Press Release

CRITICAL OUTCOME TECHNOLOGIES REPORTS YEAR-END FINANCIAL AND OPERATING RESULTS

Achieving Major Milestones Has COTI-2 Well Positioned for Clinical Trials

London, Ontario (August 28, 2015): Critical Outcome Technologies Inc. ("COTI" or the "Company") (TSX Venture: COT; OTCQB: COTQF) reported its financial and operating results today for the fourth quarter and the year ended April 30, 2015 ("FYE 2015").

Major milestones met during FYE 2015 and year-to-date included:

- Establishing a high profile experienced Scientific Advisory Board led by Dr. Gordon Mills for the clinical development of COTI-2 and other cancer pipeline assets;
- Receiving investigational new drug ("IND") status from the U.S. Food and Drug Administration ("FDA") for COTI-2, the Company's small molecule activator of misfolded mutant p53 protein, in gynecological cancers shortly after the year end;
- Strengthening the intellectual property position of COTI-2, with the receipt of additional patents in Europe, Canada, the United States, and Japan;
- Signing a letter of intent with University of Texas MD Anderson Cancer Center for the Phase 1 development of COTI-2; and,
- Receiving Orphan Drug Designation for COTI-2 from the FDA for the treatment of ovarian cancer.

"Key events in fiscal 2015 provided additional validation for COTI-2 and the Company is well prepared and eager to launch our first clinical trial this fall," said Dr. Wayne Danter, COTI's President and Chief Executive Officer. "Preclinical studies repeatedly demonstrated potent therapeutic potential with very low toxicity. In addition to receiving the Orphan Drug Designation for the treatment of ovarian cancer, COTI-2 received additional patent protection in North America and abroad. We look forward to continuing our work with MD Anderson Cancer Center and the ovarian cancer patient community as we begin our COTI-2 clinical trials and hope to bring about a transformative treatment option for patients."

Financial Results

Fourth Quarter

The Company reported a quarterly net loss of $946,683, or $0.01 per share, compared to a net loss of $1,226,521, or $0.01 per share, for the fourth quarter of the previous year. The $279,838 decrease in net loss was attributable to a $173,766 decrease in research and development ("R&D") expenditures and a $163,339 decrease in general and administrative ("G&A") expenditures, partially offset by higher sales and marketing expenses, a decrease in investment tax credits, and a $148,368 increase in financing expenses.

The quarterly R&D expense decrease year over year was primarily due to a decrease of in vivo/in vitro testing partially offset by an increase in synthesis cost and miscellaneous R&D expenses, and salaries and benefits. The decrease of in vivo/in vitro testing relates primarily to the 28-day two-species toxicity testing for COTI-2 that was underway throughout the fourth quarter of the previous year, which was completed in the first quarter of FYE 2015. The decrease in G&A expenditures was due primarily to a decrease in professional fees. The fourth quarter of the previous year included strategic financial advisory services to assist the Company in entering the U.S. market for financing purposes. These services concluded in November 2014 and accordingly no cost in this regard was incurred in the fourth quarter of FYE 2015. The financing expense increase related to the expensing of costs associated with the issuance of warrants initially recognized in equity but determined in the fourth quarter to be accounted for as warrant liability.

Fiscal Year

For the fiscal year, the Company had a loss of $3,813,186, or $0.04 per share, compared to a net loss of $2,996,179, or $0.03 per share, for the previous year. The increased loss of $817,007 was attributable to a $321,092 increase in R&D expenses, a $383,869 increase in G&A expenses, and a $180,712 increase in sales and marketing expenses.

The increase in R&D expenses was driven primarily by development efforts for COTI-2 and the preparation of its IND application. Higher G&A expenses included an increase in share-based compensation, higher professional fees relating to financing and investor relations activities, and higher corporate governance expenses.

Financing

During the year, the Company realized gross proceeds of approximately $4.9 million through non-brokered private placements with accredited investors, and the exercise of warrants and share options. A portion of this financing was used to repay a $400,000 debenture that matured in February 2015. At the year-end, the Company had approximately $1.87 million in cash, cash equivalents and short-term investment that will provide funding for operations in fiscal 2016 as compared to approximately $0.83 million at FYE 2014. Subsequent to year-end, the Company announced a private placement financing for approximately $1.29 million 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, 2015, which can be found on SEDAR at www.sedar.com.

About Critical Outcome Technologies Inc. (COTI)

COTI is a biopharmaceutical company using machine learning to rapidly develop targeted therapies. COTI's proprietary artificial intelligence platform, CHEMSAS®, utilizes a series of predictive computer models to identify compounds with a high probability of being successfully developed from disease specific drug discovery through chemical optimization and preclinical testing. These compounds are targeted for a variety of diseases, particularly those for which current treatments are either lacking or ineffective.

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For more information, visit www.criticaloutcome.com or contact:

Critical Outcome Technologies Inc.
Dr. Wayne Danter
President & CEO
Tel: 519-858-5157
Email: wdanter@criticaloutcome.com

Heisler Communications
Trevor Heisler
Investor Relations - Canada
Tel: 416-500-8061
Email: trevor@heislercommunications.com

Stonegate Capital Partners
Casey Stegman
Investor Relations - United States
Tel: 972-850-2001
Email: Casey@stonegateinc.com