Avivagen

Avivagen Announces Agreement to Terminate China JV

OTTAWA, Aug. 07, 2018 -- Avivagen Inc. (TSXV:VIV) ("Avivagen" or the "Corporation"), a life sciences corporation focused on developing and commercializing products for livestock, companion animal and human applications that, by safely supporting immune function, promote general health and performance, announces that it has entered into an agreement that will wind up its previously announced joint venture in China (the "**JV**"). The Shaanxi Jintai China-Canada Beta-Carotene Oxidation Biological Company was established in 2016 with the purpose of registering and commercializing OxC-beta (TM) Livestock ("OxC-beta") in China. Avivagen held 49% of the JV.

Avivagen decided to pursue this action following a strategic review of the JV. The findings of the review determined that: 1) termination of the JV was a necessary condition to enter into an agreement with an established market participant, and 2) implementing such action would be the most efficient and expeditious way to pursue such agreements. After taking these findings into consideration, the decision was made to dispose of its interest in and terminate the JV. Concurrent with this decision, it was agreed that Avivagen's JV partner, Shaanxi Jintai Mining Co., Ltd ("Jintai"), would take all necessary steps in China to terminate the JV and will be responsible for all costs incurred by it and related to the termination of the JV.

Upon completion of the steps necessary to terminate the JV, Avivagen will issue up to 500,000 common shares to Jintai, as reimbursement for expenses incurred in connection with the JV prior to termination. Such shares have a value of up to CDN$300,000 based on the closing price of Avivagen's common shares on the TSX Venture Exchange on August 3, 2018. The JV termination agreement also provides that Avivagen will issue up to an additional CDN$350,000 in common shares to Jintai if Avivagen enters into regulatory and/or distribution agreements with a certain party in China within 1 year. If such shares are issued, the number of shares to be so issued will be based on the closing price of the Avivagen common shares on the TSX Venture Exchange on the trading day prior to the date the applicable agreement is entered into.

Avivagen has entered into a two year consulting agreement with Avivagen's former partner in the JV to support Avivagen's continued efforts in China. Such consulting agreement provides for payment of up to CDN$50,000 per year for services rendered and Avivagen has the option of satisfying the fee by issuing common shares based on the closing price of Avivagen's common shares on the TSX Venture Exchange on each anniversary of the commencement date.

All issuances of shares remain subject to approval by the TSX Venture Exchange.

About Avivagen
Avivagen is a public corporation traded on the TSX Venture Exchange under the symbol VIV 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. The contents of the website are expressly not incorporated by reference in this press release.

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 colours, 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, Thailand and New Zealand.

Avivagen's OxC-beta™ Livestock product is safe, effective and could fulfill the global mandate to remove all in-feed antibiotics as growth promoters. Numerous international livestock trials with poultry and swine using OxC-beta™ Livestock have proven 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", "hope", "likely", "may", "plan", "possibly", "potentially", "pursue", "seem", "should", "whether", "will", "would" and similar expressions. Statements set out in this news release relating to the termination of the JV, Avivagen's beliefs as to the most efficient and expeditious way to penetrate the Chinese market, the future issuance of shares, the future payments under the consulting agreement and the possibility for OxC-beta™ Livestock to replace antibiotics in livestock feeds are all forward-looking statements. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. The termination of the JV is subject to certain corporate and regulatory actions being completed by Avivagen's JV partner in China. Alternative approaches to the Chinese market taken by Avivagen in the future may not lead to more efficient or expeditious penetration of that market due to many factors outside of Avivagen's control, including regulatory and market acceptance of Avivagen's products and the actions of any partners Avivagen works with in that market. The shares that are described above as being issued upon certain conditions being met will not be issued if such conditions are not met. There are no assurances that

Avivagen will enter into regulatory and/or distribution agreements with parties in China. Future payments or share issuances expected pursuant to the consulting agreement described above are conditional upon the consulting agreement remaining in force and services being provided thereunder. Avivagen's products may not gain market acceptance and may not be widely accepted as a replacement for antibiotics in livestock feeds due to many factors, many of which are outside of Avivagen's control. Results experienced by users of Avivagen's products will differ and may not be those described above in all cases. 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
Chairman & Interim CEO
100 Sussex Drive, Ottawa, Ontario, Canada K1A 0R6
Head Office Phone: 613-949-8164
Website: www.avivagen.com