

## FOR IMMEDIATE RELEASE

### **CRITICAL OUTCOME TECHNOLOGIES INC. REPORTS FISCAL 2011 FIRST QUARTER FINANCIAL RESULTS**

**London, Ontario (September 9, 2010): Critical Outcome Technologies Inc. (COTI) (TSX Venture: COT)** announced fiscal 2011 first quarter financial results today for the three month period ended July 31, 2010.

The Company reported a net loss of \$549,272 or \$0.01 per common share for the three months ended July 31, 2010 compared to a net loss of \$979,089 or \$0.02 per common share for the comparable quarter ended July 31, 2009. The decrease in the loss of \$429,817 resulted primarily from decreased research and product development expenses (R&D) of \$229,548 and a recovery of previously recorded stock-based compensation expense of \$110,509 occurring upon the resignation of the Company's former Chief Executive Officer (CEO) on June 30, 2010.

During the quarter, the Company realized net cash proceeds of \$35,444 on the final tranche of a non-brokered private placement with accredited investors previously announced on April 29, 2010. The gross proceeds of the financing were \$1,102,850. The net proceeds are being used to fund internal R&D activities and general working capital requirements.

Also during the quarter, the Company was approved for \$300,000 in funding by the National Research Council of Canada Industrial Research Assistance Program (IRAP) for the development of its acute myelogenous leukemia (AML) program. The total estimated cost of this project is \$955,470.

Operationally, the Company had the following positive results in R&D during the quarter for its lead oncology compound, COTI-2 that positions the compound for the final pharmacokinetic Pre-Investigational New Drug (pre-IND) studies:

- Receipt of a favourable pre-IND gap analysis report from an independent team of scientific and regulatory consultants that reviewed the novel oncology drug candidate preclinical science data package and did not identify any deficiencies.
- Completion of experiments and laboratory work to develop optimal oral and intravenous formulations.
- Completion of experiments and laboratory work to develop and validate an optimal drug detection method.

At the quarter end, the Company held cash and cash equivalents of \$1,401,269. Since the April 30, 2010 year end, the balance of cash and cash equivalents declined by \$544,107, with \$572,248 reflecting the use of cash in operations. The Company is focused on addressing its cash position for operations

beyond the current fiscal year and is pursuing financing alternatives as well as cash generating revenue alternatives from licensing COTI-2 and collaborations using the CHEMSAS® technology.

More detailed operating and financial results can be found in the Company's interim financial statements and the Management Discussion and Analysis for the three month period ended July 31, 2010, which can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

### **About Critical Outcome Technologies Inc. (COTI)**

COTI is formed around a unique computational platform technology called CHEMSAS®, which allows for the accelerated identification and optimization of targeted small molecules potentially effective in the treatment of human diseases for which current therapy is either lacking or ineffective. Currently, COTI is focused on preparing COTI-2 for an Investigational New Drug filing in the USA in 2011. In addition, to COTI-2, COTI has a number of preclinical programs for various cancers, multiple sclerosis, human immunodeficiency virus and Alzheimer's disease. For further information on COTI, visit [www.criticaloutcome.com](http://www.criticaloutcome.com)

### **Forward-looking Statements**

Information contained in this press release may contain certain statements, which constitute "forward looking statements" within the meaning of the Securities Act (Ontario) and applicable securities laws. For example, the statement, "The Company is focused on addressing its cash position for continued ...." is a forward-looking statement. These forward-looking statements, by their nature, are not guarantees of future performance and are based upon COTI's current expectations, estimates, projections and assumptions, which it considers reasonable. COTI operates in a highly competitive and regulated environment that involves significant risks and uncertainties, which could cause actual results to differ materially from those anticipated in these forward-looking statements. Information in this press release should be considered accurate only as of the date of the release and may be superseded by more recent information disclosed in later press releases, filings with the securities regulatory authorities or otherwise.

For further information regarding this press release contact:

Mr. Gene Kelly, Chief Financial Officer

519-858-5157

[gkelly@criticaloutcome.com](mailto:gkelly@criticaloutcome.com)

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