Breathtec to Open New Drug Development Division,
Signs LOI to acquire 100% of Clinical Stage Nash Pharmaceuticals Inc.

VANCOUVER, BC – (August 2, 2018) – Breathtec Biomedical Inc. (CSE: BTH) (CNSX: BTH) (FRANKFURT: BTI) (OTCQB: BTHCF) (the "Company") is pleased to announce that it will be opening a new drug development division and has signed a Letter of Intent ("LOI") to acquire 100% of the shares of Nash Pharmaceuticals Inc. ("Nash Pharma"). Nash Pharma is a clinical stage pharmaceutical development company focused on drug repurposing in the areas of non–alcoholic steatohepatitis (NASH), chronic kidney disease (CKD) and inflammatory bowel disease (IBD). Through its ongoing research programs, Nash Pharma has developed data that supports the advancement of up to 7 drug candidates into phase II trials.

Pursuant to the LOI, the Company will enter into a definitive agreement whereby the Company, prior to the closing of the transaction, will complete a consolidation of its securities on a 2-to-1 basis. This will result in the Company having 28,682,012 common shares, 6,005,833 outstanding warrants and 2,147,500 outstanding options. Further, the Company will acquire all of the issued and outstanding common shares of Nash Pharma in consideration for the issuance by the Company of 15,800,000 common shares of the Company and will issue an additional 14,800,000 warrants at a price equal to the exercise price of the Nash Pharma warrants.

Concurrent with the transaction, the Company anticipates that it will complete a private placement financing of its securities to arm's length parties for aggregate gross proceeds of up to CDN$1,000,000, at a price per security to be determined based on the context of the market, with such proceeds to be allocated towards funding development of the business division of Nash Pharma.

The Company is committed to and will continue to advance the research and development program for its FAIMS technology and will be providing an update to the market on its progress shortly.

About Nash Pharmaceuticals Inc.

Nash Pharma is a Canadian based, privately held drug development company focusing on developing repurposed therapeutic drugs. Drug repurposing (also known as re-profiling, re-tasking or therapeutic switching) is the application of approved drugs and compounds to treat a different disease than what it originally developed for. Nash Pharma's business model seeks to minimize investment and drug development risk by taking advantage of regulatory approved drugs and discovering alternative clinical uses by accelerating entry into phase II clinical trials (humans).

The benefit of this approach to drug development is that if promising data is generated from early animal model research, the drug can often be moved immediately into phase II studies without having the costs and risks associated with preclinical work. The preclinical work phase is the highest risk phase of drug development and can take up to 8 years to

complete. A phase II study provides the greatest opportunity for significant value creation for a drug development company.

Nash Pharma, under the scientific and research leadership of Dr. Mark Williams, PhD MBA has been focusing its research on the following three areas:

1. Non–Alcoholic Steatohepatitis ("NASH")

NASH is a serious condition in which fat accumulates in liver tissue in people who consume little or no alcohol. It is the most severe form of non-alcoholic fatty liver disease ("NAFLD"), which in some individuals can progress to fibrosis (scarring) and ultimately hepatocellular carcinoma (liver cancer).

Market Opportunity

According to a new report published by Allied Market Research, "Global Opportunity Analysis and Industry Forecast, 20212025," the global NASH market was valued at $1.17 Billion in 2017, and is expected to reach $21.4 Billion by 2025, growing at a CAGR of 58.4% from 2021 to 2025.

Nash Pharma Technology

Nash Pharma has identified up to two potential compounds, which statistically significantly reduced the NAFLD score in an industry standard animal model of NASH by at least 2 points.

2. Chronic Kidney Disease ("CKD")

CKD is a condition in which the kidneys are damaged or cannot filter blood as well as healthy kidneys, often as a result of fibrosis. Because of this, excess fluid and waste from the blood remain in the body and may cause other health problems. 30 million people or 15% of US adults are estimated to have CKD.

Market Opportunity

The global market for CKD drugs continues to proliferate at a significant pace, driven by the increasing number of CKD patients and the growing need of novel treatments to improve patients' quality of life. The global CKD drug market stood at US$11.5 Billion in 2015. Burgeoning at a CAGR of 3.60% between 2016 and 2024, the market's opportunity is expected to reach US$15.8 Billion by the end of 2024.

Nash Pharma Technology

Nash Pharma has identified up to three drug candidates that when tested in an industry standard mouse model of kidney fibrosis, statistically significantly reduced fibrosis scores to equivalent levels to Telmisartan, a known anti-fibrotic compound.

3. Inflammatory Bowel Disease (IBD)

Inflammatory bowel disease (IBD) is an umbrella term used to describe disorders that involve chronic inflammation of the digestive tract. This condition causes long-lasting inflammation and sores (ulcers) in the innermost lining of the large intestine (colon) and rectum.

Market Opportunity

The global IBD treatment market is valued at US$10.52 Billion in 2016. Rising at a steady 2.6% CAGR between 2017 and 2025, the market is likely to be valued at US$14.8 Billion by the end of 2025. In 2016, North America led the global IBD market, which is attributable to the rising incidence of the disease witnessed among men and women alike in the region. The incidence of ulcerative colitis and crohn's disease is high in US and Canada, which fuels the demand for IBD treatment in North America.

Nash Pharma Technology

Nash Pharma has identified two potential compounds that statistically significantly improved multiple disease related endpoints in an ulcerative colitis model compared to untreated animals. Both candidates appeared as effective as the known approved front-line therapy, 5-amino salicylic acid (5-ASA) in reducing disease severity.

For more information please visit: www.nashpharmaceuticals.com

ABOUT BREATHTEC BIOMEDICAL INC.

Breathtec Biomedical, Inc. (“Breathtec”) was formed to propel innovative research in the area of airborne analysis as a medical screening tool. Our efforts are aimed at leading the development of commercially viable methods for the early screening of certain pathogens. Our primary avenue of investigation is focused on innovation and advances in the field of specialized mass spectrometry. For more information, visit www.breathtecbiomedical.com.

CONTACT INFORMATION

Christopher J. Moreau
CEO
Breathtec BioMedical Inc.
604.398.4175 ext 701
info@breathtechbiomedical.com
investors@breathtecbiomedical.com
www.breathtecbiomedical.com

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