

## **CRITICAL OUTCOME TECHNOLOGIES IDENTIFIES EXPERIENCED PARTNER FOR CLINICAL DEVELOPMENT OF COTI-2**

*Company signs letter of intent to form joint venture with Portage Biotech Inc.*

**London, Ontario (February 26, 2014):** Critical Outcome Technologies Inc. (“COTI” or the “Company”) (TSXV: COT), the bioinformatics and accelerated drug discovery company, is pleased to announce that it has signed a non-binding letter of intent (“LOI”) to form a joint venture with Portage Biotech Inc. (“Portage”), a British Virgin Island incorporated public company, listed and traded on the Canadian Securities Exchange (“PTB.U”), and on NASDAQ and the OTC (“PTGEF”) to fund and direct the Phase 1 development of the Company’s clinical oncology candidate, COTI-2.

“The formation of this joint venture will bring substantial technical and industry expertise to the development of COTI-2 and should enable us to move into clinical trials and provide the human data validation that is of primary interest to many potential licensing partners,” said Mr. John Drake, Chairman of COTI. “The timing of this joint venture should also help us to meet our objective of having COTI-2 enter the clinic this year.”

Under the terms of the LOI, the Company and Portage have agreed to form a joint venture company (“JV Co”) wherein the Company will grant an exclusive limited license for COTI-2 to JV Co for the development of COTI-2 from the point it commences the final pre-clinical 28-day two-species toxicity studies, through IND preparation and filing, a Phase 1 clinical trial and all related or ensuing development as determined to be appropriate by JV Co. Portage will invest \$5.0 million USD in JV Co and these funds will be used to fund the mutually agreed upon development plan for COTI-2. JV Co will be co-owned 50/50 by COTI and Portage. Subject to completion of the transactions contemplated in the LOI, the Company will pay a finder’s fee to an arm’s length third party through the issuance of common share purchase warrants in accordance with applicable securities laws and the policies of the TSX Venture Exchange.

Upon signing the LOI and successful completion of the remaining due diligence, Portage and COTI will enter into negotiations of a definitive plan and agreement of joint venture (the “JV Agreement”) and an exclusive limited license agreement in respect of COTI-2. The JV Agreement will be in form and substance mutually acceptable to the Company and Portage, acting reasonably, and will contain, among other things, representations, warranties, terms, conditions and indemnities of the respective parties customary for transactions of this nature.

Portage and COTI will work together to assemble a comprehensive drug development and licensing team to direct the optimal clinical development of COTI-2. In this regard, Dr. Declan Doogan, CEO of Portage, and formerly Senior Vice President and Head of Worldwide Development at Pfizer Global

Research & Development, will be overseeing the clinical development of COTI-2. Other members of the team will be finalized as the joint venture agreements, development plan and budgets are formalized.

“Dr. Greg Bailey, a successful serial life science entrepreneur, and Mr. James Mellon, an internationally recognized investor and serial entrepreneur, are two of the principals of Portage and they, along with Dr. Doogan, will bring a wealth of drug development, pharma deal making experience and contacts to the COTI-2 program,” said Dr. Wayne Danter, COTI’s CEO. “I am delighted by the prospect of moving COTI-2 forward with an experienced team both from a clinical development perspective and a financial resources basis to realize on the potential for making a difference in the lives of many cancer patients. In addition, this joint venture format may represent a development and commercialization template for COTI’s future drug discovery and preclinical development programs.”

“COTI has created a very intriguing new pharmaceutical agent for an unmet clinical need utilizing their unique platform,” said Dr. Greg Bailey, Chairman of Portage. “Portage looks forward to finishing our due diligence and assembling a very sophisticated oncology drug development team in conjunction with COTI.”

“Our team is excited to begin work on this project,” said Dr. Declan Doogan, CEO of Portage. “The mechanism of action is intriguing and the medical potential for the compound is clear. We look forward to a productive collaboration with our new partners.”

Additional details will be communicated when the agreements have been finalized.

### **About Portage Biotech Inc.**

Portage is engaged in researching and developing pharmaceutical and biotech products through to clinical “proof of concept” with an initial focus on unmet clinical needs. Following proof of concept, Portage will look to sell or license the products to large pharmaceutical companies for further development and commercialization.

Portage is seeking discovery and co-development partners in areas such as cancer, infectious disease, neurology and psychiatry, developing novel targeted therapies, stem cell therapy and even older marketed products that have been found to have novel patentable characteristics that bring new value to patients.

Portage seeks to work with a wide range of partners, in all phases of development through in-licensing or other types of alliances. The collaboration may include direct funding or investing human capital from our extensive pool of talented scientists and physicians. Specifically, Portage will invest sweat equity as well as, or instead of, capital. This internal pool of drug developers, financiers, scientists and physicians will provide unique value-add for our partners including but not limited to mitigating risks, clinical trial design, regulatory expertise and maximizing the rewards.

Portage has two operating subsidiaries – Portage Pharmaceuticals Limited (“PPL”) which is wholly owned by Portage, and Biohaven Pharmaceutical Holding Company Limited (“Biohaven”) in which Portage holds a 54% equity position.

For further information, contact Greg Bailey, the Chairman at [gb@portagebiotech.com](mailto:gb@portagebiotech.com) or Kam Shah, Chief Financial Officer, at (416) 929-1806 or [ks@portagebiotech.com](mailto:ks@portagebiotech.com) or visit their website at [www.portagebiotech.com](http://www.portagebiotech.com)

### **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, visit [www.criticaloutcome.com](http://www.criticaloutcome.com) or contact:

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