**PRESS RELEASE - FOR IMMEDIATE DISTRIBUTION**
**March 16, 2016**

## ARCH BIOPARTNERS ENTERS EXCLUSIVE LICENSE AGREEMENT WITH UNIVERSITY OF CINCINNATI FOR AB569

Toronto – Canada - Arch Biopartners Inc (Arch) or (the Company)(TSXV: ACH and OTCBB: FOIFF) announced today it has entered into an exclusive license agreement with the University of Cincinnati (UC) for AB569, a new candidate drug to treat *Pseudomonas aeruginosa* (*P. aeruginosa*) respiratory infections.

### Recent Developments in the AB569 program

In the last year, Arch management has worked with the lead inventor of AB569, Dr. Daniel Hassett at the University of Cincinnati (UC) College of Medicine, to build the patent portfolio for AB569 and to prepare a clinical development plan to test the safety and efficacy of the drug against *P. aeruginosa* respiratory infections in cystic fibrosis (CF) patients.

The U.S. Food and Drug Administration granted orphan drug designation to Arch for AB569 in November, 2015. Arch has recently applied to the European Medicines Agency for a similar orphan drug designation for the European market and the application is currently under review.

Earlier this month, Dr. Hassett and his collaborators, published details regarding the efficacy of AB569 in killing *P. aeruginosa* in the peer-reviewed journal *Frontiers in Microbiology*.

"Given these positive developments of the AB569 program and our plans to do the first human trial involving CF patients with *P. aeruginosa* respiratory infections, management of Arch decided it was time to exercise its option to exclusively license the commercial rights to AB569 from UC," said Richard Muruve, CEO of Arch Biopartners.

Arch will pay UC a nominal one time fee for entering into the license. All other future payments are consistent with industry standard and will be based on clinical trial and revenue milestones reached by Arch in future.

### The Clinical Need for a New Treatment for *P. aeruginosa* Pulmonary Infections

*P. aeruginosa* is a significant cause of bacterial respiratory infections in patients who have cystic fibrosis (CF), pneumonia or chronic obstructive pulmonary disease (COPD).

There are approximately 40,000 CF patients in the U.S. The mean prevalence of CF is approximately 0.74 cases per 10,000 people among 27 European Union countries, which is

well below the defined limit for a rare or orphan disease. The mucoid form of *P. aeruginosa*, often found in CF patients, is a very challenging infection to treat due to its high resistance to both antibiotics and phagocyte–mediated killing. Once patients present with the mucoid form of *P. aeruginosa*, their overall lung function precipitously declines, resulting in a poor prognosis.

Thus, there is an urgent clinical need for the development of novel effective treatments in this area. AB569 constitutes an innovative potential treatment for dealing with mucoid and nonmucoid *P. aeruginosa* pulmonary infections that are resistant to traditional antibiotics.

**Cystic Fibrosis**

CF is an autosomal recessive genetic disease that causes abnormalities of the CF transmembrane conductance regulator (CFTR) protein. CFTR is a critical regulator of sweat, digestive fluids, and mucus production.

CF patients are predisposed to lung infections due to abnormal mucus production in the lungs and airways. *P. aeruginosa* infects 40% of CF patients between the ages of 6 and 10 years of age. By the age of 17, the frequency of infection increases to 60% and reaches approximately 75% of all CF patients between the ages of 25 and 34.

**About Arch Biopartners**

Arch Biopartners Inc. is focused on the development of innovative technologies that have the potential to make a significant medical or commercial impact. Arch works closely with the scientific community, universities and research institutions to advance and build the value of select preclinical technologies, develop the most promising intellectual property, and create value for its investors.

Arch has established a diverse portfolio that includes MetaMx, which targets illusive brain tumor initiating cells; AB569, a potential new treatment for *Pseudomonas aeruginosa* pulmonary infections; and, Metablok, a potential treatment for sepsis and cancer metastasis. MetaMx and AB569 are both on track to enter human clinical trials in late 2016 or early 2017.

For more information on Arch Biopartners, other public documents Arch has filed on SEDAR and its technologies including, please visit www.archbiopartners.com

The Company has 53,189,679 common shares outstanding.

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**Forward-Looking Statements**

All statements, other than statements of historical fact, in this news release are forward looking statements that involve various risks and uncertainties, including, without limitation, statements regarding the future plans and objectives of the Company. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. These and all subsequent written and oral forward-looking statements are based on the estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. The Company assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change.