



Press Release

CRITICAL OUTCOME TECHNOLOGIES INC. ANNOUNCES SHAREHOLDER RIGHTS PLAN AND ADVANCE NOTICE BY-LAW

London, Ontario (September 25, 2014): Critical Outcome Technologies Inc. ("COTI" or the "Company") (TSX Venture: COT; OTCQB: COTQF) the bioinformatics and accelerated drug discovery company, announced today that its shareholders will be asked at the Company's Annual General and Special Meeting ("AGM") to be held on Tuesday, October 21, 2014, to (i) ratify the adoption of a shareholder rights plan; (ii) ratify the adoption of an advance notice by-law; and (iii) approve a proposal to provide the board of directors with discretion to undertake a share consolidation of the Company's issued and outstanding common shares at a future date if it is determined by the board of directors to be in the best interest of the Company and its shareholders.

"These measures are intended to protect both the short and long-term interests of our shareholders," said John Drake, Chairman of the Board. "We believe that implementation of a shareholder rights plan is warranted and timely in order to protect our shareholders from any coercive takeover attempts that might limit the realization of both the current and future value of the Company and encourages anyone seeking to acquire COTI to negotiate in good faith with our Board."

Shareholder Rights Plan ("Rights Plan")

The board of directors ("Board") of the Company has approved the adoption of a Rights Plan that became effective on September 25, 2014. The Rights Plan provides the Board and the shareholders more time to fully consider any unsolicited take-over bid for the Company should such arise. It also allows more time for the Board to pursue, if appropriate, other alternatives to maximize shareholder value.

The Rights Plan is similar to other rights plans adopted by many Canadian companies and was not adopted in response to, or in anticipation of, any pending, threatened, or proposed acquisition or take-over bid. The Rights Plan is not triggered if an offer to acquire the Company's common shares is made as a "permitted bid" and thereby allows sufficient time for the Board and shareholders to consider and react to the offer.

The Rights Plan has been conditionally accepted by the TSX Venture Exchange and is effective and in full force as of the date hereof. The full text of the Rights Plan will be available at www.sedar.com once ratified at the AGM.

Advance Notice By-law

The Board has also approved the adoption of By-law No. 1A of the Company ("Advance Notice By-law") to, among other things, fix a deadline by which shareholders must notify the Company of nominations of persons for election to the Board and stipulate the same information about the proposed nominee as one would have to include in a dissident proxy circular under applicable securities laws ("Advance Notice Requirements").

More specifically, the Advance Notice Requirements require shareholders to notify the Company of nominations 30 to 65 days in advance of an annual meeting, except that, where the annual meeting is to be held less than 40 days after the Company announces the annual meeting date, shareholders have until 10 days after the announcement to submit a notification. In the case of special meetings where annual business is not conducted, shareholders have until 15 days following the announcement of the meeting to submit nominations.

The Advance Notice By-law is effective and in full force as of the date hereof. If the Advance Notice By-law is not confirmed at the AGM by ordinary resolution of shareholders, the Advance Notice By-law will terminate and be of no further force and effect following the termination of the AGM.

The full text of the Advance Notice By-law will be available at www.sedar.com once ratified at the AGM.

Discretion for Future Share Consolidation (“Consolidation”)

At the AGM, the Board proposes to ask the shareholders to provide it with discretion to reduce the number of common shares of the Company on the basis of a range of one post-consolidation common share for up to ten pre-consolidation common shares in order to increase its flexibility with respect to potential business transactions, including any equity financings, if it is determined by the Board to be necessary.

The Consolidation would only be implemented, if at all, upon a determination by the Board that it is in the best interests of the Company at a particular time.

The Consolidation is subject to the prior acceptance by the TSX Venture Exchange at the time of implementation. Should a Consolidation be implemented, the Company would at that time issue a further news release confirming the consolidation ratio as well as the effective date. Letters of transmittal with appropriate instructions would also be mailed to shareholders at such time.

The full text of the Consolidation resolution and rationale can be found in the Company’s Management Information and Proxy Circular mailed to shareholders and filed at www.sedar.com on September 25, 2014.

About Critical Outcome Technologies Inc.

COTI is a leading-edge technology company specializing in accelerating the discovery and development of small molecules – dramatically reducing the time and cost to bring new drugs to market. COTI’s proprietary artificial intelligence system, 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.

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

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