



News Release

PIVOTAL THERAPEUTICS ANNOUNCES UPDATE ON OUTSTANDING CONVERTIBLE NOTES AND POSSIBLE PETITION INTO BANKRUPTCY

FOR IMMEDIATE RELEASE

March 4, 2016

Woodbridge, Ontario, March 4, 2016 – Pivotal Therapeutics Inc. (CSE:PVO; OTC PINK:PVTTF), (“Pivotal” or the “Company”), a specialty pharmaceutical company with a focus on Omega-3 therapies for cardiovascular disease and overall health, is continuing its efforts to arrange financing for the Company's operations.

The Company is in discussion with several groups in Canada, the U.S. and the U.K., which have expressed an interest in financing and strategic alliance initiatives. No assurance can be given that such discussions will result in success.

The Company's outstanding Convertible Notes in the aggregate principle amount of \$7,743,580 CDN mature on March 4, 2016. The Company does not currently have the resources to repay the Notes.

The Note holders have advised the Company they are not prepared to advance additional funds to the Company.

Certain of the Note holders have proposed in effect that their Notes be extended and amended on new terms including that they be secured and that three of the five existing directors resign including the two independent directors to be replaced by three nominees of the Note holders so that the Note holders' nominees obtain control of the Board. The Directors and Senior Executives have concluded that the proposed amendment is not in the best interests of Pivotal or fair to the other stakeholders.

The Company has asked the Note holders for a 6-month extension of the maturity date of the Notes on their existing terms to determine whether the current financing and strategic alliance initiatives may be accomplished. A Note holder has rejected this request and the remaining Note holders have not responded.

In addition, at least one Note holder has advised the Company that it intends to petition the Company into bankruptcy.

The Board regretfully accepts the resignation of an independent director, Rear Admiral [Ret.] James J. Carey, from the Board of Directors.

About Pivotal Therapeutics Inc.

Pivotal Therapeutics is a publicly traded (**CSE:PVO; OTC PINK:PVTTF**), specialty pharmaceutical company with a focus on cardiovascular disease and overall health. Pivotal Therapeutics' lead product **VASCAZEN[®]** is a prescription only medical food specially formulated for the dietary management of Omega-3 deficiency in patients with cardiovascular disease through elevating Eicosapentaenoic acid (EPA) and Docosahexaenoic acid (DHA) to levels associated with reduced risk of cardiovascular complications. **OMAZEN[®]** is a pharmaceutical grade Omega-3 providing over 90% pure Omega-3 in each capsule for the maintenance of good health. **OMAZEN[®]** is a patented product available for sale and distribution in Canada



for the professional market. **BeneFishial™** and **BeneFishial™ Pet** are the first products in Pivotal's new nutraceutical product line, which is specifically designed to be sold in the over-the-counter (OTC) direct-to-retail or direct-to-consumer markets and animal health and nutrition markets. The Company's product line is being expanded to include its first drug candidate **PVT-100** and a point-of-care diagnostic **OmegaSTAT™**. **PVT-100** utilizes **VASCAZEN®**'s unique formulation for the stabilization of vulnerable plaque in patients undergoing carotid endarterectomy. **OmegaSTAT™** is a rapid format point-of-care (POC) diagnostic test being developed to measure Omega-3 deficiency.

Disclosure Notice

The information contained in this document is as March 4, 2016. This press release contains forward-looking statements. Such forward-looking statements are subject to a number of risks, assumptions and uncertainties that could cause Pivotal's actual results to differ materially from those projected in such forward-looking statements. These statements can be identified by the use of words such as "will", "anticipate", "estimate", "expect", "project", "forecast", "intend", "plan", "believe", "project", "potential", and similar expressions with any discussion of future operating or financial performance or events. In particular, factors that could cause actual results to differ materially from those in forward looking statements include the following: Pivotal's ability to obtain additional financing on acceptable terms; growth in costs and expenses; ability to compete with others who provide comparable products; risk that the Company's products will not gain widespread market acceptance; risks relating to the Company's ability to maintain its CSE listing. Forward-looking statements speak only as of the date made and are not guarantees of future performance. The Company undertakes no obligation to publicly update or revise any forward-looking statements contained in this document as a result of new information or future events or developments. The CSE has not reviewed and does not accept responsibility for the adequacy or accuracy of this information.

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