners, if at all; whether the Corporation will achieve additional partnerships or other commercial agreements with potential strategic partners, if at all; whether the Corporation will be successful in augmenting communications *with stakeholders; whether the Corporation will be successful in recruiting an executive team that will maximize the value of OxC-beta™ in any markets, if at all; the results of ongoing or future trials of OxC-beta™ may not be positive or sufficiently positive; even if the results of trials are positive, there is no guarantee that Avivagen's products will be commercially successful or that requisite registrations or regulatory approvals will be obtained or maintained; the timing and results of trials may be delayed or may not be completed at all; whether the company's relaunch of its pet health product Vivamune will be successful, if at all; ; whether Avivagen's social media campaign with respect to its Vivamune Vital Health line of products will be successful, if at all; whether the addition of Mr. Jeffrey Kraws to the board will enable the company penetrate the U.S. market, if at all; whether Avivagen's patent applications will be issued, if at all; whether Avivagen will be subject to infringement or other claims; whether the 10:1 share consolidation will be received positively by the market, if at all; whether Avivagen will achieve any of the goals set out in this press release, if at all; whether Avivagen can obtain further commercial and trial alliances in Asia and elsewhere; and intellectual property rights may not be granted, or, if granted, may prove inadequate to protect Avivagen's inventions.*

Readers should also refer to the risk factors in Avivagen's management's discussion and analysis for the year ended October 31, 2016 and other securities law filings from time to time all of which are available at www.SEDAR.com. Any of the foregoing risk factors could negatively impact Avivagen's ability to achieve the matters described in the forward-looking statements contained above as described or at all. Accordingly, readers should not place undue or even any reliance on forward-looking statements. Except as required by law, Avivagen assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward-looking statements.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

For more information:

Avivagen Inc.
Drew Basek
Director of Investor Relations
100 Sussex Drive, Ottawa, Ontario, Canada K1A 0R6
Phone: 416-540-0733
E-mail: d.basek@avivagen.com

Kym Anthony
Interim Chief Executive Officer
100 Sussex Drive, Ottawa, Ontario, Canada K1A 0R6
Head Office Phone: 613-949-8164
Website: www.avivagen.com

Footnotes:

[i] https://www.cdc.gov/drugresistance/threat-report-2013/pdf/ar-threats-2013-508.pdf

[ii] http://www.alltech.com/sites/default/files/global-feed-survey-2015.pdf
http://go.alltech.com/alltech-feed-survey

[iii] Leffler DA et al. N Engl J Med 2015; 372: 1539-1548