



Zenith Epigenetics Closes US\$24.6 Million Private Placement

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Calgary, Alberta, May 16, 2016 – Zenith Epigenetics Corp. ("Zenith" or the "Company") today announced that it has closed a private placement of 24,560,500 common shares at a price of US\$1.00 per share for gross proceeds of US\$24,560,500 (the "Private Placement") to Eastern Capital Limited ("Eastern"). The shares are subject to a four month hold period.

After giving effect to the Private Placement, Eastern holds 47,760,500 common shares of Zenith, representing approximately 38.6 percent of Zenith's issued and outstanding common shares. Eastern also holds 2,048,640 common share purchase warrants of Zenith.

Pursuant to the terms of the Private Placement, in the event that Zenith completes an equity financing within 180 days and the price per share is lower than US\$1.00, the price per share paid by Eastern will be adjusted to the lower price per share and Eastern will, accordingly, receive additional common shares for no additional consideration. Furthermore, in the event that Zenith completes an equity financing within 180 days and Zenith issues or grants additional securities, contractual rights or entitlements to any of the subscribers, then Zenith shall issue or grant the same additional securities, contractual rights or entitlements to Eastern.

The Private Placement was a related party transaction within the meaning of applicable Canadian securities laws as Eastern is an insider of Zenith. The transaction was exempt from the formal valuation and minority approval requirements applicable to related party transactions on the basis that the value of the transaction was less than 25 percent of Zenith's market capitalization, as determined by the Board of Directors of the Company. Zenith did not file a material change report more than 21 days prior to closing as contemplated by the related party transaction requirements as the insider participation was only recently confirmed.

Zenith intends to use the net proceeds from the offering to fund research and development activities, general and administrative expenses, increased working capital and for other general corporate purposes.

The securities issued under the offering have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and accordingly, may not be offered or sold within the United States except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities requirements or pursuant to exemptions therefrom. This press release does not constitute an offer to sell or a solicitation of an offer to buy any of Zenith's securities in the United States.

About Zenith

Zenith Epigenetics Corp. is a clinical stage biotechnology company focused on the discovery and development of novel therapeutics. Zenith Epigenetics' bromodomain (BET) inhibitors are being advanced for several oncology indications and have the potential to impact multiple additional non-oncology diseases as well. The lead compound, ZEN-3694, is in clinical development for Metastatic Castration-Resistant Prostate Cancer (mCRPC).

To learn more, please visit: www.zenithepigenetics.com.

This news release may contain certain forward-looking information as defined under applicable Canadian securities legislation, that are not based on historical fact, including without limitation statements containing the words "believes", "anticipates", "plans", "intends", "will", "should", "expects", "continue", "estimate", "forecasts" and other similar expressions. In particular, this news release includes forward looking information relating to the use of proceeds of the offering. Our actual results, events or developments could be materially different from those expressed or implied by these forward-looking statements. We can give no assurance that any of the events or expectations will occur or be realized. By their nature, forward-looking

statements are subject to numerous assumptions and risk factors including those discussed in our most recent MD&A which are incorporated herein by reference and are available through SEDAR at www.sedar.com. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement and are made as of the date hereof. The Company disclaims any intention and has no obligation or responsibility, except as required by law, to update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

Company Contacts:

Donald J. McCaffrey
President and CEO
Zenith Epigenetics Corp.
Phone: 587-390-7865
Email: info@zenithepigenetics.com