



For Immediate Release

Avivagen Inc. Announces Results for Fiscal Year Ending October 31, 2016

Ottawa, ON / TNW-Accesswire / Dec 23 2016 / – Avivagen Inc. (TSXV: VIV, OTC Pink: CHEXF), a life sciences company commercializing products intended to replace the antibiotics added to livestock feeds, announces its results for the fiscal year ending October 31, 2016 and a review of its fiscal 2016 milestones and fiscal 2017 objectives.

The Company's audited year-end financial statements and its management discussion and analysis have been filed on the System for Electronic Document Analysis and Retrieval ("SEDAR") and are available via its website (www.sedar.com).

Avivagen concluded its fiscal year ended October 31, 2016 in a strong financial position, with cash and cash equivalents of \$5,142,401, as compared to \$632,247 at the end of fiscal 2015. Cash was further increased by the exercise of share purchase warrants after year-end, now providing Avivagen with approximately \$5.7 million of cash and cash equivalents. An additional \$800,000 remains available via the undrawn balance of a loan facility.

Current liabilities of the Company were \$628,455 at October 31, leading to a stronger working capital position that management believes is a solid foundation to support commercialization of OxC-beta™ Technology to replace antibiotics in livestock feeds.

Total revenues for the year were \$161,190, essentially flat versus the prior year and principally derived from sales of analytic standards by Avivagen's "Chemaphor" division. The first industrial scale order for OxC-beta™ Livestock, announced in October, was not booked as a sale in fiscal 2016, but should be recognized in the current quarter. The full year loss for fiscal 2016 was \$2.75 million, an increase from \$2.00 million the prior year that reflected increased expenses, including those related to trials, business development, legal and intellectual property matters.

Management believes fiscal 2016 was an important year for Avivagen, during which it more broadly proved the commercial utility of OxC-beta – by publishing on important new discoveries about its origins and safety, reporting results of five additional livestock trials, obtaining a new national registration (the Philippines) and signing commercial partnerships (China and the Philippines). Additionally, Avivagen filed for new patent and trademark protections – enhancing its already extensive intellectual property around OxC-beta Technology.

It is management's objective to continue the Company's progress in fiscal 2017. Goals include executing further commercial and trial alliances in Asia and elsewhere, securing registration in more nations, developing protocols for use in new species and establishing proof-of-concept for human applications. Additionally, Avivagen will pursue additional sales in the countries where OxC-beta Livestock is already permitted to be sold for use in livestock feeds. We thank shareholders for their support this past year and for the future.

About Avivagen

Avivagen Inc. is a life sciences company that has developed a scientifically-proven product for replacing antibiotics in livestock feeds and to otherwise benefit human and animal health. Avivagen is based in partnership facilities of the National Research Council of Canada (NRC) - in Ottawa, Ontario and Charlottetown, Prince Edward Island. For more information, visit www.avivagen.com.

About OxC-beta™ Livestock

OxC-beta™ Livestock ("OxC-beta") is a proprietary product demonstrated to be effective and economic in replacing the antibiotics commonly added to livestock feeds. It is derived from Avivagen discoveries about carotenoids, compounds that give certain fruits and vegetables their bright colors. OxC-beta is a non-antibiotic means of maintaining optimal health and growth in livestock animals such as swine and poultry. OxC-beta™ Livestock is currently registered and available for sale in the Philippines, Taiwan and Thailand.

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. Statements or assumptions about the significance of corporate milestones in fiscal 2016, management or corporate goals in fiscal 2017, the uses of the technologies described in this news release, including their importance to animal or human health, their novelty, safety, efficacy or affordability, or other statements or opinions of management, 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. Such Avivagen risks and uncertainties include, but are not limited to, the following: whether Avivagen continues to enter into commercial partnerships; whether Avivagen will be able to establish proof-of-concept in new species or humans, whether Avivagen's existing commercial relationships will be successful and result in sales; whether Avivagen's patent and trademark applications will be allowed; whether Avivagen is able to book revenue from sales of OxC-beta in its first fiscal quarter; whether Avivagen can maintain its working capital position; whether Avivagen can obtain relevant regulatory and government approvals to market and sell OxC-Beta; whether OxC-beta can be successfully commercialized; whether Avivagen's funding is sufficient to achieve corporate goals; Avivagen's ability to continue as a going concern; the fact that 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 regulatory approvals will be obtained; the timing and results of trials may be delayed or may not be completed at all; and intellectual property rights may prove inadequate to protect Avivagen's inventions. Accordingly, readers should not place undue 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.

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