Blackstone Ventures Inc. to Acquire Lattice Biologics

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VANCOUVER, Aug. 6, 2015 - Blackstone Ventures Inc. (the "Company" or "Blackstone") (TSX VENTURE:BLV) is pleased to announce that it has entered into a letter of intent (the "LOI"), pursuant to which, subject to receipt of all applicable regulatory and shareholder approvals, the Company has agreed to acquire (the "Acquisition") all of the issued and outstanding securities of Lattice Biologics Inc. ("Lattice"), a private, arm's length Delaware corporation (the "Business Combination").

Consolidation and Debt Settlement

As a condition to the completion of the Business Combination, subject to the approval of the TSX Venture Exchange (the "Exchange"), Blackstone intends to: 1) complete a consolidation (the "Initial Consolidation") of its outstanding common shares on the basis of twenty (20) pre-Initial Consolidation shares for each one (1) post-Initial Consolidation common share, as previously approved by shareholders; and 2) settle (the "Debt Settlement") up to CAD $600,000 in outstanding debt through the issuance of subscription receipts convertible into up to 6,000,000 post-Initial Consolidation common shares (the "Settlement Subscription Receipts") at a price of CAD $0.10 per Settlement Subscription Receipt. It is currently anticipated that, under the Debt Settlement, Donald McInnes, Chief Executive Officer of Blackstone, will receive Settlement Subscription Receipts in settlement of outstanding amounts owed to him by the Company convertible into a sufficient number of the then outstanding common shares of Blackstone to become a new "Control Person", as that term is defined under the Policies of the Exchange.

The Settlement Subscription Receipts shall automatically, convert into underlying securities of Blackstone upon the date that is the earlier of: a) the date that the Acquisition closes; and b) the date that shareholder approval is obtained for the creation of a new Control Person pursuant upon conversion of the Settlement Subscription Receipts (together, the "Settlement Conditions"). If neither Settlement Condition is satisfied on or before 5:00 pm (Vancouver Time) on December 31, 2015 (the "Escrow Deadline"), the Settlement Subscription Receipts shall automatically terminate and become void, and all debts owed by the Company thereunder shall remain due and owing by Blackstone in accordance with their original terms.

Certain amounts proposed to be settled with Mr. McInnes and other directors of Blackstone (the "Related Party Settlements") under the Debt Settlement are "related party transactions" under the policies of the Exchange and Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The Related Party Settlements are exempt from the formal valuation requirements under Section 5.4 of MI 61-101 and the minority approval requirements under Section 5.6 of MI 61-101 pursuant to the Company's reliance on the exemptions available under MI 61-101. There has been no prior formal valuation of the Related Party Settlements as there has not been any necessity to do so. The Related Party Settlements are subject to review and approval by the Company's board of directors.

Transaction Structure

Subject to the receipt of all requisite corporate, shareholder, and regulatory approvals, in connection with the completion of the Acquisition, Blackstone intends to complete a further consolidation (the "Acquisition Consolidation") of its common shares on the basis of three (3) pre-Acquisition Consolidation common shares for each one (1) post-Acquisition Consolidation common share (effectively being a 60:1 consolidation of the common shares of Blackstone as at the date hereof) (the "Post- Acquisition Consolidation Blackstone Shares"). In connection with the Acquisition Consolidation, the Settlement Subscription Receipts will also be consolidated on the basis of three (3) pre-Acquisition Consolidation Settlement Subscription Receipts for each one (1) Post-Acquisition Consolidation Subscription Receipt, resulting in a total of 2,000,000 post-Acquisition Consolidation Subscription Receipts outstanding, each convertible into one Post-Acquisition Consolidation Blackstone Share at an effective price of CAD $0.30 per share.

As at the date hereof, Lattice has 15,875 common shares issued and outstanding (the "Lattice Common Shares"), and convertible notes convertible having an aggregate principal amount of USD $1,050,000 (the "Lattice Notes") issued and outstanding. In addition, Lattice is in the process of issuing an aggregate of 824 common shares to two arm's length parties (the "New Shares"), and granting rights to acquire an aggregate of 1,500,000 post-Acquisition common shares over a period of three years in consideration of services to be rendered up to and including January 1, 2018, (the "Compensation Shares") to arm's length members of Lattice's Scientific Advisory Board.

Pursuant to the Acquisition, on closing (the "Closing"), the shareholders of Lattice, as constituted on the date hereof, shall receive an aggregate of 34,000,000 Post-Acquisition Consolidated Blackstone securities (the "Consideration Securities") in exchange for all of the currently outstanding Lattice Common Shares. The Consideration Securities shall be comprised of both Post-Acquisition Consolidation Blackstone Shares, and/or unlisted convertible, restricted voting shares (the "Restricted Shares") to be issued to US persons. The holders of the New Shares will also receive 1,764,184 Post-Acquisition Consolidated Blackstone Shares.

In connection with the completion of the Acquisition, Blackstone intends to complete an equity financing (the "Blackstone Financing") of up to 6,666,666 subscription receipts (each a "Financing Subscription Receipt") convertible into units (each a "Unit") at a price of CAD $0.30 per Financing Subscription Receipt for gross proceeds of up to CAD $2,000,000.

Each Unit will be comprised of one post-Acquisition Consolidation Blackstone Share and one-half of one share purchase warrant. Each whole share purchase warrant (a "Warrant") will entitle the holder thereof to acquire one post-Acquisition Consolidation Blackstone Share at a price of CAD $0.60 per share, provided that, if at any time after the date that is four months after the issuance of the Subscription Receipts, the closing price of Blackstone's common shares on the Exchange is more than CAD $0.75 for five consecutive trading days, Blackstone will have the right to accelerate the expiry of the Warrants.

Provided that minimum aggregate proceeds of CAD $1,100,000 (the "Minimum Financing") have been raised under the Blackstone Financing, the Financing Settlement Subscription Receipts shall automatically convert into underlying securities of Blackstone upon the date that the Acquisition closes. If either: a) the Minimum Financing has not closed; or b) the Closing of the Acquisition does not occur on or before 5:00 pm (Vancouver Time) on the Escrow Deadline, the Financing Subscription Receipts shall automatically terminate and the subscription proceeds will be returned to the Financing Subscription Receipt holders.

It is anticipated that upon completion of the Business Combination, assuming completion of the Minimum Financing, it is anticipated that the Company will have an aggregate of 43,455,064 Post- Acquisition Consolidation Blackstone Shares (inclusive of Restricted Shares) and share purchase warrants to acquire an aggregate of 1,833,333 post-Acquisition Consolidation Blackstone Shares outstanding. Assuming completion of the full Blackstone Financing, it is anticipated that the Company will have an aggregate of 46,455,064 post-Acquisition Consolidation Blackstone Shares (inclusive of Restricted Shares) and share purchase warrants to acquire an aggregate of 3,333,333 post-Acquisition Consolidation Blackstone Shares outstanding. In addition, the Company will have outstanding convertible notes having an aggregate principal amount of USD $1,050,000, and commitments to issue up to 1,500,000 Post- Acquisition Consolidation Blackstone Shares outstanding.

Grenville Royalty Financing

The parties anticipate that, prior to the closing of the Acquisition, Grenville Strategic Royalty Corp. ("Grenville") will advance USD $700,000 (the "Loan") to Lattice pursuant to a secured convertible promissory note (the "Note"). Amounts owing to Grenville under the Note will bear interest at a rate of 12.5% per annum, which interest rate will increase to 18% per annum upon the occurrence of an event of default under the Note. The Note will be secured pursuant to a general security agreement, and will mature and become payable by Lattice on July 31, 2016 (the "Maturity Date"). Under the terms of the Note, the entire outstanding amount of the Loan and any accrued and unpaid interest thereon may, at Lattice's election, be repaid in part or in full prior to the Maturity Date, without penalty. At Grenville's election, on or after the Maturity date, the Loan, and interest due and payable thereon may be converted into a gross sales royalty (the "Royalty") pursuant to a Amended and Restated Royalty Purchase Agreement (the "Royalty Agreement") between Lattice and Grenville. Upon conversion, the Loan will form part of an aggregate US $3,700,000 advance (inclusive of the Loan) from Grenville under the Royalty Agreement. Subject to Exchange approval, in consideration of Grenville advancing the Loan, upon completion of the Acquisition Blackstone will issue Grenville 500,000 non-transferable Warrants, having the same terms as the Warrants issued under the Blackstone Financing.

About Lattice Biologics

Lattice is an emerging personalized/precision medicine leader in the field of cellular therapies and tissue engineering, with a focus on bone, skin, and cartilage regeneration. Lattice develops and manufactures biologic products to domestic and international markets.

Lattice's products are used in a variety of applications, including:

- Enhancing fusion in spine surgery
- Enhancing breast reconstruction post mastectomy for breast cancer patients
- Sports medicine indications, including ACL repair
- Promotion of bone regeneration in foot and ankle surgery
- Promotion of skull healing following neurosurgery
- Enhancing wound repair in burn victims
- Subchondral bone defect repair in knee and other joint surgeries

Lattice is partnered in developing new precision medicine technologies to address widespread unmet clinical needs in cancer treatment. These technologies will provide an invaluable diagnostic service by utilizing patients' own prostate cancer tumor cells, amplifying them within a human Extracellular Cellular Matrix (ECM) and utilizing proprietary viability markers to test the efficacy of anti-cancer agents.

Lattice's principal goal is to develop diagnostic treatments capable of assisting physicians in identifying the most effective treatment plans for individuals on a completely personalized basis.

Lattice's headquarters, laboratory and manufacturing facilities are located in Scottsdale, Arizona. The facility includes ISO Class 1000 and ISO Class 100 clean rooms, and specialized equipment capable of crafting traditional allografts and precision specialty allografts for various clinical applications. The Lattice team includes highly trained tissue bank specialists, surgical technicians, certified sterile processing and distribution technicians, and CNC operators who maintain the highest standards of aseptic technique throughout each step of the manufacturing process. From donor acceptance to the final packaging and distribution of finished allografts, Lattice Biologics is committed to maintaining the highest standards of allograft quality, innovation, and customer satisfaction.

Lattice maintains all necessary licensures to process and sell its tissue engineered products within the U.S. and internationally. This includes Certificates to Foreign Governments from the U.S. Food and Drug Administration (FDA) for 29 countries, which allow the export of bone, tendon, meniscus, ligament, soft tissue, and cartilage products outside of the U.S.

Further information on Lattice, including current financial statements, will be filed and posted on SEDAR upon the completion of disclosure document that will be prepared in accordance with Exchange requirements in connection with the Business Combination.

Board and Management

Following completion of the Business Combination, Lattice's principal shareholders, namely Guy Cook, Chief Executive Officer and Cheryl Farmer, Chief Financial Officer, each of Phoenix, Arizona, will serve as Chief Executive Officer and Chief Financial Officer of the Company following completion of the Business Combination and Gregory Davis will serve as Chief Operating Officer. In addition, the Company's board of directors will be reconstituted to will include Mr. Cook, Ms. Farmer, Cathy Thomas, CPA, of Danville, California, Mario Stifano, CPA of Toronto, Ontario, and Blackstone's current CEO and Director, Donald McInnes of Vancouver, British Columbia.

Lattice's Chief Executive Officer, Guy Cook, remarked, "This board of directors and management team offers true depth across an indispensable range of expertise, which allows us to draw on beneficial contacts in M&A, Canadian government resources, and U.S. regulatory authorities.

Through the collaboration and focus of such a dedicated group of professionals, we are highly confident that we will execute Lattice's goal of making personalized medicine available in the near future.

We recognize this is an excellent time to bring our products and services to market and we have assembled excellent senior managers to accomplish our growth goals. I am incredibly fortunate to partner with each one of these talented individuals."

>Guy Cook, Chief Executive Officer

Mr. Cook brings more than 25 years of experience organizing, managing, and running all aspects of start- up and mid-size businesses. Prior to leading the asset purchase of International Biologics (renamed Lattice Biologics Inc.) in September of 2013, Guy founded and led Bacterin International Inc. (AMEX:BONE) from a small contract R&D start-up to a publicly traded multinational organization with sales in over 15 countries, multi-million dollar revenue, and more than 150 employees. Under his tenure, Bacterin revenues increased from USD $7.8mm in 2009 to USD $15.4mm in 2010 and USD $30.1mm in 2012, achieving record sales. Guy's expertise includes over 18 years of experience in the tissue engineering field. He began his career as a confocal microscopist scientist, utilizing novel biomarkers at Montana State University's Center for Biofilm Engineering, a National Science Foundation center of excellence.

Cheryl Farmer, CPA, Chief Financial Officer

Ms. Farmer joined Lattice in September of 2014 with 20 years of experience as a CFO and business development specialist. She started her career with Big 6 accounting firms and soon began generating valuable and far-reaching professional relationships across a diverse network of industries. Prior to joining Lattice, Cheryl served as a Global Business Executive for the Greater Phoenix Economic Council (GPEC), Arizona's premier economic development organization for public entities and private investors. In this role, she was responsible for identifying and building strategic relationships throughout Western Canada with individual businesses, government agencies, economic development organizations, and foreign trade associations to support expansion into America with great success. Cheryl's trademark entrepreneurial spirit, determination to improve advanced stem cell technology outcomes, and expertise in finance, system/process implementation, efficiency management, business development, and growth strategy are critical assets for Lattice's continued growth.

Gregory Davis, Chief Operating Officer

Mr. Davis joined Lattice as it Executive Director in August of 2014. Greg is a dynamic, results-focused leader with over 25 years of experience in the tissue banking industry. Throughout his career, Greg has worked with several organ procurement organizations and has also led eye and tissue banks. His emphasis has been on operations management, strategic planning, and the development of highly effective work teams to maximize productivity, while maintaining continuous quality improvement and regulatory compliance. Greg also brings extensive experience in developing operational budgets and cost containment initiatives.

Cathy Thomas, Board Member

Ms. Thomas, CPA, is the Founder of Paraclae, LLC, a thriving finance and accounting consulting firm that recently merged with Sensiba San Filippo, one of the largest Northern California based CPA and business consulting firms. Cathy offers over 30 years of experience in business accounting services, including 15 years with Deloitte and Touche, five of which as a partner. Her major career accomplishments address the critical areas of complex public offerings, global corporate auditing, and Sarbanes Oxley Compliance. Most significantly, the latter of which encompasses compliance program development and implementation to protect shareholders and the general public from accounting errors and fraudulent enterprise practices and to improve the accuracy of corporate disclosures. In 2002, she started the consulting arm of Armanino Mc Kenna, LLP, as a member of the firm's executive committee. Providing outsourced internal audit services specifically to address Sarbanes Oxley Compliance, outsourced finance, and accounting resources, the firm tripled in size across six years driven by the increase in revenue from the consulting practice. In 2008, Cathy founded Paraclae and was profitable year one.

Mario Stifano, Board Member

Mr. Stifano, CPA, is currently President and CEO of Cordoba Minerals Corp. (TSX VENTURE:CDB), a Toronto-based junior resource exploration company focused on the exploration and acquisition of copper and gold projects in Colombia. He joins the team as a key Board Member. Mario is a seasoned executive who brings strong capital markets experience to the Company and will be invaluable to the development and implementation of a successful mergers and acquisitions strategy. Throughout his career, he has raised approximately $700mm in equity and debt for technology and resource companies, including raising funds for start-ups and an IPO. Mario's extensive mergers and acquisitions experience, including a $400 million acquisition while CFO of Lake Shore Gold (TSX:LSG), will greatly assist Lattice as the Company pursues its growth strategies.

Donald McInnes, Board Member

Mr. McInnes comes to Lattice as a natural resources entrepreneur who began funding ideas through

Canadian capital markets in 1993. Donald is the founder and former CEO of Plutonic Power Corporation (TSX:PCC), a British Columbia-based renewable power development company with a broad portfolio of clean energy projects. In 2011, Plutonic merged with Magma Energy Corp. (TSX:MXY) to create Alterra Power Corp. (TSX:AXY), a diversified clean energy company with annual gross revenue in excess of $100mm. Mr. McInnes currently serves as Alterra's Vice Chairman of the Board and Chair of the Health & Safety Committee. Donald is a frequent public speaker, passionate contributor to the debate on public policy, and involved member of the business community. He shares his talents with a variety of boards and associations, including serving as Past Chair of the Board of Prostate Cancer Canada, Past Chairman of the Clean Energy Association of British Columbia, and Past Governor of the British Columbia Business Council, among many others. In the past four years, he has been awarded an EY Entrepreneur of the Year Award in the Pacific Division Cleantech category, the Queen's Diamond Jubilee Medal, and the Clean Energy Association of British Columbia's Lifetime Achievement Award.

Closing of the Business Combination

The Business Combination will constitute a Reverse Takeover and Change of Business for the Company under the policies of the Exchange. It is anticipated that, upon completion of the Business Combination, the resulting issuer, will be listed as a Life Sciences Issuer on the Exchange. Closing of the Business Combination is subject to a number of conditions including completion of the Initial Consolidation, the Debt Settlement, the Acquisition Consolidation, the Minimum Financing, the Grenville Financing, completion of satisfactory due diligence, the entering into a definitive agreement in respect of the Business Combination, receipt of all required shareholder, regulatory and third party consents, including Exchange approval, and satisfaction of other customary closing conditions. The Business Combination cannot close until the required approvals are obtained. There can be no assurance that the Business Combination will be completed as proposed or at all.

In accordance with Exchange Policy 2.2, the Company has engaged Haywood Securities Inc. ("Haywood") to act as sponsor in connection with the Business Combination. Under the terms of its engagement letter, the Company will pay Haywood a sponsorship fee and reimburse Haywood for reasonable expenses it incurs in connection with acting as Sponsor in connection with the Business Combination.

On Behalf of the Board of Directors of BLACKSTONE VENTURES CORP.

Donald McInnes
Chief Executive Officer

Completion of the Business Combination is subject to a number of conditions, including Exchange acceptance and disinterested Shareholder approval. The transaction cannot close until the required Shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the Information Circular to be prepared in connection with the transaction, any information released or received with respect to the Business Combination may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.

The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

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

This news release may include forward-looking statements that are subject to risks and uncertainties. All statements within, other than statements of historical fact, are to be considered forward looking. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. There can be no assurances that such statements will prove accurate and, therefore, readers are advised to rely on their own evaluation of such uncertainties. We do not assume any obligation to update any *forward-looking statements except as required under the applicable laws.*

United States Advisory

The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), have been offered and sold outside the United States to eligible investors pursuant to Regulation S promulgated under the U.S. Securities Act, and may not be offered, sold, or resold in the United States or to, or for the account of or benefit of, a U.S. Person (as such term is defined in Regulation S under the United States Securities Act) unless the securities are registered under the U.S. Securities Act, or an exemption from the registration requirements of the U.S. Securities Act is available. Hedging transactions involving the securities must not be conducted unless in accordance with the U.S. Securities Act. This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in the state in the United States in which such offer, solicitation or sale would be unlawful.

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