Press Release

CRITICAL OUTCOME TECHNOLOGIES ANNOUNCES NEXT CLINICAL CANDIDATE, COTI-219, TARGETING KRAS

Together with COTI-2, Company is building a compelling pipeline of novel oral small molecules targeting previously "undruggable" cancer targets

London, ON and Boston, MA (October 11, 2016): Critical Outcome Technologies Inc. (TSX Venture: COT; OTCQB: COTQF) ("COTI" or the "Company") a clinical-stage biopharmaceutical company advancing innovative and targeted therapies for the treatment of cancer, announced today that it has declared its next clinical candidate, COTI-219, a novel oral small molecule compound targeting the mutant forms of KRAS. COTI-219 was discovered using the Company's proprietary drug discovery technology platform, CHEMSAS®.

"*KRAS* mutations occur in a large number of cancers and represent a tremendous unmet clinical need, making for a highly desirable drug target," said Alison Silva, President of COTI. "These mutations are detected in up to one-fourth of all human cancers, particularly lung, colorectal, pancreatic, and thyroid. Selectively targeting the mutant forms of KRAS without inhibiting *wild type* KRAS function has been the focus of intense research for over two decades, with limited success. It is therefore very exciting that COTI-219, which is designed to be selective against the mutant form of KRAS, is shown to be efficacious in multiple pre-clinical tumor model systems. The data from these pre-clinical studies is very promising and the fact they were largely generated by our world-renowned collaborators at prestigious cancer centers in the United States gives us added confidence in the robustness and validity of the results. We are excited by COTI-219's first-in-class potential and are planning to file an Investigational New Drug (IND) application in late 2017."

"The advancement of COTI-219 towards clinical development is an important milestone for the Company and a significant additional validation of our approach to identifying potent small molecule inhibitors of what were previously considered "undruggable" targets," said Dr. Wayne Danter, Chief Executive Officer of COTI. "What is remarkable, and something we are very proud of, is the fact that COTI-219, together with our lead candidate COTI-2 - which targets the elusive mutant form of p53 protein and is currently in a Phase 1 clinical trial for the treatment of gynecological cancers - represent two very significant opportunities to target two fundamental central pathways in the development of multiple cancers. COTI-2 and COTI-219 each have the potential to, either independently or in combination with other therapies, dramatically improve the outcome for many people with cancer."

About *KRAS* mutations and Cancer

KRAS is an essential protein that plays a central role in the signaling of a number of cellular pathways that regulate cell growth and proliferation. The KRAS signaling cascade is tightly controlled through its intrinsic GTPase activity, which converts an active GTP-bound KRAS to a GDP-bound inactive form. Mutations in the *KRAS* gene inactivates its intrinsic GTPase activity, resulting in KRAS primarily bound to GTP, therefore becoming constitutively activated. Activating mutations in the *KRAS* gene impair the

ability of the KRAS protein to switch between active and inactive states, and is an essential step in the development of many cancers. *KRAS* mutations are found in many human cancers, with the highest prevalence in pancreatic adenocarcinomas (90%), colorectal cancers (45%) and lung cancers (35%)[i]. *KRAS* mutations are also predictive of a very poor response to colorectal cancer therapies, such as panitumumab and cetuximab. Targeted therapies that can block the function of mutant KRAS protein, but not the wild type KRAS, would be transformative in the successful treatment of a large number of cancer indications.

About COTI-219

COTI-219 is an oral small molecule inhibitor of mutant KRAS protein. COTI-219 is designed to selectively bind to the mutant forms of KRAS protein, but not to the wild type KRAS, and block its function - thereby inhibiting the downstream cell growth and proliferation signaling cascade. In validated cell culture and *in vivo* preclinical rodent models of colorectal and lung cancers at one of the leading cancer research centers in the world, our collaborators demonstrated that COTI-219 treatment as a single agent resulted in significant and robust efficacy. Moreover, in a lung cancer rodent model, COTI-219 performed significantly better in reducing tumor volume compared to certain approved standard-of-care lung cancer therapies. A complete set of data and results from these preclinical studies will be presented at a future oncology conference.

About Critical Outcome Technologies Inc.

COTI is a clinical stage biotechnology 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 (HNSCC), Li-Fraumeni Syndrome (LFS), and acute myelogenous leukemia (AML). These studies are supported by 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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[i] KRAS – An Evolving Cancer Target - Austin J Cancer Clin Res 2014;1(1): 1004; KRAS mutant lung cancer: progress thus far on an elusive therapeutic target- Clin Trans Med (2015) 4:35