



News Release

PIVOTAL THERAPEUTICS RECEIVES CDN \$1.65 MILLION IN DEBT FINANCING; COMPANY CLOSSES EQUITY PORTION OF FINANCING; OVER CDN \$4.3 MILLION RECEIVED FROM CROSSOVER TO DATE

FOR IMMEDIATE RELEASE

October 7, 2013

Woodbridge, Ontario, October 7, 2013 - Pivotal Therapeutics Inc. (OTCQX: PVTTF) (CNSX: PVO), a specialty pharmaceutical company with a focus on Omega-3 therapies for cardiovascular disease (CVD) and overall health, announced today that it completed the sale of 1,649 units at a price of CDN \$1,000 per unit of its previously announced debt financing agreement led by Crossover Healthcare Fund LLC, a U.S. institutional fund. Proceeds of the first tranche totaled CDN \$1,649,280. To date the total investment from Crossover Healthcare Fund has exceeded CDN \$4,300,000.

Each unit will consist of CDN \$1,000 of Convertible Promissory Notes (the "Note" or "Notes") and warrants to purchase 1,200 shares of common stock of the Company (the "Warrants"). The maturity of the Notes is two (2) years from the date of issuance. Investors may convert their Notes into common shares for CDN \$0.25 per share at anytime prior to maturity. The Notes will accrue interest at a rate of 8% per annum. The closing of the debt financing is subject to the satisfaction of customary closing conditions and is expected to occur on or about October 31, 2013.

The Company also announced that it closed the equity portion of the financing led by Crossover Healthcare Fund consisting of 12,462,768 units at a price of CDN \$0.22 per unit for total proceeds of CDN \$2,741,809. Each unit consists of one common share and one-half purchase warrant. Each full purchase warrant may be exercised to purchase one common share of the Company upon payment of the exercise price of \$0.30 per common share. The purchase warrants expire 60 months following the closing of the equity portion of the private placement and may be called by the Company at any time after six months following closing, provided the common shares of the Company have traded at a price of at least \$0.45 for 20 trading days within a 30 consecutive day trading period.

The proceeds from the financing are being used to expand sales and marketing, advance ongoing clinical trials, and for general working capital, including business development.

Please refer to the Company Form 9 Filings on the CNSX website (www.cnsx.ca) for detailed updates with regards to the financing.



About VASCAZEN®

VASCAZEN® is currently available in the U.S. as a prescription only Medical Food specifically formulated for the dietary management of an Omega-3 deficiency in cardiovascular patients. **VASCAZEN®** is a >90% pure Omega-3 with a proprietary 6:1 EPA:DHA fatty acid formulation, protected by a series of both U.S. and foreign patents. .

VASCAZEN® has been clinically shown to correct an Omega-3 deficiency within eight weeks of treatment with positive concomitant effects on the lipid profiles, mainly a 48% reduction of triglycerides and an increase of HDL without negative impact on the LDL-C lipid profile. **VASCAZEN®**'s results were achieved with a dose of 3 grams of EPA and DHA per day of a prescription grade, high purity Omega-3.

About Pivotal Therapeutics Inc.

Pivotal Therapeutics is a publicly traded (OTCQX: PVTTF) (CNSX: PVO) specialty pharmaceutical company with a focus on cardiovascular disease and overall health. Pivotal Therapeutics' lead product **VASCAZEN®** is a prescription only Medical Food formulated to meet the dietary Omega-3 deficient needs of 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.

Disclosure Notice

The information contained in this document is as of October 7, 2013. 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 inability to obtain additional financing on acceptable terms; growth in costs and expenses; inability 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 CSNX 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. CNSX has not reviewed and does not accept responsibility for the adequacy or accuracy of this information.

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