Press Release

CRITICAL OUTCOME TECHNOLOGIES REPORTS YEAR-END FINANCIAL & OPERATING RESULTS

Several important milestones achieved during the year, underscored by the advancement of COTI-2 into the clinic

London, Ontario (August 3, 2016): Critical Outcome Technologies Inc. ("COTI" or the "Company") (TSX Venture: COT; OTCQB: COTQF), a clinical-stage biopharmaceutical company advancing innovative and targeted therapies for the treatment of cancer, reported its financial and operating results today for the fourth quarter and the fiscal year ended April 30, 2016 ("FYE 2016").

FYE 2016 Highlights:

- Received investigational new drug ("IND") status from the U.S. Food and Drug Administration ("FDA") for COTI-2, the Company's novel small molecule activator of misfolded mutant p53 protein, for the potential treatment of gynecological cancers;
- Commenced a Phase 1 clinical trial to evaluate COTI-2 in patients with advanced gynecologic cancers at The University of Texas MD Anderson Cancer Center;
- Initiated the COTI-2 dosing of patients in the first cohort (February 2016) and the second cohort (April 2016) of the ongoing Phase 1 clinical trial; and,
- Launched ROSALIND™, the Company's precision medicine platform designed to provide personalized cancer treatment options, in March 2016.

Highlights Subsequent to FYE 2016:

- Activated a second site for the ongoing Phase 1 clinical trial at Northwestern University in Chicago in June 2016;
- Appointed Alison Silva as the Company's President in June 2016; and,
- Commenced the COTI-2 dosing of patients in the third cohort of the ongoing Phase 1 clinical trial in July 2016.

"The 2016 fiscal year was a year of great progress and strengthening of the Company's balance sheet," said Dr. Wayne Danter, Chief Executive Officer of COTI. "Our innovative oncology pipeline progressed well with our lead compound COTI-2 targeting p53 entering a Phase 1 clinical study at the prestigious MD Anderson Cancer Center, for potentially treating gynecological cancers. This significant accomplishment has helped the Company transition from a drug discovery, pre-clinical organization into a clinical-stage biopharmaceutical organization," added Dr. Danter. "We significantly strengthened our cash position in fiscal 2016, which will enable us to execute on our clinical program and help achieve key value-building milestones and pipeline progression during fiscal 2017. We also significantly enhanced

our management team with the addition of Ms. Alison Silva as President, who brings extensive biotechnology and pharmaceutical experience with strategic and cross-functional expertise and understanding of the drug development process, corporate financing and strategy, deal making, and business development."

"We are off to a great start in fiscal 2017," said Ms. Alison Silva, President, of COTI. "In June, we opened a second study site for our Phase 1 clinical trial with COTI-2. The addition of the clinical site at Northwestern University significantly enhances our clinical trial enrollment process. As we look ahead to the rest of fiscal 2017, we plan to rapidly complete the Phase 1 clinical study and continue our plans for additional clinical trials with COTI-2 in other cancer indications," Ms. Silva added. "We also plan to expand our oncology pipeline with the advancement of a new oral small molecule compound currently in development with the goal of filing an IND for the compound in the second half of 2017."

Financial Results

Fourth Quarter

The Company reported a quarterly net loss of $2,363,271, or $0.018 per share, compared to a net loss of $946,683, or $0.008 per share, for the fourth quarter of the previous year. The $1,416,588 increase in the net loss was attributable to a $1,279,176 increase in financing expenses (predominantly due to a change in the fair value of the warrant liability), a $39,461 increase in research and development ("R&D") expenditures, a $67,593 increase in general and administrative ("G&A") expenditures, and higher sales and marketing expenses, partially offset by an increase in investment tax credit income.

The significant change in fair value of the warrant liability reflects the impact of the increase in the Company's share price since the end of January 2016, as this is the most significant assumption in the valuation model. The higher R&D expenses for the quarter were primarily due to the addition of clinical trial expenses, whereas there was no comparable expense in the same quarter of FYE 2015. The addition of clinical trial expenses was partially offset by a reduction in synthesis and miscellaneous R&D expenses with much of this reduction related to consulting fees incurred in writing and conducting additional tests in support of the IND submission to the FDA which occurred late in the fourth quarter of FYE 2015. The higher G&A expenses for the quarter were largely attributable to increases in salaries and benefits, corporate governance, share-based compensation, and other expenses partially offset by a decrease in amortization of intangibles.

Fiscal Year

For the fiscal year, the Company had a net loss of $4,924,427, or $0.04 per share, compared to a net loss of $3,813,186, or $0.04 per share, for the previous year. The increased loss of $1,111,241 was mostly attributable to finance expense of $1,003,612 (predominantly due to a change in the fair value of the warrant liability) compared to financing income of $40,639 in the prior year. Also contributing to the larger loss for the year were a $147,877 increase in R&D expenditures, a $244,853 increase in sales and marketing expenses, and lower investment tax credit income partially offset by a $342,011 reduction in G&A expenses.

Higher R&D expenses for the year were primarily driven by development efforts in moving COTI-2 through the final IND application granting process and then into the Phase 1 clinical trial. Other development areas of note included: preclinical work on potential follow-on compounds to COTI-2 such

as COTI-219 and the MRSA compounds; and the development of a new clinical oncology technology tool, ROSALIND™. The higher sales and marketing expenses for the year were largely attributable to the engagement of two consultants on annual contracts dedicated to business development efforts across a number of commercial revenue initiatives including licensing efforts for COTI-2. The significant reduction in G&A expenses for the year was attributable to lower professional fees and the re-evaluation of the estimated life of the Company's molecules (resulting in a reduced rate of amortization), partially offset by increases in share-based compensation, salaries and benefits, and other expense.

Financing

During the year, the Company completed two non-brokered private placement financings with accredited investors, realizing gross proceeds of approximately $2.7 million. In addition, the Company realized additional cash of $3,846,903 from the exercise of common share purchase warrants and compensation warrants. Proceeds from the financing activities were used to complete operational plans, to progress COTI-2 into the clinical trial, and to support additional follow-on R&D development programs. At year-end, the Company had approximately $4.73 million in cash, cash equivalents, and investments that will provide funding for operations in fiscal 2017 as compared to approximately $1.87 million at FYE 2015.

Subsequent to year-end, the Company realized gross proceeds of $1,607,543 from the exercise of 5,438,266 common share purchase warrants and 270,560 compensation warrants to further support operations.

More detailed operating and financial results can be found in the Company's Annual Audited Financial Statements and Management Discussion and Analysis for the year ended April 30, 2016, which can be found on SEDAR at www.sedar.com or at http://criticaloutcome.com/investors/financials/

About Critical Outcome Technologies Inc.

COTI is a clinical stage biopharmaceutical company advancing innovative and targeted therapies for the treatment of cancer. The Company's lead compound, COTI-2, has a novel p53-dependent mechanism of action with selective and potent anti-cancer activity. COTI-2 is being initially evaluated for the treatment of gynecologic cancers, which includes ovarian, cervical, and endometrial cancers in a Phase 1 clinical trial at the MD Anderson Cancer Center at the University of Texas and the Lurie Cancer Center at Northwestern University. The Company has secured orphan drug status in the U.S. for COTI-2 for the treatment of ovarian cancer in patients failing first line therapies and is planning additional studies in other cancer indications such as head and neck, Li-Fraumeni Syndrome, and acute myelogenous leukemia, based upon more than ten animal xenograft models showing both single and combination agent activity of COTI-2 with other leading cancer drugs. Preclinical data provides evidence to suggest a potentially dramatic change in the treatment of cancers with mutations of the p53 gene.

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