NOTICE OF SPECIAL MEETING OF SHAREHOLDERS OF RESVERLOGIX CORP.

TO BE HELD ON MAY 28, 2013

and

MANAGEMENT INFORMATION CIRCULAR

with respect to a

PLAN OF ARRANGEMENT

involving

RESVERLOGIX CORP., RVX THERAPEUTICS INC., 1741273 ALBERTA LTD. AND THE SHAREHOLDERS OF RESVERLOGIX CORP.

APRIL 29, 2013

This management information circular and the accompanying materials require your immediate attention. If you are in doubt as to how to deal with these documents or the matters to which they refer, please consult your financial, legal, tax or other professional advisor.

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Dear Shareholder:

The board of directors cordially invites you to attend the special meeting (the "**Meeting**") of shareholders of Resverlogix Corp. ("**Resverlogix**") to be held at 11:00 a.m. (Calgary time) on May 28**,** 2013 in the Imperial Ballroom (1/2/3) at the Hyatt Regency Calgary Hotel, 700 Centre Street S.E., Calgary, Alberta.

At the Meeting, holders ("**Resverlogix Shareholders**") of common shares of Resverlogix ("**Resverlogix Common Shares**") will be asked to consider, among other things, a special resolution (the "**Arrangement Resolution**") approving a statutory arrangement ("**Arrangement**") pursuant to Section 193 of the *Business Corporations Act* (Alberta) which involves, among other things, the reorganization of Resverlogix into two companies. Resverlogix intends to retain its research and development activities related to the development of compounds for applications with indications involving a therapeutic increase in Apolipoprotein A-1 ("**ApoA-1**"), including the clinical program related to RVX-208, a first in class small molecule for the treatment of atherosclerosis and it intends to spin-off all other research and development activities related to its epigenetic platform technology (the "**Spin-Off Assets**") to 1741273 Alberta Ltd. ("**Newco**"), a newly formed company, by way of the transfer of all of the issued and outstanding shares ("**Therapeutics Shares**") of RVX Therapeutics Inc. ("**Therapeutics**") to Newco. Therapeutics, which is a wholly-owned subsidiary of Resverlogix, currently holds all of the Spin-Off Assets.

Upon completion of the Arrangement, Resverlogix Shareholders will own one new common share of Resverlogix (which will be represented by existing Resverlogix Common Share certificates) and will receive one common share of Newco (a "**Newco Share**") for each Resverlogix Common Share held. A document evidencing the electronic registration for Newco Shares issued in connection with the Arrangement will be forwarded to each Resverlogix Shareholder. Pursuant to the Arrangement, Therapeutics will become a wholly-owned subsidiary of Newco.

In addition to the transfer of the Therapeutics Shares, as part of the Arrangement, Resverlogix will also transfer to Newco all of the indebtedness of Therapeutics owing to Resverlogix immediately prior to the effective time of the Arrangement as well as approximately $5 to 10 million in cash in order to provide for the initial capitalization of Newco. As at January 31, 2013, Therapeutics was indebted to Resverlogix in the aggregate amount of $15.039 million. Newco will also be issued royalty preferred shares in the capital of Resverlogix which will provide Newco with dividends payable on a percentage of revenue, if any, received by Resverlogix, it affiliates or any licensee, for compounds that result in a therapeutic relevant elevation in the plasma levels of ApoA-1.

The Arrangement is subject to customary conditions for a transaction of this nature, which include court and regulatory approvals and the approval of at least 66⅔% of the votes cast by the Resverlogix Shareholders present in person or by proxy at the Meeting.

Upon completion of the Arrangement, Resverlogix will remain focused on developing RVX-208. RVX-208 is the first bromodomain inhibitor in clinical trials. RVX-208 is being investigated by Resverlogix for the treatment of patients with dyslipidemia and atherosclerosis at high risk for cardiovascular disease. In addition, Resverlogix will continue with its RVX-208 related clinical trial for diabetes and the soon to launch Alzheimer's disease clinical trial.

Newco, through its wholly-owned subsidiary Therapeutics, will have an epigenetic platform technology useful for the discovery of novel treatments for human diseases. Through licenses of patents and patent applications from Resverlogix, Therapeutics will be permitted to develop compounds covered by such licensed patents and patent applications for applications other than indications involving an increase in ApoA-1. New compounds arising from

Therapeutics' epigenetic drug discovery platform function by inhibiting BET bromodomains and have the potential to impact multiple diseases, including cancer, autoimmune, cardiovascular, neurodegenerative disorders and metabolic abnormalities.

The spin-out of the Spin-Off Assets by way of the transfer of all of the issued and outstanding Therapeutics Shares to Newco reflects the board of directors of Resverlogix's (the "**Resverlogix Board**") and management's belief that it is in the best interests of Resverlogix Shareholders to create a separate corporation to develop the epigenetics platform while retaining an economic interest in RVX-208.

The Resverlogix Board has determined that the Arrangement is in the best interests of Resverlogix and recommends that Resverlogix Shareholders vote in favour of the Arrangement Resolution.

The Toronto Stock Exchange ("**TSX**") has determined that its due bill trading procedure will be used in connection with the distribution of the Newco Shares to the Resverlogix Shareholders. Additional information respecting due bills and the trading procedures to be followed are included in the accompanying Notice of Special Meeting and Management Information Circular.

In addition, Resverlogix Shareholders will be asked at the Meeting to consider an ordinary resolution to approve a stock option plan for Newco (the "**Newco Option Plan**") to be effective upon completion of the Arrangement, and a long term incentive plan for Newco (the "**Newco LTIP**") to be effective upon completion of the Arrangement. The completion of the Arrangement is not conditional upon approval of the Newco Option Plan or the Newco LTIP.

The accompanying Notice of Special Meeting and Management Information Circular provide a full description of the Arrangement and include additional information to assist you in considering how to vote on the Arrangement. You are encouraged to consider carefully all of the information in the accompanying Management Information Circular. If you require assistance, you should consult your financial, legal, tax or other professional advisors.

Your vote is important regardless of the number of Resverlogix Common Shares you own. If you are a registered holder of Resverlogix Common Shares, we encourage you to take the time now to complete, sign, date and return the enclosed form of proxy by not later than 11:00 a.m. (Calgary time) on May 24, 2013, to ensure that your Resverlogix Common Shares will be voted at the Meeting in accordance with your instructions, whether or not you are able to attend in person. If you hold your Resverlogix Common Shares through a broker or other intermediary, you should follow the instructions provided by your broker or other intermediary to vote your Resverlogix Common Shares. Registered Resverlogix Shareholders may also use the internet site at www.valianttrust.com to transmit their voting instructions.

Subject to obtaining court approval and satisfying all other conditions of closing, including obtaining the approval of the Resverlogix Shareholders, it is anticipated that the Arrangement will be completed on or about June 3, 2013.

On behalf of the Resverlogix Board, I would like to express our gratitude for the support our shareholders have demonstrated with respect to our decision to move forward with the Arrangement. We look forward to your support at the Meeting.

Yours very truly,

(signed) "*Donald J. McCaffrey*"
President and Chief Executive Officer

RESVERLOGIX CORP.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To Be Held May 28, 2013

NOTICE IS HEREBY GIVEN that a special meeting (the "**Meeting**") of the holders (the "**Resverlogix Shareholders**") of common shares ("**Resverlogix Common Shares**") of Resverlogix Corp. ("**Resverlogix**") will be held in the Imperial Ballroom (1/2/3) at the Hyatt Regency Calgary Hotel, 700 Centre Street S.E., Calgary, Alberta, on May 28, 2013, at 11:00 a.m. (Calgary time), for the following purposes:

1. to consider, pursuant to an interim order of the Court of Queen's Bench of Alberta dated April 29, 2013 (the "**Interim Order**") and, if deemed advisable, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**"), the full text of which is set forth in Appendix A to the accompanying management information circular ("**Information Circular**"), to approve a plan of arrangement under Section 193 of the *Business Corporations Act* (Alberta) ("**ABCA**") (the "**Arrangement**"), all as more particularly described in the Information Circular;

2. to consider and, if deemed advisable, to approve, with or without variation, an ordinary resolution, the full text of which is set forth under the heading "*Other Matters to be Considered at the Meeting – Newco Option Plan*" in the Information Circular, to approve a stock option plan (the "**Newco Option Plan**") for 1741273 Alberta Ltd. ("**Newco**"), all as more particularly described in the Information Circular;

3. to consider and, if deemed advisable, to approve, with or without variation, an ordinary resolution, the full text of which is set forth under the heading "*Other Matters be Considered at the Meeting – Newco LTIP*" in the Information Circular, to approve a long term incentive plan (the "**Newco LTIP**") for Newco, all as more particularly described in the Information Circular; and

4. to transact any other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

The completion of the Arrangement is not conditional upon approval of the Newco Option Plan or the Newco LTIP by Resverlogix Shareholders.

The record date for determination of Resverlogix Shareholders entitled to receive notice of and to vote at the Meeting is April 25, 2013 (the "**Record Date**"). Only Resverlogix Shareholders whose names have been entered in the register of Resverlogix Common Shares on the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting. To the extent that a Resverlogix Shareholder transfers the ownership of any Resverlogix Common Shares after the Record Date and the transferee of those Resverlogix Common Shares establishes ownership of such Resverlogix Common Shares and demands, not later than 10 days before the Meeting, to be included in the list of Resverlogix Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those Resverlogix Common Shares at the Meeting. Pursuant to the Interim Order, each Resverlogix Shareholder shall be entitled to one vote at the Meeting for each Resverlogix Common Share held by such holder.

A Resverlogix Shareholder may attend the Meeting in person or may be represented by proxy. Resverlogix Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be valid, the proxy must be received by Valiant Trust Company, Suite 310, 606 - 4th Street S.W., Calgary, Alberta T2P 1T1, attention: Proxy Department, no later than 11:00 a.m. (Calgary time) on May 24, 2013 or the second last business day prior to the date of any adjourned Meeting. The time limit for the deposit of proxies may be waived by the Chairman of the Meeting at his discretion. Beneficial Resverlogix Shareholders must complete and return the voting instruction form provided to them and return it in accordance with the instructions accompanying such voting instruction form. Registered Resverlogix Shareholders may also use the internet site at www.valianttrust.com to transmit their voting instructions.

The proxyholder has discretion under the accompanying form of proxy to consider matters to be voted upon at the Meeting that may not yet be determined. Resverlogix Shareholders who are planning on submitting a proxy are encouraged to review the Information Circular carefully before submitting the proxy form.

Registered Resverlogix Shareholders have the right to dissent with respect to the Arrangement Resolution and, if the Arrangement Resolution becomes effective, to be paid the fair value of their Resverlogix Common Shares in accordance with the provisions of Section 191 of the ABCA and the Interim Order. A Resverlogix Shareholder's right to dissent is more particularly described in the Information Circular and the text of Section 191 of the ABCA is set forth in Appendix G to the Information Circular. A dissenting Resverlogix Shareholder must send to Resverlogix, c/o its counsel, Borden Ladner Gervais LLP, 1900, 520-3rd Avenue S.W., Calgary, Alberta T2P 0R3, Attention: David T. Madsen, a written objection to the Arrangement Resolution, which written objection must be received by 5:00 p.m. (Calgary time) on the second business day immediately preceding the date of the Meeting or any adjournment thereof. Please refer to the Information Circular under the heading "*Rights of Dissent*" and Appendix G for a description of the right to dissent in respect of the Arrangement.

Failure to strictly comply with the requirements set forth in Section 191 of the ABCA and the Interim Order with respect to the Arrangement may result in the loss of any right to dissent. Persons who are beneficial owners of Resverlogix Common Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that only the registered holders of Resverlogix Common Shares are entitled to dissent. Accordingly, a beneficial owner of Resverlogix Common Shares desiring to exercise the right to dissent must make arrangements for the Resverlogix Common Shares beneficially owned by such holder to be registered in such holder's name prior to the time the written objection to the Arrangement Resolution is required to be received by Resverlogix or, alternatively, make arrangements for the registered holder of such Resverlogix Common Shares, to dissent on behalf of the holder.

DATED at the City of Calgary, in the Province of Alberta, this 29th day of April, 2013.

BY ORDER OF THE BOARD OF DIRECTORS OF RESVERLOGIX CORP.

(signed) "*Donald J. McCaffrey*"
President and Chief Executive Officer

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE OF CALGARY

IN THE MATTER OF SECTION 193 OF THE BUSINESS CORPORATIONS ACT, R.S.A. 2000, c. B-9, AS AMENDED

AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING RESVERLOGIX CORP., RVX THERAPEUTICS INC., 1741273 ALBERTA LTD. AND THE SHAREHOLDERS OF RESVERLOGIX CORP.

NOTICE OF ORIGINATING APPLICATION

NOTICE IS HEREBY GIVEN that an originating application (the "**Application**") has been filed with the Court of Queen's Bench of Alberta, Judicial Centre of Calgary (the "**Court**") on behalf of Resverlogix Corp. ("**Resverlogix**") with respect to a proposed arrangement (the "**Arrangement**") under Section 193 of the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, as amended (the "**ABCA**"), involving Resverlogix, RVX Therapeutics Inc., 1741273 Alberta Ltd. ("**Newco**") and the holders ("**Resverlogix Shareholders**") of common shares of Resverlogix ("**Resverlogix Common Shares**") (collectively, the "**Arrangement Parties**"). The Arrangement is described in greater detail in the management information circular of Resverlogix dated April 29, 2013 accompanying this Notice of Application.

At the hearing of the Application, Resverlogix intends to seek:

(a) a declaration that the terms and conditions of the Arrangement, and the procedures relating thereto, are fair to the Resverlogix Shareholders and the other persons affected, both from a substantive and procedural point of view;

(b) an order approving the Arrangement pursuant to the provisions of Section 193 of the ABCA;

(c) an order declaring that registered Resverlogix Shareholders shall have the right to dissent in respect of the Arrangement in accordance with the provisions of Section 191 of the ABCA, as modified by the interim order (the "**Interim Order**") of the Court dated April 29, 2013;

(d) a declaration that the Arrangement will, upon the filing of the Articles of Arrangement pursuant to the provisions of Section 193 of the ABCA, become effective in accordance with its terms and will be binding on each of the Arrangement Parties on and after the Effective Date, as defined in the Arrangement; and

(e) such other and further orders, declarations and directions as the Court may deem just.

AND NOTICE IS HEREBY GIVEN that the said Application was directed to be heard before a Justice of the Court of Queen's Bench of Alberta, 601 – 5th Street S.W., Calgary, Alberta, on the 30th day of May, 2013 at 1:15 p.m. (Calgary time), or as soon thereafter as counsel may be heard. Any Resverlogix Shareholder or any other interested party desiring to appear at the hearing is required to file with the Court of Queen's Bench of Alberta, Judicial Centre of Calgary, and serve upon Resverlogix on or before 12:00 Noon (Calgary time) on May 23, 2013, a notice of intention to appear, including an address for service in the Province of Alberta, indicating whether such Resverlogix Shareholder or other interested party intends to support or oppose the application or make submissions thereat, together with a summary of the position such Resverlogix Shareholder or other interested party intends to advocate before the Court and any evidence or materials which are to be presented to the Court. Service on Resverlogix is to be effected by delivery to the solicitors for Resverlogix at the address below. If any Resverlogix Shareholder or any other interested party does not attend, either in person or by counsel, at that time, the Court may approve the Arrangement as presented, may approve it subject to such terms and conditions as the Court shall deem fit, or may refuse to approve the Arrangement, without any further notice.

AND NOTICE IS FURTHER GIVEN that no further notice of the Application will be given by Resverlogix and that in the event the hearing of the Application is adjourned, only those persons who have appeared before the Court for the application at the hearing shall be served with notice of the adjourned date.

AND NOTICE IS FURTHER GIVEN that the Court, by the Interim Order, has given directions as to the calling and holding of a meeting of Resverlogix Shareholders for the purpose of such Resverlogix Shareholders voting upon a resolution to approve the Arrangement and has directed that registered Resverlogix Shareholders shall have the right to dissent with respect to the Arrangement in accordance with the provisions of Section 191 of the ABCA, as amended by such Interim Order.

AND NOTICE IS FUTHER GIVEN that the final order of the Court approving the Arrangement will, if granted, serve as the basis for an exemption from the registration requirements of the United States Securities Act of 1933, as amended, pursuant to Section 3(a)(10) thereof, with respect to the issuance and distribution of the common shares of Resverlogix and the common shares of Newco issuable and distributable to Resverlogix Shareholders pursuant to the Arrangement.

AND NOTICE IS FURTHER GIVEN that a copy of the said Application and other documents in the proceedings will be furnished to any Resverlogix Shareholders or other interested party requesting the same by the under-mentioned solicitors for Resverlogix upon written request delivered to such solicitors as follows:

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 – 3rd Avenue S.W.
Calgary, Alberta T2P 0R3
Attention: David T. Madsen

DATED at the City of Calgary, in the Province of Alberta, this 29th day of April, 2013.

BY ORDER OF THE BOARD OF DIRECTORS OF RESVERLOGIX CORP.

(signed) "*Donald J. McCaffrey*"
President and Chief Executive Officer

MANAGEMENT INFORMATION CIRCULAR

Introduction

This Information Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of Resverlogix for use at the Meeting and any adjournment or postponement thereof. No person has been authorized to give any information or to make representations in connection with the Arrangement or any other matters to be considered at the Meeting other than those contained in this Information Circular and, if given or made, any such information or representation should not be considered to have been authorized by Resverlogix or Newco.

All summaries of, and references to, the Arrangement in this Information Circular are qualified in their entirety by reference to the complete text of the Plan of Arrangement, a copy of which is attached hereto as Exhibit 1 to Appendix B. **You are urged to carefully read the full text of the Plan of Arrangement.**

This Information Circular does not constitute the solicitation of an offer to acquire any securities or the solicitation of a proxy by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such solicitation.

You should not construe the contents of this Information Circular as legal, tax or financial advice and should consult with your own professional advisors as to the relevant legal, tax, financial or other matters in connection herewith.

All capitalized terms used in this Information Circular but not otherwise defined herein shall have the meanings set forth under "*Glossary of Terms*". The information contained in this Information Circular is given as at April 29, 2013, except where otherwise noted.

Information for Resverlogix Shareholders in the United States

The Resverlogix New Common Shares and the Newco Shares issuable and distributable to Resverlogix Shareholders in connection with the Arrangement have not been and will not be registered under the U.S. Securities Act, or any state securities laws and are being issued in reliance on the exemption from registration set forth in Section 3(a)(10) of the U.S. Securities Act and applicable state securities laws on the basis of the approval of the Court which will consider, among other things, the fairness of the terms and conditions of the Arrangement to Resverlogix Shareholders. Section 3(a)(10) of the U.S. Securities Act provides an exemption from registration under the U.S. Securities Act for offers and sales of securities issued in exchange for one or more outstanding securities where the terms and conditions of the issuance and exchange of such securities have been approved by a court authorized to grant such approval after a hearing upon the fairness of the terms and conditions of the issuance and exchange at which all persons to whom the securities will be issued have the right to appear and have received adequate notice thereof. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. The Final Order, if granted by the Court, will constitute a basis for the exemption from registration requirements of the U.S. Securities Act with respect to the Resverlogix New Common Shares and Newco Shares. See "*Principal Legal Matters – United States Securities Law Considerations*" in this Information Circular for more information.

The Corporation exists under the laws of the Province of Alberta, Canada. The solicitation of proxies for the Meeting is not subject to the requirements applicable to proxy statements under the U.S. Exchange Act based on exemptions from the proxy solicitation rules for "foreign private issuers" (as such term is defined in Rule 3b-4 under the U.S. Exchange Act). Accordingly, the solicitations and transactions contemplated in this Information Circular are made in the United States for securities of a Canadian issuer in accordance with Canadian corporate and securities laws, and this Information Circular has been prepared solely in accordance with disclosure requirements applicable in Canada. Resverlogix Shareholders in the United States should be aware that such requirements are different from those of the United States applicable to proxy statements under the U.S. Exchange Act and registration statements under the U.S. Securities Act. Specifically, information concerning the assets and operations of Newco has been prepared in accordance with Canadian standards and may not be comparable in all respects to similar information for United States companies.

All audited and unaudited financial statements and other financial information included in this Information Circular have been prepared in U.S. dollars unless otherwise noted, and in accordance with IFRS, and such financial statements are subject to Canadian auditing and auditor independence standards, which differ from generally accepted accounting principles as in effect in the United States ("**U.S. GAAP**") and United States auditing and auditor independence standards in certain material respects. Consequently, such financial statements and other financial information are not comparable in all respects to financial statements and other financial information prepared in accordance with U.S. GAAP and financial statements that are subject to United States auditing and auditor independence standards.

The enforcement by Resverlogix Shareholders of civil liabilities under the United States federal or state securities laws may be affected adversely by the fact that Resverlogix and Newco are organized under the laws of the Province of Alberta, Canada, that some of the officers and directors of Resverlogix and Newco are residents of countries other than the United States, that the experts named in this Information Circular are residents of countries other than the United States, and that certain assets of Resverlogix and Newco and such persons are, or will be, located outside the United States. As a result, it may be difficult or impossible for Resverlogix Shareholders to effect service of process within the United States upon Resverlogix or Newco, their respective officers and directors or the experts named herein, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States. In addition, Resverlogix Shareholders should not assume that the courts of Canada: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States.

The Resverlogix New Common Shares and Newco Shares receivable by Resverlogix Shareholders pursuant to the Arrangement will be freely tradable under the U.S. Securities Act, except by persons who are "affiliates" of Resverlogix or Newco, as applicable, after the Arrangement or were affiliates of Resverlogix or Newco, as applicable, within 90 days prior to completion of the Arrangement. Any resale of such Resverlogix New Common Shares or Newco Shares, as applicable, by such an affiliate (or, if applicable, former affiliate) may be subject to the registration requirements of the U.S. Securities Act, absent an exemption therefrom. See "*Principal Legal Matters – United States Securities Laws Considerations*" in this Information Circular.

Resverlogix Shareholders should be aware that the acquisition, holding and disposition of Resverlogix New Common Shares and Newco Shares may have tax consequences in both the United States and Canada. See "*Certain Canadian Federal Income Tax Considerations*" and "*Certain United States Federal Income Tax Considerations*".

THE ARRANGEMENT, THE RESVERLOGIX NEW COMMON SHARES AND NEWCO SHARES ISSUABLE AND DISTRIBUTABLE PURSUANT TO THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES, NOR HAS THE SEC OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES PASSED ON THE ADEQUACY OR ACCURACY OF THIS INFORMATION CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements, other than statements of historical fact, contained or incorporated by reference in this Information Circular, including any information as to the future financial or operating performance of Resverlogix and Newco, constitute "forward-looking information" and "forward-looking statements (collectively "**forward-looking statements**") within the meaning of applicable Canadian securities laws, and are based on expectations, estimates and projections as of the date of this Information Circular. The words "plans," "expects," "does not expect," "is expected," "budget," "scheduled," "estimates," "forecasts," "intends," "anticipates," "does not anticipate," or "believes," or variations of such words and phrases or statements that certain actions, events or results "may," "could," "would," "might," or "will be taken," "occur" or "be achieved" and similar expressions identify forward-looking statements.

Statements of "belief" in respect of Resverlogix's drug candidates and the Spin-Off Assets are based primarily on results derived to date from Resverlogix's pre-clinical and clinical research and development and its research and development program. The term "demonstrated" is used in this Information Circular to describe certain findings that Resverlogix has made arising from its research and development including any pre-clinical and clinical studies that it has conducted to date.

Resverlogix and Newco believe that they have a reasonable scientific basis upon which they have made such statements of "belief" or arrived at such findings. It is not possible, however, to predict, based upon in vitro, animal and/or human studies whether a new therapeutic agent will be proven to be safe and/or effective in humans and no conclusions should be drawn in that regard from what they state has been demonstrated to them to date. Neither Resverlogix nor Newco can make any assurances that the particular results expected by them will occur.

Forward-looking statements include, without limitation, statements with respect to: matters related to the completion of the Arrangement, the proposed structure of Newco, the expected future attributes of each of Resverlogix and Newco following completion of the Arrangement, the business objectives, capital expenditures and operations of Newco, the benefits of the Arrangement, intention to commercialize Resverlogix's or Newco's products for the treatment of unmet medical needs, including cardiovascular disease, cancer, autoimmune, cardiovascular, neurodegenerative disorders or and metabolic abnormalities; intention to carry out trials in Resverlogix's or Newco's products for the treatment of cardiovascular disease, cancer, autoimmune, cardiovascular, neurodegenerative disorders or and metabolic abnormalities, the development of new compounds using Resverlogix's epigenetics drug discovery platform and the potential impact of these compounds on multiple diseases; the future value of the epigenetics platform; intention to obtain regulatory approval for Resverlogix's and Newco's products; expectations with respect to the cost of the testing and commercialization of Resverlogix's and Newco's products; sales and marketing strategy; the potential dividend payable on the Resverlogix Royalty Preferred Shares; the cash amount to be transferred to Newco by Resverlogix pursuant to the Arrangement; anticipated sources of revenue; intentions regarding the protection of Resverlogix's and Newco's intellectual property' business strategy and intention with respect to dividends.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Resverlogix and Newco as of the date of this Information Circular, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates and assumptions of each of Resverlogix and Newco include, but are not limited to: the timing and receipt of approvals, waivers, consents, court order and other requirements necessary or desirable to permit or facilitate the proposed transactions, completion of the conditions to the Arrangement; general business and economic conditions; interest rates; the timing and receipt of regulatory and governmental approvals for research and development projects; the availability of financing for research and development projects, or the availability of financing on reasonable terms; the costs of pre-clinical and clinical trials; the ability to attract and retain skilled staff; the impact of changes in the Canadian dollar-US dollar and other foreign exchange rates on costs and results; market competition; tax benefits and tax rates and ongoing relations with employees and business partners.

Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to: the ability to obtain necessary approvals, waivers, consents, court orders and other requirements necessary or desirable to permit or facilitate the proposed transactions, the conditions to the Arrangement may not be satisfied, risks related to the early stage of Resverlogix and Newco

and their research and development activities; uncertainties related to clinical trials and product development; uncertainties relating to current economic conditions; rapid technological change; uncertainties relating to forecast and timing of clinical trials and regulatory approval; competition in the market for therapeutic products to treat cardiovascular disease, Alzheimer's disease and inflammatory diseases; risks relating to potential product liability claims; availability of additional financing and access to capital for research and development, clinical trials and regulatory approvals; market acceptance and commercialization of products that may be developed by Resverlogix or Newco; the availability and supply of raw materials, including supplies of sufficient active pharmaceutical ingredients for larger clinical trials and future commercial production; risks relating to the effective management of Resverlogix's and Newco's growth; potential reliance on partnering agreements to provide support for discovery and development efforts, and on corporate sponsors, pharmaceutical companies, universities, research groups and others to successfully develop and commercialize Resverlogix's and Newco's technology; the willingness of heath care insurers and other organizations to pay for products that may be developed by Resverlogix or Newco; risks relating to reliance on key personnel; risks relating to the regulatory approval process for the manufacture and sale of non-therapeutic and human therapeutic products; and Resverlogix's and Newco's ability to secure and protect their intellectual property, and to operate without infringing on the proprietary rights of others or having third parties circumvent the rights owned or licensed by Resverlogix or Newco as well as those factors discussed under "*Risk Factors*" in Appendix D to this Information Circular. There are also certain risks related to the consummation of the Arrangement and the business and operations of Resverlogix.

These risk factors are not intended to represent a complete list of the risk factors that could affect Resverlogix or Newco. Although Resverlogix and Newco have attempted to identify in this Information Circular important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements in this Information Circular, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that the forward-looking statements in this Information Circular will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements in this Information Circular. All of the forward-looking statements made in this Information Circular are qualified by these cautionary statements.

Each of Resverlogix and Newco disclaims any intention or obligation to update or revise any of the forward-looking statements in this Information Circular, whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

CANADIAN / U.S. EXCHANGE RATES

Unless otherwise indicated, all references to "$" in this Information Circular refer to U.S. dollars.

The following tables set forth: (a) the rates of exchange for one U.S. dollar, expressed in Canadian dollars, in effect at the end of each of the periods indicated; and (b) the average rates of exchange for such periods, in each case based on the noon rates of exchange as quoted by the Bank of Canada.

	Nine Months ended January 31,	Years ended April 30,		
	2013	2012	2011	2010
Rate at end of period	$0.9992	$0.9884	$0.9486	$1.0116
Average rate during period	$0.9989	$0.9958	$1.0126	$1.0721

On April 26, 2013, the last trading day before the date of this Information Circular, the exchange rate for one U.S. dollar expressed in Canadian dollars, based upon the noon buying rates provided by the Bank of Canada, was $1.0170.

GLOSSARY OF TERMS

In this Information Circular, the following capitalized words and terms shall have the following meanings:

"**ABCA**" means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder;

"**Additional Royalty Dividend Payment**" has the meaning ascribed to it under the heading "*The Arrangement – Effects of the Arrangement – Resverlogix Royalty Preferred Shares*";

"**allowable capital loss**" has the meaning ascribed to it under the heading "*Certain Canadian Federal Income Tax Considerations – Shareholders Resident in Canada – Resident Non-Dissenting Shareholders – Taxation of Capital Gains and Capital Losses*";

"**Amended and Restated License Agreement**" means the amended and restated license agreement between the Corporation and Therapeutics dated effective January 31, 2013;

"**ApoA-1**" means Apolipoprotein A-1;

"**Apo Products**" means any product, device, process, substance, composition or service that falls within the Apo A-1 Therapeutic Field (as such term is defined in the Amended and Restated License Agreement) and in respect of which the Corporation has an Apo Intellectual Property Right;

"**Apo Intellectual Property Right**" means any right, whether under a patent, patent application or invention disclosure or otherwise, to use, or to prevent others from using, any product, device, process, substance, composition or service that falls within an ApoA-1 Therapeutic Field;

"**Arrangement**" means the arrangement under the provisions of Section 193 of the ABCA on the terms and conditions set forth in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the Arrangement Agreement and the Plan of Arrangement or made at the direction of the Court in the Final Order with the consent of Resverlogix;

"**Arrangement Agreement**" means the Arrangement Agreement dated April 29, 2013, between Resverlogix, Newco and Therapeutics, providing for the Arrangement and filed on SEDAR under Resverlogix's company profile;

"**Arrangement Resolution**" means the special resolution substantially in the form attached as Appendix A to this Information Circular;

"**Articles of Arrangement**" means the articles of arrangement of Resverlogix in respect of the Arrangement required under subsection 193(10) of the ABCA to be filed with the Registrar after the Final Order has been made to give effect to the Arrangement;

"**ATM Distribution**" means the distribution of approximately 300,000 Resverlogix Common Shares pursuant to the equity distribution agreement between the Corporation and JonesTrading Canada Inc. dated January 19, 2013, by way of transactions that are "at-the-market distributions" between the date hereof and the Effective Date;

"**Authority**" means any: (i) national, international, multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, court, tribunal, arbitral body, commission, board bureau, ministry or agency, domestic or foreign; (ii) any subdivision, agent commission, board or authority of any of the foregoing; (iii) any quasi-governmental or self-regulatory organization exercising any regulatory, expropriation or taxing authority under or for the account of its members or any of the above; or (iv) the TSX;

"**Business Day**" means a day, which is not a Saturday, Sunday or a civic or statutory holiday in Calgary, Alberta;

"**Code**" means the U.S. International Revenue Code of 1986, as amended;

"**Court**" means the Court of Queen's Bench of Alberta;

"**CRA**" means the Canada Revenue Agency;

"**Dissenting Shareholder**" means a registered holder of Resverlogix Common Shares who has duly exercised a Dissent Right in strict compliance with the Dissent Procedures;

"**Dissent Notice**" means the written objection of a Registered Shareholder to the Arrangement Resolution, submitted to Resverlogix in accordance with the Dissent Procedures;

"**Dissent Procedures**" means the dissent procedures set forth in Section 191 of the ABCA and the Interim Order required to be taken by a Resverlogix Shareholder to exercise the rights of dissent in respect of Resverlogix Common Shares in connection with the Arrangement;

"**Dissent Rights**" means the right of dissent of Resverlogix Shareholders in respect of the Arrangement Resolution as defined in Section 6 of the Plan of Arrangement;

"**Distribution Record Date**" means the Business Day immediately preceding the Effective Date, established for the purpose of determining the Resverlogix Shareholders entitled to receive Newco Shares pursuant to the Arrangement;

"**DRS Advice**" means the document evidencing the electronic registration for Newco Shares under the Direct Registration System adopted by the Transfer Agent;

"**Due Bill**" means an instrument used to evidence the transfer of title to any dividend, distribution, interest, security or right to a listed security contracted for, or evidencing, the obligation of a seller to deliver such dividend, distribution, interest, security or right to a subsequent purchaser;

"**Due Bill Period**" has the meaning ascribed to it under the heading "*Procedure for the Receipt of Newco Shares – Information Concerning Due Bill*";

"**Effective Date**" means the date shown on the proof of filing to be issued under the ABCA giving effect to the Arrangement, which date shall be determined in accordance with the Arrangement Agreement;

"**Effective Time**" means the time when the Arrangement will be deemed to have been completed, which shall be 12:01 a.m., Calgary time, on the Effective Date;

"**Encumbrances**" means any mortgage, charge, pledge, lien, hypothec, prior claim, assignment for security, security interest, guarantee, right of third parties or other charge, encumbrance, or any collateral securing the payment obligation of any Person, as well as any agreement or arrangement with any similar effect whatsoever;

"**Ex-Date**" has the meaning ascribed to it under the heading "*Procedure for the Receipt of Newco Shares – Information Concerning Due Bill*";

"**Final Order**" means the final order of the Court approving the Arrangement pursuant to subsection 193(9)(a) of the ABCA, as such order may be affirmed, amended or modified by any court of competent jurisdiction (with the consent of Resverlogix) at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;

"**IFRS**" means International Financial Reporting Standards, as in effect from time to time;

"**Information Circular**" means this management information circular dated April 29, 2013 together with the Notice of Meeting, together with all appendices hereto, distributed by Resverlogix in connection with the Meeting;

"**Interim Order**" means the interim order of the Court dated April 29, 2013 providing for, among other things, the calling and holding of the Meeting, attached as Appendix C hereto;

"**Intermediary**" includes a broker, investment dealer, bank, trust company, nominee or other intermediary;

"**IRS**" means the U.S. Internal Revenue Services;

"**Licensee**" means any Person that has any right to research, develop, make, manufacture, modify, administer, offer to sell, sell or distribute one or more of the Apo Products, including without limitation, a sublicensee of such Person;

"**Management Services Agreement**" means an agreement between Resverlogix and Newco for the provision, commencing on the Effective Date, of management services by Resverlogix and its officers to Newco and its successors;

"**Mark-to-Market Election**" has the meaning ascribed to it under the heading "*Certain United States Federal Income Tax Considerations – Passive Foreign Investment Company Rules Applicable to the Arrangement –Effect of PFIC Rules on the Distribution of Newco Shares Pursuant to the Arrangement*";

"**Meeting**" means the special meeting of Resverlogix Shareholders, including any adjournments or postponements thereof, called and to be held to consider, among other matters, and if deemed advisable, to pass, with or without variation, the Arrangement Resolution;

"**Net Apo Revenue**" means the aggregate of the following amounts: (i) amounts received by the Corporation or its Affiliates (as defined in the Plan of Arrangement) from any Person who is not the Corporation or its Affiliate (a "**third party**") in consideration for granting a license or other rights to the third party which entitle the third party to research, develop, make, manufacture, modify, administer, offer to sell, sell or distribute one or more of the Apo Products and/or Apo Intellectual Property Rights or amounts received under the terms of such license or other right that are granted to the third party; (ii) the gross consideration received from a third party by the Corporation, any Licensee or their respective Affiliates from the sale of any Apo Product (other than consideration received by the Corporation, any Licensee or their respective Affiliates from a Licensee of such Apo Product or its Affiliate); less (A) credits or allowances, if any, actually granted; (B) discounts actually allowed; (C) freight, postage, and insurance charges and additional special packaging charges; and (D) customs duties, and excise sales taxes, duties or other taxes imposed upon and paid with respect to such sales (excluding what is commonly known as income taxes); and (c) amounts received from a third party by the Corporation or its Affiliates in consideration for the sale of any Apo Intellectual Property Right;

"**Newco**" means 1741273 Alberta Ltd., a corporation incorporated under the ABCA;

"**Newco Board**" means the board of directors of Newco as it may be comprised from time to time;

"**Newco Founding Share**" means the one (1) Newco Share held by Resverlogix that was issued to Resverlogix on the incorporation of Newco;

"**Newco LTIP**" means the long term incentive plan of Newco to be effective upon completion of the Arrangement, substantially in the form attached as Appendix F hereto;

"**Newco Option**" means an option to purchase a Newco Share granted pursuant to the Newco Option Plan;

"**Newco Option Plan**" means the stock option plan of Newco to be effective upon completion of the Arrangement, substantially in the form attached as Appendix E thereto;

"**Newco Promissory Note**" means the unsecured, demand promissory note of Newco issued pursuant to subsection 3.1(d) of the Plan of Arrangement;

"**Newco Replacement Option**" means an option to acquire a Newco Share granted pursuant to the Newco Option Plan in accordance with Section 4.6 of the Arrangement Agreement;

"**Newco Replacement Restricted Stock**" means a restricted stock granted pursuant to the Newco LTIP in accordance with Section 4.8 of the Arrangement Agreement;

"**Newco Replacement RSU**" means a restricted share unit to acquire a Newco Share granted pursuant to the Newco LTIP in accordance with Section 4.8 of the Arrangement Agreement;

"**Newco Replacement Warrant**" means a common share purchase warrant to acquire a Newco Share granted in accordance with Section 4.7 of the Arrangement Agreement;

"**Newco Shares**" means the common shares in the capital of Newco;

"**Non-Electing U.S. Holder**" has the meaning ascribed to it under the heading "*Certain United States Federal Income Tax Considerations – Passive Foreign Investment Company Rules Applicable to the Ownership and Disposition of Newco Shares Received in the Arrangement*";

"**Non-Registered Holder**" means a non-registered beneficial holder of Resverlogix Common Shares whose shares are held through an Intermediary;

"**Non-Resident**" has the meaning ascribed to it under the heading "*Certain Canadian Federal Income Tax Considerations – Shareholders Not Resident in Canada*";

"**Notice of Meeting**" means the notice of the special meeting accompanying this Information Circular;

"**Party**" means any one of Resverlogix, Newco and Therapeutics, and "**Parties**" means more than one of them as the context requires;

"**Person**" means any individual, corporation, firm, partnership (including, without limitation, a limited partnership), sole proprietorship, syndicate, joint venture, trustee, trust, any unincorporated organization or association, any government or instrumentality thereof and any tribunal;

"**PFIC**" has the meaning ascribed to it under the heading "*Certain United States Federal Income Tax Considerations – Passive Foreign Investment Company Rules Applicable to the Arrangement – Status of Resverlogix and Newco*";

"**PFIC for PFIC Exemption**" has the meaning ascribed to it under the heading "*Certain United States Federal Income Tax Considerations – Passive Foreign Investment Company Rules Applicable to the Arrangement – Status of Resverlogix and Newco – Effect of the PFIC Rules on the Exchange of Resverlogix Common Shares for Resverlogix New Common Shares*";

"**Plan of Arrangement**" means the plan of arrangement to be substantially in the form and content of Exhibit 1 to Appendix B attached hereto as amended or varied pursuant to the terms thereof and the terms of the Arrangement Agreement;

"**QEF**" has the meaning ascribed to it under the heading "*Certain United States Federal Income Tax Considerations – Passive Foreign Investment Company Rules Applicable to the Arrangement –Effect of PFIC Rules on the Distribution of Newco Shares Pursuant to the Arrangement*";

"**QEF Election**" has the meaning ascribed to it under the heading "*Certain United States Federal Income Tax Considerations – Passive Foreign Investment Company Rules Applicable to the Arrangement –Effect of PFIC Rules on the Distribution of Newco Shares Pursuant to the Arrangement*";

"**Record Date**" means April 25, 2013, the record date for purposes of determining Resverlogix Shareholders entitled to receive notice of and to vote at the Meeting;

"**Registered Shareholder**" means a registered holder of Resverlogix Common Shares as recorded in the shareholder register of Resverlogix maintained by the Transfer Agent;

"**Registrar**" means the Registrar of Corporations for the Province of Alberta duly appointed pursuant to Section 263 of the ABCA;

"**Resident**" has the meaning ascribed to it under the heading "*Certain Canadian Federal Income Tax Considerations – Shareholders Resident in Canada*";

"**Resverlogix**" or the "**Corporation**" means Resverlogix Corp., a corporation amalgamated under the ABCA;

"**Resverlogix Board**" means the board of directors of Resverlogix as it may be comprised from time to time;

"**Resverlogix Class A Preferred Shares**" means the Class A preferred shares in the capital of Resverlogix to be created pursuant to the amendment to the Articles of Resverlogix under subsection 3.1(b) of the Plan of Arrangement and having the rights, privileges, restrictions and conditions set out in Schedule A to the Plan of Arrangement;

"**Resverlogix Common Shares**" means the common shares in the capital of Resverlogix as constituted immediately prior to the Effective Date, which are to be renamed and reclassified as "Class A Common Shares" in the capital of Resverlogix pursuant to the amendment to the Articles of Resverlogix under subsection 3.1(b) of the Plan of Arrangement;

"**Resverlogix LTIP**" means the long term incentive plan of Resverlogix dated effective July 26, 2010 and approved by Resverlogix Shareholders on September 9, 2010;

"**Resverlogix New Common Shares**" means the common shares in the capital of Resverlogix to be created pursuant to the amendment to the Articles of Resverlogix under subsection 3.1(b) of the Plan of Arrangement and having the rights, privileges, restrictions and conditions set out in Schedule A to the Plan of Arrangement;

"**Resverlogix Option**" means an option to purchase a Resverlogix Common Share granted pursuant to the Resverlogix Option Plan;

"**Resverlogix Option Plan**" means the stock option plan of Resverlogix approved by Resverlogix Shareholders on October 16, 2012;

"**Resverlogix Preferred Shares**" means the preferred shares in the capital of Resverlogix other than the Resverlogix Class A Preferred Shares and the Resverlogix Royalty Preferred Shares;

"**Resverlogix Promissory Note**" means the unsecured, subordinated demand promissory note of Resverlogix issued pursuant to subsection 3.1(f) of the Plan of Arrangement;

"**Resverlogix Replacement Option**" means an option to acquire a Resverlogix New Common Share granted pursuant to the Resverlogix Option Plan in accordance with Section 4.6 of the Arrangement Agreement;

"**Resverlogix Replacement Restricted Stock**" means a restricted stock granted pursuant to the Resverlogix LTIP in accordance with Section 4.8 of the Arrangement Agreement;

"**Resverlogix Replacement RSU**" means a restricted share unit to acquire a Resverlogix New Common Share granted pursuant to the Resverlogix LTIP in accordance with Section 4.8 of the Arrangement Agreement;

"**Resverlogix Replacement Warrant**" means a common share purchase warrant to acquire a Resverlogix New Common Share granted in accordance with Section 4.7 of the Arrangement Agreement;

"**Resverlogix Restricted Stock**" means a restricted stock granted pursuant to the Resverlogix LTIP;

"**Resverlogix Royalty Preferred Shares**" means the royalty preferred shares in the capital of Resverlogix to be created pursuant to the amendment to the Articles of Resverlogix under subsection 3.1(b) of the Plan of Arrangement and having the rights, privileges, restrictions and conditions set out in Schedule A to the Plan of Arrangement;

"**Resverlogix RSU**" means a restricted share unit to acquire a Resverlogix Common Share granted pursuant to the Resverlogix LTIP;

"**Resverlogix Shareholders**" means, at the relevant time, the holders of Resverlogix Common Shares;

"**Resverlogix Warrant**" means a common share purchase warrant to purchase a Resverlogix Common Share;

"**Retained Assets**" means all of Resverlogix's research and development activities related to the development of compounds for applications with indications involving a therapeutic increase in ApoA-1, including RVX-208;

"**Royalty Amount**" has the meaning ascribed to it under the heading "*The Arrangement – Effects of the Arrangement – Resverlogix Royalty Preferred Shares*";

"**Royalty Dividend Payment**" means the Semi-Annual Royalty Dividend Payment or the Yearly Royalty Dividend Payment, as applicable;

"**Royalty Dividend Payment Period**" means the Semi-Annual Royalty Dividend Payment Period or the Yearly Royalty Dividend Payment Period, as applicable;

"**RVX-208**" means Resverlogix's drug candidate for the treatment of atherosclerosis in patients at high risk for cardiovascular disease;

"**SEC**" means the United States Securities and Exchange Commission;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval described in National Instrument 13-101 of the Canadian Securities Administrators and available for public view at www.sedar.com;

"**Semi-Annual Royalty Dividend Payment**" has the meaning ascribed to it under the heading "*The Arrangement – Effects of the Arrangement – Resverlogix Royalty Preferred Shares*";

"**Semi-Annual Royalty Dividend Payment Period**" means the period from May 1 to October 31 of each fiscal year;

"**Spin-Off Assets**" means all of Resverlogix's research and development activities related to its epigenetic platform technology, which for greater certainty does not include the Retained Assets;

"**Subsidiary PFIC**" has the meaning ascribed to it under the heading "*Certain United States Federal Income Tax Considerations – Passive Foreign Investment Company Rules Applicable to the Arrangement – Status of Resverlogix and Newco*";

"**taxable capital gain**" has the meaning ascribed to it under the heading "*Certain Canadian Federal Income Tax Considerations – Shareholders Resident in Canada – Resident Non-Dissenting Shareholders – Taxation of Capital Gains and Capital Losses*";

"**Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5th Supp.), and the regulations thereunder, all as amended from time to time;

"**Tax Factor**" means A ÷ B, where A is one; and B is the aggregate of: (i) one; and (ii) one multiplied by the rate of tax under Part VI .1 of the Tax Act applicable to a dividend on the Resverlogix Royalty Preferred Shares;

"**Tax Proposals**" means all specific proposals to amend the Tax Act publicly announced or published by or on behalf of the Minister prior to the date of this Information Circular;

"**TFSA**" has the meaning ascribed to it under the heading "*Eligibility for Investment*";

"**Therapeutics**" means RVX Therapeutics Inc., a corporation incorporated under the ABCA and, prior to giving effect to the Arrangement, a wholly-owned subsidiary of Resverlogix;

"**Therapeutics Assets**" means, collectively, the Therapeutics Cash Amount, the Therapeutics Debt Amount and the Therapeutics Shares;

"**Therapeutics Cash Amount**" means the cash amount to be transferred to Newco by Resverlogix in connection with the Arrangement;

"**Therapeutics Debt Amount**" means the aggregate of all indebtedness of Therapeutics owing to Resverlogix immediately prior to the Effective Time;

"**Therapeutics Preferred Shares**" means the preferred shares in the capital of Therapeutics;

"**Therapeutics Shares**" means the Class A common voting shares in the capital of Therapeutics;

"**Transfer Agent**" means Valiant Trust Company;

"**Treasury Regulations**" means the U.S. treasury regulations promulgated under the Code;

"**TSX**" means the Toronto Stock Exchange;

"**U.S.**" or "**United States**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

"**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;

"**U.S. Holder**" has the meaning ascribed to it under the heading "*Certain United States Federal Income Tax Considerations – Scope of this Disclosure – U.S. Holders*";

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;

"**U.S. Tax Treaty**" has the meaning ascribed to it under the heading "*Certain Canadian Federal Income Tax Considerations – Shareholders Not Resident in Canada – Non-Resident Non-Dissenting Shareholders – Dividends on Resverlogix New Common Shares or Newco Shares (Post-Arrangement)*";

"**Yearly Royalty Dividend Payment**" has the meaning ascribed to it under the heading "*The Arrangement – Effects of the Arrangement – Resverlogix Royalty Preferred Shares*"; and

"**Yearly Royalty Dividend Payment Period"** means the period from May 1 to April 30 of each fiscal year.

Certain other terms used herein but not defined herein are defined in the Arrangement Agreement and, unless the context otherwise requires, shall have the same meanings herein as in the Arrangement Agreement.

SUMMARY

The following information is a summary of the contents of this Information Circular. This summary is provided for convenience only and the information contained in this summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information and financial data and statements contained elsewhere in this Information Circular. Capitalized terms in this summary have the meaning set out in the Glossary of Terms or as set out herein.

The Meeting

Resverlogix will hold the Meeting in the Imperial Ballroom (1/2/3) at the Hyatt Regency Calgary Hotel, 700 Centre Street S.E., Calgary, Alberta, on May 28, 2013 commencing at 11:00 a.m. (Calgary time). At the Meeting, the Resverlogix Shareholders will be asked to consider, and, if thought advisable, to pass, with or without variation, the Arrangement Resolution, the full text of which is set out in Appendix A to this Information Circular. See "*The Arrangement*".

Resverlogix Shareholders will also be asked to consider and, if deemed advisable, to approve, with or without variation, an ordinary resolution approving the Newco Option Plan and an ordinary resolution approving the Newco LTIP. See "*Other Matters to be Considered at the Meeting*".

The Arrangement

On April 8, 2013, Resverlogix announced its intention to reorganize into two companies. Resverlogix intends to spin-off all of the Spin-Off Assets to Newco, a newly formed company, by way of the transfer of all of the issued and outstanding Therapeutics Shares to Newco. Therapeutics, which is a wholly-owned subsidiary of Resverlogix, currently holds all of the Spin-Off Assets.

Pursuant to the Plan of Arrangement, all of Resverlogix's entire legal and beneficial right, title and interest in and to the Therapeutics Shares will be transferred to Newco and Newco will issue to Resverlogix Shareholders, fully paid and non-assessable Newco Shares on the basis of one (1) Newco Share for each Resverlogix Common Share issued and outstanding immediately prior to the Effective Time.

In addition to the transfer of the Therapeutics Shares, as part of the Arrangement, Resverlogix will also transfer the Therapeutics Debt Amount and the Therapeutics Cash Amount to Newco such that at the Effective Time, Therapeutics will no longer be indebted to Resverlogix and to provide for the initial capitalization of Newco. As at January 31, 2013, the Therapeutics Debt Amount was approximately $15.039 million. It is anticipated that the Therapeutics Cash Amount will be equal to an amount between $5 and 10 million. Newco will also be issued Resverlogix Royalty Preferred Shares, which will provide Newco with dividends based on a percentage of Net Apo Revenue, if any.

Upon completion of the Arrangement, Resverlogix Shareholders will own one Resverlogix New Common Share (which will be represented by existing Resverlogix Common Share certificates) and will receive one Newco Share for each Resverlogix Common Share held. A DRS Advice evidencing Newco Shares issued in connection with the Arrangement will be forwarded to each Resverlogix Shareholder. Pursuant to the Arrangement, Therapeutics will become a wholly-owned subsidiary of Newco. See "*The Arrangement*".

Recommendation of the Resverlogix Board

After careful consideration, the Resverlogix Board has unanimously determined that the Arrangement is in the best interests of Resverlogix. **The Resverlogix Board unanimously recommends that Resverlogix Shareholders vote FOR the Arrangement Resolution.** See "*The Arrangement – Recommendation of the Resverlogix Board*".

Each director and executive officer of Resverlogix has advised that they intend to vote his or her Resverlogix Common Shares FOR the Arrangement Resolution. See "*The Arrangement – Intention of Resverlogix Directors and Executive Officers*".

Reasons for the Arrangement

In the course of its evaluation of the Plan of Arrangement, the Resverlogix Board consulted with Resverlogix's senior management and legal counsel, reviewed a significant amount of information and considered a number of factors, including, among others, the following:

- *Current Market Price Does Not Reflect Full Value* – the Resverlogix Board and Resverlogix's management do not believe that the current market price of the Resverlogix Common Shares reflects the full value of Resverlogix's assets. In particular, the Resverlogix Board believes the market price of the Resverlogix Common Shares is attributed mainly to the value of the RVX-208 program. Accordingly, transferring the Therapeutics Shares to a separate entity is expected to allow Resverlogix Shareholders to realize the value of the RVX-208 program (through their holding of Resverlogix New Common Shares) and to allow Resverlogix Shareholders to retain the value of the Spin-Off Assets in the event of a future sale of Resverlogix (through their holding of Newco Shares). Through the Resverlogix Royalty Preferred Shares held by Newco upon completion of the Arrangement, Newco will be entitled to dividends based on a percentage of Net Apo Revenue, if any;

- *Enhance Ability to Pursue Corporate Objectives and Strategies* – the Arrangement is expected to enhance the ability of each of Resverlogix and Newco to pursue their corporate objectives and strategies by allowing Resverlogix to focus on the RVX-208 program and by allowing Newco to focus on the Spin-Off Assets. By transferring the Spin-Off Assets, this will also allow Resverlogix to be structurally ready for acquisition while Newco's future value could be realized through a licensing and/or partnering business model;

- *Focused Investment Decision* – the creation of two separate companies dedicated to the pursuit of their respective businesses will provide Resverlogix Shareholders with additional investment flexibility as they will hold a direct interest in two companies, each of which is focused on different objectives;

- *Independent Access to Capital* – each company will have independent access to capital (equity and debt) which management believes will result in more focused capital allocation practices and minimize future dilutions in each company. In particular, Newco will be able to raise capital specifically related to the Spin-Off Assets or to enter into a licensing and/or partnering business model in respect of the Spin-Off Assets;

- *Maintenance of Ownership in Assets* – Resverlogix Shareholders will maintain their ownership interests in Resverlogix, and will also receive Newco Shares. Through their ownership of both Resverlogix New Common Shares and Newco Shares, current Resverlogix Shareholders will have the identical ownership interests in Resverlogix's current intellectual property and assets following the Plan of Arrangement as they do prior to the Plan of Arrangement;

- *Fairness* – the Arrangement is subject to a determination of the Court that the terms of the Arrangement and the procedures relating thereto are fair and reasonable, both procedurally and substantively, to the Resverlogix Shareholders; and

- *Neutral Tax Treatment for Canadian Shareholders* – subject to the discussion under the heading "*Certain Canadian Federal Income Tax Considerations*", the Arrangement should generally occur on a tax-deferred basis for Resverlogix Shareholders who are resident in Canada, who hold Resverlogix Common Shares as capital property, and to whom the discussion under the heading "*Certain Canadian Federal Income Tax Considerations*" is directed.

In the course of its deliberations, the Resverlogix Board also identified and considered a variety of risks and potentially negative factors, including, but not limited to the risks set out under "*Risk Factors*".

The foregoing discussion summarizes the material information and factors considered by the Resverlogix Board in their consideration of the Plan of Arrangement. The Resverlogix Board collectively reached its unanimous decision with respect to the Plan of Arrangement in light of the factors described above and other factors that each member of the Resverlogix Board felt were appropriate. In view of the wide variety of factors and the quality and amount of

information considered, the Resverlogix Board did not find it useful or practicable to, and did not make specific assessments of, quantify, rank or otherwise assign relative weights to the specific factors considered in reaching its determination. Individual members of the Resverlogix Board may have given different weight to different factors.

See "*The Arrangement - Reasons for the Arrangement*".

Resverlogix Corp.

Resverlogix was incorporated under the ABCA on August 17, 2000 as Apsley Management Group Inc. Resverlogix acquired all of the shares of Resverlogix Inc. on April 25, 2003. Resverlogix then amalgamated with Resverlogix Inc. to form Resverlogix Corp. on February 7, 2005.

Resverlogix owns all of the voting securities of Therapeutics, a corporation incorporated under the ABCA on February 11, 2005 and Resverlogix Inc., a corporation incorporated under the laws of the state of Delaware on July 18, 2008.

Resverlogix is a clinical stage cardiovascular company with an epigenetic platform technology that modulates protein production. Resverlogix is developing RVX-208, a small molecule for the treatment of atherosclerosis. RVX-208 is the first BET bromodomain inhibitor in clinical trials.

Upon completion of the Arrangement, Resverlogix will remain focused on developing RVX-208. RVX-208 is being investigated by Resverlogix for the treatment of patients with dyslipidemia and atherosclerosis at high risk for cardiovascular disease. In addition, Resverlogix will continue with its RVX-208 related clinical trial for diabetes and the soon to launch Alzheimer's disease clinical trial.

The Resverlogix Shares are listed on the TSX under the symbol "RVX".

See "*Information Concerning Resverlogix Corp.*"

1741273 Alberta Ltd.

Newco was incorporated under the ABCA on April 10, 2013 as "1741273 Alberta Ltd."

As of the date hereof, Newco is a wholly-owned subsidiary of Resverlogix. After giving effect to the Arrangement, Newco will be wholly-owned by holders of Resverlogix Common Shares immediately prior to the Effective Time, other than those Resverlogix Shareholders who exercise the Dissent Rights provided under the terms of the Arrangement.

Newco was incorporated for the purposes of participating in the Arrangement and acquiring the Therapeutics Shares and has not carried on any active business other than in connection with the Arrangement and related matters and as discussed in this Information Circular. Pursuant to the Plan of Arrangement, Resverlogix will transfer the Therapeutics Assets to Newco on the Effective Date. Through the Resverlogix Royalty Preferred Shares held by Newco upon completion of the Arrangement, Newco will be entitled to dividends based on a percentage of Net Apo Revenue, if any.

Upon completion of the Arrangement, Newco, through its wholly-owned subsidiary Therapeutics, will have an epigenetic platform technology useful for the discovery of novel treatments for human diseases. Through licenses of patents and patent applications from Resverlogix, Therapeutics will be permitted to develop compounds covered by such licensed patents and patent applications for applications other than indications involving an increase in Apo A-1. New compounds arising from Therapeutics' epigenetic drug discovery platform function by inhibiting BET bromodomains and have the potential to impact multiple diseases, including cancer, autoimmune, cardiovascular, neurodegenerative disorders and metabolic abnormalities.

The Newco Shares are not currently traded or quoted on a Canadian marketplace. It is not anticipated that the Newco Shares will be listed on any stock exchange upon completion of the Arrangement and therefore, there will be no public market to trade the Newco Shares.

Upon completion of the Arrangement, Newco will become a reporting issuer or the equivalent thereof in each of the provinces of Canada and will become subject to the informational reporting requirements under applicable securities laws.

See Appendix D – *Information Concerning Newco*.

Effects of the Arrangement

Resverlogix Shares

Upon completion of the Arrangement, Resverlogix Shareholders will own one Resverlogix New Common Share (which will be represented by existing Resverlogix Common Share certificates) and will receive one Newco Share for each Resverlogix Common Share held. A DRS Advice evidencing Newco Shares issued in connection with the Arrangement will be forwarded to each Resverlogix Shareholder. Pursuant to the Arrangement, Therapeutics will become a wholly-owned subsidiary of Newco. See "*The Arrangement – Effects of the Arrangement – Resverlogix Shares*".

Resverlogix Options

Concurrently with subsection 3.1(c) of the Plan of Arrangement, all of the outstanding Resverlogix Options shall be cancelled and the former holders of such Resverlogix Options shall instead be granted one Resverlogix Replacement Option and one Newco Replacement Option for each Resverlogix Option held. See "*The Arrangement – Effects of the Arrangement – Resverlogix Options*".

Resverlogix Warrants

Concurrently with subsection 3.1(c) of the Plan of Arrangement, all of the outstanding Resverlogix Warrants shall be cancelled and the former holders of such Resverlogix Warrants shall instead be granted one Resverlogix Replacement Warrant and one Newco Replacement Warrant for each Resverlogix Warrant held. See "*The Arrangement – Effects of the Arrangement – Resverlogix Warrants*".

Resverlogix RSUs and Resverlogix Restricted Stock

Concurrently with subsection 3.1(c) of the Plan of Arrangement, all of the outstanding Resverlogix RSUs and Resverlogix Restricted Stock shall be cancelled and the former holders of such Resverlogix RSUs shall instead be granted one Resverlogix Replacement RSU and one Newco Replacement RSU for each Resverlogix RSU held and the former holders of such Resverlogix Restricted Stock shall instead be granted one Resverlogix Replacement Restricted Stock and one Newco Replacement Restricted Stock for each Resverlogix Restricted Stock held. See "*The Arrangement – Effects of the Arrangement – Resverlogix RSUs and Resverlogix Restricted Stock*".

Resverlogix Royalty Preferred Shares

In connection with the Arrangement, Newco will receive one (1) Resverlogix Royalty Preferred Share for each Resverlogix Common Share outstanding immediately prior to the Effective Time. The Resverlogix Royalty Preferred Shares will entitle Newco to the Royalty Dividend Payment. See "*The Arrangement – Effects of the Arrangement – Resverlogix Royalty Preferred Shares*".

Stock Exchange Listings

The Resverlogix Common Shares are currently listed, and the Resverlogix New Common Shares will continue to be listed, on the TSX under the trading symbol "RVX". **It is not anticipated that the Newco Shares will be listed on**

any stock exchange upon completion of the Arrangement and therefore, there will be no public market to trade the Newco Shares. Resverlogix Shareholders may therefore not be able to realise on the value of the Newco Shares as the liquidity of the Newco Shares will be limited until such time the Newco Shares are listed on a stock exchange. The Resverlogix Board and the Newco Board have determined not to seek listing of the Newco Shares on any stock exchange upon completion of the Arrangement in view of the early stages of development of the Spin-Off Assets. The Newco Board will give due consideration in the future as to whether it is in the best interests of shareholders of Newco that the Newco Shares are listed

The TSX has determined that the Due Bill trading procedure will be used in connection with the distribution of the Newco Shares to Resverlogix Shareholders pursuant to the Arrangement. As a result of the use of Due Bills, any Resverlogix Shareholder who purchases their Resverlogix Shares on the TSX in the period two days prior to the Distribution Record Date up to and including the payment date of the Newco Shares issuable pursuant to the Arrangement will be entitled to receive the Newco Shares. Any trades that are executed during this period will be automatically flagged to ensure that such purchasers receive the entitlement to the Newco Shares and the sellers do not. See "*Procedure for the Receipt of Newco Shares - Information Concerning Due Bills*".

See "*The Arrangement – Stock Exchange Listings*".

Procedure for the Arrangement to Become Effective

Procedural Steps

The Arrangement is proposed to be carried out pursuant to Section 193 of the ABCA. The following procedural steps must be taken in order for the Arrangement to become effective:

(a) the Arrangement must be approved by the Resverlogix Shareholders in the manner set forth in the Interim Order;

(b) the Court must grant the Final Order approving the Arrangement;

(c) all conditions to the Arrangement, as set forth in the Arrangement Agreement, must be satisfied or waived by the appropriate party; and

(d) the Final Order and Articles of Arrangement in the form prescribed by the ABCA must be filed with the Registrar.

See "*The Arrangement - Procedure for the Arrangement to Become Effective - Procedural Steps*".

Resverlogix Shareholder Approval

Pursuant to the terms of the Interim Order, the Arrangement Resolution must, subject to further order of the Court, be approved by at least 66⅔% of the votes cast by the Resverlogix Shareholders present in person or by proxy at the Meeting. Each Resverlogix Shareholder shall be entitled to one vote for each Resverlogix Common Share held by such holder.

Notwithstanding the foregoing, the Arrangement Resolution authorizes the Resverlogix Board, without further notice to or approval of the Resverlogix Shareholders, subject to the terms of the Arrangement, to amend the Arrangement Agreement or to decide not to proceed with the Arrangement at any time prior to the Arrangement becoming effective pursuant to the provisions of the ABCA. See Appendix A to this Information Circular for the full text of the Arrangement Resolution.

See "*The Arrangement - Procedure for the Arrangement to Become Effective - Resverlogix Shareholder Approval*".

Court Approval

The Arrangement requires the Court's approval of the Final Order. Prior to the mailing of this Information Circular, the Corporation obtained the Interim Order authorizing and directing the Corporation to call, hold and conduct the Meeting and to submit the Arrangement Resolution to the Resverlogix Shareholders for approval. A copy of the Interim Order is attached as Appendix C to this Information Circular. Subject to the terms of the Arrangement Agreement and provided that the Arrangement Resolution is approved at the Meeting, Resverlogix will make application to the Court for the Final Order at the Court House, 601 - 5th Street S.W., Calgary, Alberta, on May 30, 2013, at 1:15 p.m. (Calgary time) or as soon thereafter as counsel may be heard. See "*The Arrangement -Procedure for the Arrangement to Become Effective - Court Approval*".

Timing

The Arrangement will become effective upon the filing with the Registrar of a copy of the Final Order and the Articles of Arrangement. If the Arrangement Resolution is approved by the Resverlogix Shareholders as required by the Interim Order, Resverlogix will apply to the Court for the Final Order. If the Final Order is obtained on May 30, 2013, in form and substance satisfactory to Resverlogix and Newco, and all other conditions specified in the Arrangement Agreement are satisfied or waived, Resverlogix and Newco expect that the Effective Date will be June 3, 2013. The Effective Date could be delayed for a number of reasons, including an objection before the Court at the hearing of the application for the Final Order. See "*The Arrangement - Timing*".

Procedure for Receipt of Newco Shares

Pursuant to the Arrangement, the Resverlogix Common Shares will be cancelled upon the exchange of such shares for the Resverlogix New Common Shares, Resverlogix Class A Preferred Shares and Resverlogix Royalty Preferred Shares.

All of the Resverlogix Class A Preferred Shares and Resverlogix Royalty Preferred Shares issued to Resverlogix Shareholders will be transferred to Newco in exchange for Newco Shares and the Resverlogix Class A Preferred Shares will be subsequently redeemed. Accordingly, Resverlogix will not issue share certificates representing the Resverlogix Class A Preferred Shares and Resverlogix Royalty Preferred Shares to Resverlogix Shareholders.

At the Effective Time, share certificates representing on their face Resverlogix Common Shares shall for all purposes, be deemed to be share certificates representing Resverlogix New Common Shares and no new share certificates shall be issued with respect to the Resverlogix New Common Shares issued in connection with the Arrangement.

As soon as practicable after the Effective Date, the transfer agent of Newco will forward to each registered Newco Shareholder of record at the Effective Date who has not dissented to the Arrangement, a DRS Advice evidencing ownership of Newco Shares to which they are entitled to receive under the Arrangement.

See "*Procedure for the Receipt of Newco Shares*".

Rights of Dissent

Registered Shareholders are entitled to dissent from the Arrangement Resolution in the manner provided in Section 191 of the ABCA, as modified by the Interim Order and the Plan of Arrangement. A Registered Shareholder who wishes to dissent must ensure that a Dissent Notice is received by Resverlogix, c/o its counsel, Borden Ladner Gervais LLP, 1900, 520-3rd Avenue S.W., Calgary, Alberta, Attention: David T. Madsen on or prior to 5:00 p.m. (Calgary time) on the second Business Day immediately preceding the date of the Meeting. It is important that Registered Shareholders strictly comply with this requirement, which is different from the statutory dissent provisions of the ABCA which would permit a Dissent Notice to be provided at or prior to the Meeting. See "*Rights of Dissent*".

Certain Canadian Federal Income Tax Considerations

Generally, a non-Dissenting Shareholder that is resident in Canada for purposes of the Tax Act and holds his or her Resverlogix Common Shares as capital property will be entitled to decide whether to indirectly exchange his or her Resverlogix Common Shares for Resverlogix New Common Shares and Newco Shares on a fully taxable basis or to obtain a full tax deferral. If a non-Dissenting Shareholder decides to obtain a full tax deferral, that holder's adjusted cost base of his or her Resverlogix Common Shares will be divided between the Resverlogix New Common Shares and the Newco Shares received by such holder on the Arrangement. As the final proportion cannot be determined prior to the Effective Date, Resverlogix will advise holders on its website shortly after the Effective Date as to its views on such division of adjusted cost base. In order to comply with the requirements of the Tax Act, such allocation will, in general terms, reflect Resverlogix's estimate of fair market values for certain property determined at the time of the Arrangement and may not be reflective of the relative trading prices or market values of the Resverlogix New Common Shares and Newco Shares after the Arrangement. As well, Resverlogix's views on the allocation of adjusted cost base are not binding on the CRA or a court.

Generally, provided the Resverlogix Common Shares are not "taxable Canadian property" for purposes of the Tax Act, a non-Dissenting Shareholder that is not resident in Canada for purposes of the Tax Act, will not be subject to Canadian federal income tax as a result of the Arrangement.

Generally, a Dissenting Shareholder who is resident in Canada for purposes of the Tax Act and who holds Resverlogix Common Shares as capital property will, pursuant to the Dissent Procedures, be deemed to receive a taxable dividend from Resverlogix equal to the amount by which the fair value received for the Resverlogix Common Shares exceeds the paid-up capital of such shares. A Dissenting Shareholder also will also realize a capital gain (or capital loss) equal to the amount by which the fair value received by such Dissenting Shareholder for such Resverlogix Common Shares less the amount of the deemed dividend, excluding any interest and net of reasonable costs of disposition, exceeds (or is less than) the adjusted cost base to the Dissenting Shareholder of such Resverlogix Common Shares.

Generally, a Dissenting Shareholder who is not resident in Canada for purposes of the Tax Act may realize a deemed dividend in the same manner as a Dissenting Shareholder who is resident in Canada and may be subject to withholding tax on such deemed dividend. Generally, a Dissenting Shareholder who is not resident in Canada and whose Resverlogix Common Shares do not constitute "taxable Canadian property" for purposes of the Tax Act will not be subject to tax under the Tax Act on a capital gain realized on the disposition of such Resverlogix Common Shares pursuant to the Dissent Procedures.

This brief summary of the Canadian federal income tax consequences of the Arrangement is qualified in its entirety by the longer discussion under the heading "*Certain Canadian Federal Income Tax Considerations*" and neither this summary nor the longer discussion is intended to be legal or tax advice to any particular shareholder. It is important that you consult your own tax advisor to determine the tax consequences of the Arrangement to you.

Certain U.S. Federal Income Tax Considerations

The Arrangement will be effected under applicable provisions of Canadian corporate law, which are technically different from analogous provisions of U.S. corporate law. Therefore, the U.S. federal income tax consequences of certain aspects of the Arrangement are not certain. This summary assumes that: (a) the re-designation of the Resverlogix Common Shares as "Class A Common Shares"; (b) the exchange of each Resverlogix "Class A Common Share" for one Resverlogix New Common Share, one Resverlogix Class A Preferred Share and one Resverlogix Royalty Preferred Share; (c) the transfer of each Resverlogix Class A Preferred Share and each Resverlogix Royalty Preferred Share to Newco in exchange for one Newco Share; (d) the transfer by Resverlogix of the Therapeutics Assets to Newco in exchange for the Newco Promissory Note; (e) the redemption of the Resverlogix Class A Preferred Shares by Resverlogix in exchange for the Resverlogix Promissory Note; and (f) the transfer by Resverlogix of the Newco Promissory Note to Newco as full payment of the Resverlogix Promissory Note, will properly be treated, under the step transaction doctrine or otherwise, as: (i) a tax deferred exchange by Resverlogix Shareholders of their Resverlogix Common Shares for Resverlogix New Common Shares, either under Section 1036 or Section 368(a)(1)(E) of the Code; and (ii) a distribution of the Newco Shares under Section 301 of the Code.

Resverlogix believes that it was a PFIC for certain prior taxable years and based on current business plans and financial expectations, Resverlogix expects to be a PFIC for the taxable year that includes the Arrangement. As a result, U.S. Holders could potentially be subject to adverse U.S. federal income tax consequences applicable to certain distributions from a PFIC in connection with the distribution of the Newco Shares pursuant to the Arrangement unless one of the elections described under "*Certain United States Federal Income Tax Considerations*" has been timely and effectively made.

This description of U.S. federal income tax consequences of the Arrangement is qualified in its entirety by the longer discussion under the heading "*Certain United States Federal Income Tax Considerations*", and neither this description nor the longer discussion is intended to be legal or tax advice to any particular U.S. Holder. Accordingly, U.S. Holders should consult their own tax advisors with respect to their particular circumstances.

Other Tax Considerations

This Information Circular does not address any tax considerations of the Arrangement other than Canadian and United States federal income tax considerations to certain Resverlogix Shareholders. Resverlogix Shareholders, who are resident in jurisdictions other than Canada or the United States, should consult their tax advisors with respect to the relevant tax implications of the Arrangement, including any associated filing requirements, in such jurisdictions. All Resverlogix Shareholders should also consult their own tax advisors regarding relevant provincial, territorial or state tax considerations of the Arrangement.

Other Matters to be Considered at the Meeting

Newco Option Plan

At the Meeting, Resverlogix Shareholders will be asked to consider and, if deemed advisable, ratify and approve the adoption of the Newco Option Plan which will authorize the Newco Board to issue Newco Options to employees, officers, directors and certain consultants of Newco and related entities following completion of the Arrangement. To be adopted, the ordinary resolution must be approved by a simple majority of the votes cast at the Meeting by the Resverlogix Shareholders. A copy of the Newco Option Plan is set out in Appendix E to this Information Circular. The completion of the Arrangement is not conditional upon approval of the Newco Option Plan by the Resverlogix Shareholders. See "*Other Matters to be Considered at the Meeting – Newco Option Plan*".

Newco LTIP

At the Meeting, Resverlogix Shareholders will be asked to consider and, if deemed advisable, ratify and approve the adoption of the Newco LTIP, which provides employees, directors, officers and consultants of Newco and its subsidiaries with the opportunity to acquire Newco Shares through an award of Newco RSUs or Newco Restricted Stock following completion of the Arrangement. To be adopted, the ordinary resolution must be approved by a simple majority of the votes cast at the Meeting by the Resverlogix Shareholders. A copy of the Newco LTIP is set out in Appendix F to this Information Circular. The completion of the Arrangement is not conditional upon approval of the Newco LTIP by the Resverlogix Shareholders. See "*Other Matters to be Considered at the Meeting – Newco LTIP*".

Selected *Pro Forma* Information for Newco

Certain selected unaudited pro forma financial information following completion of the Arrangement is set forth in the following table. Such information should be read in conjunction with the unaudited pro forma financial statements as at and for the nine month period ended January 31, 2013 and for the year ended April 30, 2012, included as Schedule C to Appendix D of this Circular.

Pro Forma Consolidated Statements of Comprehensive Loss (thousands of dollars, except as otherwise stated)	Nine Month Period Ended January 31, 2013	Year Ended April 30, 2012
Revenue	-	-
Expenses	8,566	2,376
Net (Loss)	(8,566)	(2,376)
(Loss) Per Share – basic ($)	(0.11)	(0.03)

Pro Forma Consolidated Statement of Financial Position (thousands of dollars)	As at January 31, 2013
Assets	10,406
Liabilities	2,043
Shareholder's Equity	8,363

The pro forma adjustments are based upon the assumptions described in the notes to the unaudited pro forma financial statements. The unaudited pro forma financial statements are presented for illustrative purposes only and are not necessarily indicative of the operating or financial results that would have occurred had the Arrangement actually occurred at the times contemplated by the notes to the unaudited pro forma financial statements or of the results expected in future periods.

Risk Factors

There is a risk that the Arrangement may not be completed and if the Arrangement is not completed, Resverlogix will continue to face the risks that it currently faces with respect to its affairs, business and operations and future prospects. The Arrangement Agreement may also be terminated by the Parties in certain circumstances. Failure to complete the Arrangement could materially negatively impact the trading price of the Resverlogix Shares. If the Arrangement is completed, there can be no assurance as to the future financial condition and results of operations of Newco or the value of the Newco Shares. In addition, the Therapeutics Assets being transferred to Newco under the Arrangement and the Resverlogix Royalty Preferred Shares that Newco will acquire under the Arrangement represent a significant portion of the value of Resverlogix and as the Newco Shares will not be listed on a stock exchange, there will be no public market to trade the Newco Shares. See "*Risk Factors*".

THE ARRANGEMENT

Background to the Arrangement

The Resverlogix Board considered strategic opportunities available to Resverlogix with a view to retaining the value of the Spin-Off Assets in the event of a future sale of Resverlogix. After much consideration, the directors of Resverlogix determined that a reorganization of its business by way of a transfer of Resverlogix's interest in the Spin-Off Assets held by Therapeutics to a separate entity owned by the Resverlogix Shareholders, would achieve the desired result.

On April 8, 2013, Resverlogix announced its intention to reorganize into two companies. Resverlogix intends to retain the Retained Assets and it intends to spin-off all of the Spin-Off Assets to Newco, a newly formed company, by way of the transfer of all of the issued and outstanding Therapeutics Shares to Newco. Therapeutics, which is a wholly-owned subsidiary of Resverlogix, currently holds all of the Spin-Off Assets.

On April 22, 2013, the Resverlogix Board met to consider and discuss the terms of the Arrangement, including the draft Arrangement Agreement and draft Information Circular. On April 29, 2013, the Resverlogix Board then unanimously determined that the Arrangement is in the best interests of Resverlogix and determined to recommend that Resverlogix Shareholders vote for the approval of the Arrangement Resolution. The Resverlogix Board approved the entering into of the Arrangement Agreement between Resverlogix, Newco and Therapeutics and the implementation of the Plan of Arrangement and the submission of the Arrangement Resolution to the Resverlogix Shareholders for a vote at the Meeting.

On April 29, 2013, the Arrangement Agreement was entered into by Resverlogix, Newco and Therapeutics. The Resverlogix Board further approved, among other things, the making of the necessary court applications and regulatory applications in connection with the Arrangement, various matters relating to the Arrangement and the contents of this Information Circular and the sending of it to the Resverlogix Shareholders. The Resverlogix Board also authorized the submission of the resolutions with respect to the Newco Stock Option Plan and the Newco LTIP to the Resverlogix Shareholders for their approval.

A news release announcing the Arrangement Agreement is anticipated to be issued on May 1, 2013.

Recommendation of the Resverlogix Board

After careful consideration, the Resverlogix Board has unanimously determined that the Arrangement is in the best interests of Resverlogix. **The Resverlogix Board unanimously recommends that Resverlogix Shareholders vote FOR the Arrangement Resolution.**

Intention of Resverlogix Directors and Executive Officers

All of the directors and executive officers of Resverlogix have indicated that they intend to vote FOR the Arrangement Resolution. As at the date hereof, such directors and executive officers beneficially own, directly or indirectly, or exercise control or direction over, in the aggregate 13,385,469 Resverlogix Common Shares representing approximately 18.0% of the outstanding Resverlogix Common Shares as of the date hereof.

Reasons for the Arrangement

In the course of its evaluation of the Plan of Arrangement, the Resverlogix Board consulted with Resverlogix's senior management and legal counsel, reviewed a significant amount of information and considered a number of factors, including, among others, the following:

- *Current Market Price Does Not Reflect Full Value* – the Resverlogix Board and Resverlogix's management do not believe that the current market price of the Resverlogix Common Shares reflects the full value of Resverlogix's assets. In particular, the Resverlogix Board believes the market price of the Resverlogix Common Shares is attributed mainly to the value of the RVX-208 program. Accordingly, transferring the

Therapeutics Shares to a separate entity is expected to allow Resverlogix Shareholders to realize the value of the RVX-208 program (through their holding of Resverlogix New Common Shares) and to allow Resverlogix Shareholders to retain the value of the Spin-Off Assets in the event of a future sale of Resverlogix (through their holding of Newco Shares). Through the Resverlogix Royalty Preferred Shares held by Newco upon completion of the Arrangement, Newco will be entitled to dividends based on a percentage of Net Apo Revenue, if any;

- *Enhance Ability to Pursue Corporate Objectives and Strategies* – the Arrangement is expected to enhance the ability of each of Resverlogix and Newco to pursue their corporate objectives and strategies by allowing Resverlogix to focus on the RVX-208 program and by allowing Newco to focus on the Spin-Off Assets. By transferring the Spin-Off Assets, this will also allow Resverlogix to be structurally ready for acquisition while Newco's future value could be realized through a licensing and/or partnering business model;

- *Focused Investment Decision* – the creation of two separate companies dedicated to the pursuit of their respective businesses will provide Resverlogix Shareholders with additional investment flexibility as they will hold a direct interest in two companies, each of which is focused on different objectives;

- *Independent Access to Capital* – each company will have independent access to capital (equity and debt) which management believes will result in more focused capital allocation practices and minimize future dilutions in each company. In particular, Newco will be able to raise capital specifically related to the Spin-Off Assets or to enter into a licensing and/or partnering business model in respect of the Spin-Off Assets;

- *Maintenance of Ownership in Assets* – Resverlogix Shareholders will maintain their ownership interests in Resverlogix, and will also receive Newco Shares. Through their ownership of both Resverlogix New Common Shares and Newco Shares, current Resverlogix Shareholders will have the identical ownership interests in Resverlogix's current intellectual property and assets following the Plan of Arrangement as they do prior to the Plan of Arrangement;

- *Fairness* – the Arrangement is subject to a determination of the Court that the terms of the Arrangement and the procedures relating thereto are fair and reasonable, both procedurally and substantively, to the Resverlogix Shareholders; and

- *Neutral Tax Treatment for Canadian Shareholders* – subject to the discussion under the heading "*Certain Canadian Federal Income Tax Considerations*", the Arrangement should generally occur on a tax-deferred basis for Resverlogix Shareholders who are resident in Canada, who hold Resverlogix Common Shares as capital property, and to whom the discussion under the heading "*Certain Canadian Federal Income Tax Considerations*" is directed.

In the course of its deliberations, the Resverlogix Board also identified and considered a variety of risks and potentially negative factors, including, but not limited to the risks set out under "*Risk Factors*".

The foregoing discussion summarizes the material information and factors considered by the Resverlogix Board in their consideration of the Plan of Arrangement. The Resverlogix Board collectively reached its unanimous decision with respect to the Plan of Arrangement in light of the factors described above and other factors that each member of the Resverlogix Board felt were appropriate. In view of the wide variety of factors and the quality and amount of information considered, the Resverlogix Board did not find it useful or practicable to, and did not make specific assessments of, quantify, rank or otherwise assign relative weights to the specific factors considered in reaching its determination. Individual members of the Resverlogix Board may have given different weight to different factors.

Summary of the Arrangement

The following is a summary only of certain of the material terms of the Arrangement Agreement, including the Plan of Arrangement and is subject to, and qualified in its entirety by, the full text of the Arrangement Agreement, which is attached as Appendix B to this Information Circular, and the Plan of Arrangement, which is attached as Exhibit 1 to the Arrangement Agreement.

The Arrangement will be carried out pursuant to the Arrangement Agreement, the Plan of Arrangement and related documents. A summary of the principal terms of the Arrangement Agreement and the Plan of Arrangement is provided in this section.

Pursuant to the Plan of Arrangement, all of Resverlogix's entire legal and beneficial right, title and interest in and to the Therapeutics Shares will be transferred to Newco and Newco will issue to Resverlogix Shareholders, fully paid and non-assessable Newco Shares on the basis of one (1) Newco Share for each Resverlogix Common Share issued and outstanding immediately prior to the Effective Time.

In addition to the transfer of the Therapeutics Shares, as part of the Arrangement, Resverlogix will also transfer the Therapeutics Debt Amount and the Therapeutics Cash Amount to Newco such that at the Effective Time, Therapeutics will no longer be indebted to Resverlogix and to provide for the initial capitalization of Newco. As at January 31, 2013, the Therapeutics Debt Amount was approximately $15.039 million. It is anticipated that the Therapeutics Cash Amount will be equal to an amount between $5 and 10 million. Newco will also be issued Resverlogix Royalty Preferred Shares, which will provide Newco with dividends based on a percentage of Net Apo Revenue, if any.

Upon completion of the Arrangement, Resverlogix Shareholders will own one Resverlogix New Common Share (which will be represented by existing Resverlogix Common Share certificates) and will receive one Newco Share for each Resverlogix Common Share held. A DRS Advice evidencing Newco Shares issued in connection with the Arrangement will be forwarded to each Resverlogix Shareholder. Pursuant to the Arrangement, Therapeutics will become a wholly-owned subsidiary of Newco.

The Arrangement is subject to customary conditions for a transaction of this nature, which include Court and regulatory approvals, and the approval of at least 66⅔% of the votes cast on the Arrangement Resolution by the Resverlogix Shareholders present in person or represented by proxy at the Meeting.

See "*Arrangement Steps*" below, "*The Arrangement – Effects of the Arrangement*" and "*The Arrangement Agreement*".

Arrangement Steps

The following summarizes the steps that will occur under the Plan of Arrangement on the Effective Date, if all conditions to the completion of the Arrangement have been satisfied or waived. The following description of steps is subject to, and qualified in its entirety by, the full text of the Plan of Arrangement attached as Exhibit 1 to the Arrangement Agreement, which is attached as Appendix B to this Information Circular.

Pursuant to the Plan of Arrangement, at the Effective Time, the following shall occur and shall be deemed to occur in the following order without any further act or formality, with each event or transaction occurring and being deemed to occur immediately after the occurrence of the preceding event or transaction:

(a) subject to Section 6 of the Plan of Arrangement, each Resverlogix Common Share held by Dissenting Shareholders shall be, and shall be deemed to be, transferred to Resverlogix (free and clear of any Encumbrances) for cancellation without any further act or formality and;

  (i) such Dissenting Shareholders shall cease to be the holders of such Resverlogix Common Shares, and to have any rights as holders of such Resverlogix Common Shares other than the right to be paid fair value for such Resverlogix Common Shares as set out in Section 6 of the Plan of Arrangement; and

  (ii) such Dissenting Shareholders' names shall be removed as the holders of such Resverlogix Common Shares from the register of Resverlogix Common Shares maintained by or on behalf of Resverlogix;

(b) the Articles of Resverlogix will be amended by:

(i) changing the designation of the existing "Common Shares" to "Class A Common Shares" and to increase the voting rights of the Resverlogix Common Shares from one vote to two votes per Resverlogix Common Share and to change the rights, privileges, restrictions and conditions attached thereto, whether issued or unissued, so that the rights, privileges, restrictions and conditions attached thereto shall be as set out in Schedule A attached to the Plan of Arrangement;

(ii) creating a new class of shares designated as "Common Shares", in an unlimited number, having the rights, privileges, restrictions and conditions set out in Schedule A attached to the Plan of Arrangement;

(iii) creating a new class of shares designated as "Class A Preferred Shares", in an unlimited number, having the rights, privileges, restrictions and conditions set out in Schedule A attached to the Plan of Arrangement;

(iv) creating a new class of shares designated as "Royalty Preferred Shares", up to a maximum number of Royalty Preferred Shares equal to the number of issued and outstanding Resverlogix Common Shares immediately prior to the Effective Time, having the rights, privileges, restrictions and conditions set out in Schedule A attached to the Plan of Arrangement; and

(v) otherwise to the extent necessary to facilitate the Arrangement,

so that upon completion of the amendments of the articles of Resverlogix set forth above, the authorized share capital of Resverlogix shall be as set out in Schedule A attached to the Plan of Arrangement;

(c) all of the outstanding Resverlogix Common Shares (other than those held by Dissenting Shareholders) shall be and shall be deemed to be changed into and exchanged for Resverlogix New Common Shares, Resverlogix Class A Preferred Shares and Resverlogix Royalty Preferred Shares on the basis of one (1) Resverlogix New Common Share, one (1) Resverlogix Class A Preferred Share and one (1) Resverlogix Royalty Preferred Share for each outstanding Resverlogix Common Share held and as a result thereof:

(i) the Resverlogix Shareholders whose Resverlogix Common Shares have been so exchanged shall cease to be, and shall be deemed to cease to be, holders of such Resverlogix Common Shares and to have any rights as holders of such Resverlogix Common Shares other than the right to receive one (1) Resverlogix New Common Share, one (1) Resverlogix Class A Preferred Share and one (1) Resverlogix Royalty Preferred Share pursuant to subsection 3.1(c) of the Plan of Arrangement; and

(ii) such Resverlogix Shareholders' names shall be removed as the holders of such Resverlogix Common Shares from the register of Resverlogix Common Shares maintained by or on behalf of Resverlogix and shall be added to the registers of the Resverlogix New Common Shares, Resverlogix Class A Preferred Shares and Resverlogix Royalty Preferred Shares maintained by or on behalf of Resverlogix, respectively,

and in connection therewith, the amount of the stated capital account maintained by Resverlogix for the Resverlogix Common Shares will be deducted from such account and a portion thereof will be added to the stated capital account maintained by Resverlogix for each of the Resverlogix New Common Shares, the Resverlogix Class A Preferred Shares and the Resverlogix Royalty Preferred Shares as follows:

(iii) the amount thereof that is added to the stated capital account for the Resverlogix Class A Preferred Shares being equal to the fair market value of the Resverlogix Class A Preferred Share, which fair market value is equal to: (A) the aggregate fair market value of the Therapeutics Shares; plus (B) an amount equal to the aggregate of the Therapeutics Cash Amount and the Therapeutics Debt Amount;

(iv) the amount thereof that is added to the stated capital account for the Resverlogix Royalty Preferred shares being equal to $1.00; and

(v) the amount thereof that is added to the stated capital account of the Resverlogix New Common Shares being equal to the amount deducted from the stated capital account of the Resverlogix Common Shares so exchanged less the aggregate of the amount added to the stated capital account of the Resverlogix Class A Preferred Share and the amount added to the stated capital of the Resverlogix Royalty Preferred Shares;

(d) Newco shall acquire from Resverlogix, the Therapeutics Assets in consideration of Newco issuing to Resverlogix the Newco Promissory Note and as a result thereof:

(i) Resverlogix shall cease to be, and shall be deemed to cease to be, a holder of the Therapeutics Shares and to have any rights as a holder of the Therapeutics Shares other than the right to receive the Newco Promissory Note pursuant to subsection 3.1(d) of the Plan of Arrangement;

(ii) Resverlogix shall be removed as the holder of the Therapeutics Shares from the register of Therapeutics Shares maintained by or on behalf of Therapeutics;

(iii) Newco shall be deemed to be the transferee of the Therapeutics Shares (free and clear of any Encumbrances) and shall be, and shall be deemed to be, entered in the register of Therapeutics Shares maintained by or on behalf of Therapeutics; and

(iv) Resverlogix shall cease to have any claim against Therapeutics in respect of the Therapeutics Debt;

(e) each issued and outstanding Resverlogix Class A Preferred Share and Resverlogix Royalty Preferred Share shall be, and shall be deemed to be, transferred to and acquired by Newco (free and clear of any Encumbrances) in exchange for one (1) Newco Share and as a result thereof:

(i) the shareholders whose Resverlogix Class A Preferred Shares and Resverlogix Royalty Preferred Shares have been so transferred shall cease to be, and shall be deemed to cease to be, holders of such Resverlogix Class A Preferred Shares and Resverlogix Royalty Preferred Shares and to have any rights as holders of such Resverlogix Class A Preferred Shares and Resverlogix Royalty Preferred Shares other than the right to receive one (1) Newco Share for each Resverlogix Class A Preferred Share and Resverlogix Royalty Share held, pursuant to subsection 3.1(e) of the Plan of Arrangement;

(ii) such shareholders' names shall be removed: (A) as the holders of such Resverlogix Class A Preferred Shares from the register of Resverlogix Class A Preferred Shares; and (B) as the holders of such Resverlogix Royalty Preferred Shares from the register of Resverlogix Royalty Preferred Shares maintained by or on behalf of Resverlogix; and

(iii) Newco shall be deemed to be the transferee of such Resverlogix Class A Preferred Shares and Resverlogix Royalty Preferred Shares (free and clear of any Encumbrances) and shall be, and shall be deemed to be, entered in the register of Resverlogix Class A Preferred Shares and Resverlogix Royalty Preferred Shares maintained by or on behalf of Resverlogix,

and in connection therewith, in accordance with the ABCA, Newco will add to the stated capital account maintained by Newco for the Newco Shares, an amount that will not exceed the aggregate paid-up capital of the Resverlogix Class A Preferred Shares and Resverlogix Royalty Preferred Shares so transferred to Newco;

(f) Resverlogix shall and shall be deemed to redeem all of the outstanding Resverlogix Class A Preferred Shares acquired by Newco under subsection 3.1(e) of the Plan of Arrangement for an amount equal to the aggregate redemption amount (as determined pursuant to the articles of Resverlogix) in consideration of Resverlogix issuing to Newco the Resverlogix Promissory Note in a principal amount equal to such aggregate redemption amount, in full satisfaction of the aggregate redemption price of the Resverlogix Class A Preferred Shares and as a result thereof:

(i) Newco shall cease to be, and shall be deemed to cease to be, a holder of Resverlogix Class A Preferred Shares and to have any rights as a holder of Resverlogix Class A Preferred Shares other than the right to receive the Resverlogix Promissory Note pursuant to subsection 3.1(f) of the Plan of Arrangement; and

(ii) Newco shall be removed as the holder of such Resverlogix Class A Preferred Shares from the register of Resverlogix Class A Preferred Shares maintained by or on behalf of Resverlogix;

(g) Resverlogix will pay the principal amount of the Resverlogix Promissory Note by transferring to Newco the Newco Promissory Note in full payment, satisfaction and discharge of Resverlogix's obligations under the Resverlogix Promissory Note and simultaneously, Newco will pay the principal amount of the Newco Promissory Note by transferring to Resverlogix the Resverlogix Promissory Note in full payment, satisfaction and discharge of Newco's obligations under the Newco Promissory Note. The Resverlogix Promissory Note and the Newco Promissory Note will thereupon be cancelled;

(h) the Articles of Resverlogix will be amended by:

(i) cancelling the class of shares designated as "Class A Common Shares", none of which will be issued and outstanding at such time in accordance with the Plan of Arrangement;

(ii) cancelling the class of shares designated as "Class A Preferred Shares", none of which will be issued and outstanding at such time in accordance with the Plan of Arrangement; and

(iii) otherwise to the extent necessary to facilitate the Arrangement,

so that upon completion of the amendments of the articles of Resverlogix set forth above, the authorized share capital of Resverlogix shall be as set out in Schedule B attached to the Plan of Arrangement; and

(i) the Newco Founding Share shall be cancelled for no consideration and as a result thereof:

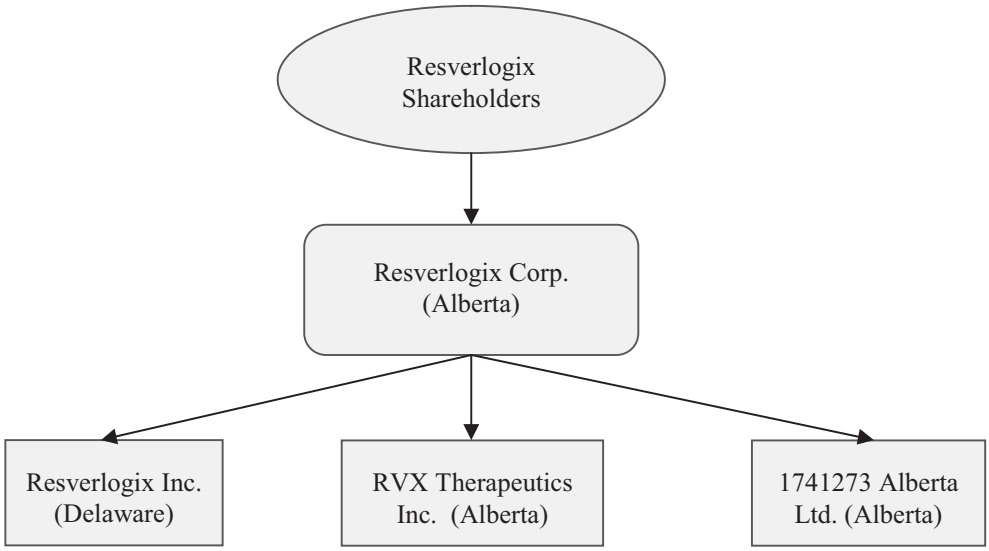
(i) Resverlogix shall cease to be, and shall be deemed to ceased to be, the holder of the Newco Founding Share and to have any rights as a holder of the Newco Founding Share; and

(ii) Resverlogix shall be removed as the holder of the Newco Founding Share from the register of Newco Shares maintained by or on behalf of Newco.

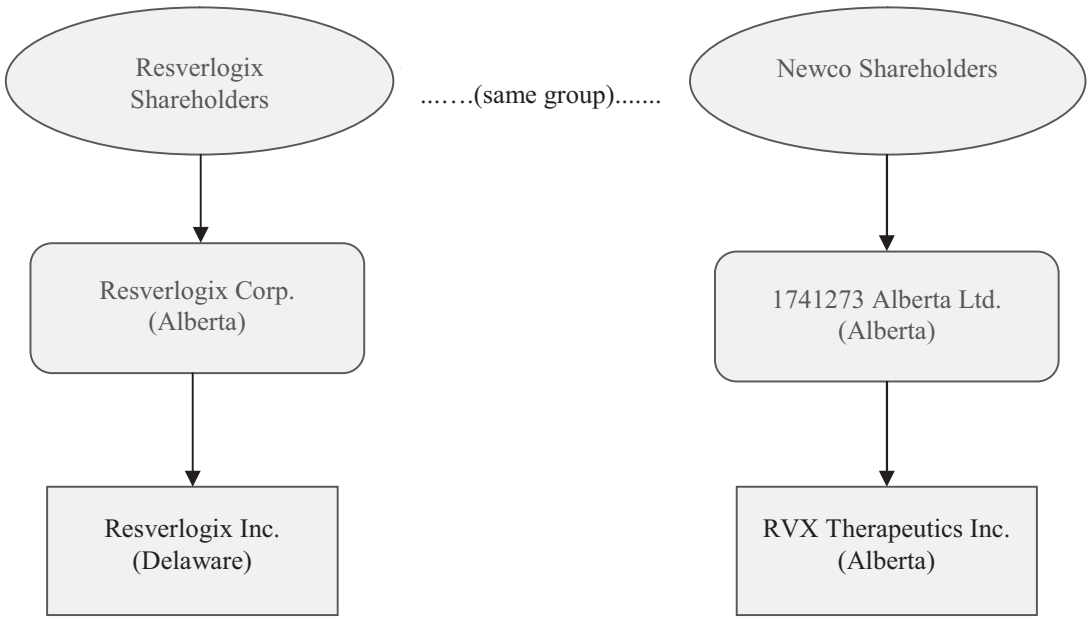
Effects of the Arrangement

On completion of the Arrangement, assuming that at the Effective Time: (a) there are 74,565,583 Resverlogix Common Shares outstanding; (b) there are no Dissenting Shareholders; and (c) no Resverlogix Options or Resverlogix Warrants have been exercised and no Resverlogix RSUs or Resverlogix Restricted Stock have become vested, Newco will issue approximately 74,565,583 Newco Shares upon completion of the Arrangement. If Dissent Rights are validly exercised, each Resverlogix Common Share held by the Dissenting Shareholder shall be, and shall be deemed to be, transferred to Resverlogix for cancellation.

The following diagram illustrates the corporate entities before the Arrangement becomes effective:



The following diagram illustrates the corporate entities after the Arrangement becomes effective: (Note: Newco will also hold Resverlogix Royalty Preferred Shares. See "- *Resverlogix Royalty Preferred Shares*" below.)



Resverlogix Shares

Upon completion of the Arrangement, Resverlogix Shareholders will own one Resverlogix New Common Share (which will be represented by existing Resverlogix Common Share certificates) and will receive one Newco Share for each Resverlogix Common Share held. A DRS Advice evidencing Newco Shares issued in connection with the Arrangement will be forwarded to each Resverlogix Shareholder. Pursuant to the Arrangement, Therapeutics will become a wholly-owned subsidiary of Newco.

Resverlogix Options

As at the date hereof, there were 4,667,500 Resverlogix Options outstanding under the Resverlogix Option Plan. The Resverlogix Option Plan contains a provision that, subject to the right of the Resverlogix Board to make such additional or other adjustments as it considers appropriate in the circumstances, upon a capital reorganization, the Corporation will deliver upon exercise of a Resverlogix Option, in lieu of the Resverlogix Shares in respect of which the right to purchase is being exercised, the kind and amount of shares or other securities or assets as a result from such event. The purpose of such adjustment is to ensure that any optionholder exercising a Resverlogix Option after such event will be in the same position as such optionholder would have been in if he or she had exercised the Resverlogix Option prior to such event. Resverlogix has determined that, based on certain assumptions at the Effective Date, the Arrangement will not cause a "change in control" for the purpose of the Resverlogix Option Plan and accordingly, will not cause accelerated vesting of the unvested Resverlogix Options.

The Resverlogix Board has determined that concurrently with subsection 3.1(c) of the Plan of Arrangement, all of the outstanding Resverlogix Options shall be cancelled and the former holders of such Resverlogix Options shall instead be granted one Resverlogix Replacement Option and one Newco Replacement Option for each Resverlogix Option held.

The exercise price of the Resverlogix Options exchanged will be apportioned between the Resverlogix Replacement Options and the Newco Replacement Options based on the fair market value of Newco (assuming completion of the Arrangement) and the fair market value of Resverlogix (immediately prior to the Arrangement), each as determined by the Resverlogix Board.

The Resverlogix Replacement Options and the Newco Replacement Options will otherwise have similar terms and conditions, including as to vesting, as the Resverlogix Options currently held.

Newco has approved for adoption the Newco Option Plan. Approval of the Newco Option Plan by the Resverlogix Shareholders is being sought at the Meeting. The completion of the Arrangement is not conditional upon approval of the Newco Option Plan.

Resverlogix Warrants

As at the date hereof, there were 11,706,032 Resverlogix Warrants outstanding. All of the warrant certificates or warrant indentures, as applicable, governing the Resverlogix Warrants, contain provisions relating to capital reorganizations where Resverlogix Shares are exchanged or converted for other securities or property. The adjustment provisions provide that in the event of a capital reorganization, the Resverlogix Warrants are to be adjusted such that, upon exercise of the Resverlogix Warrants, the warrant holder will be entitled to the same securities or property for which the Resverlogix Shares were exchanged pursuant to the reorganization.

The Resverlogix Board has determined that concurrently with subsection 3.1(c) of the Plan of Arrangement, all of the outstanding Resverlogix Warrants shall be cancelled and the former holders of such Resverlogix Warrants shall instead be granted one Resverlogix Replacement Warrant and one Newco Replacement Warrant for each Resverlogix Warrant held.

The exercise price of the Resverlogix Warrants exchanged will be apportioned between the Resverlogix Replacement Warrants and the Newco Replacement Warrants based on the fair market value of Newco (assuming

completion of the Arrangement) and the fair market value of Resverlogix (immediately prior to the Arrangement), each as determined by the Resverlogix Board.

The Resverlogix Replacement Warrants and the Newco Replacement Warrants will otherwise have similar terms and conditions, including as to vesting, as the Resverlogix Warrants currently held.

Resverlogix RSUs and Resverlogix Restricted Stock

As at the date hereof, there were 573,900 Resverlogix RSUs and Resverlogix Restricted Stock outstanding. The Resverlogix LTIP contains a provision that upon any change being made in the capitalization of the Corporation that does not constitute a "change of control" and that would warrant the amendment or replacement of any existing Resverlogix RSU or Resverlogix Restricted Stock in order to adjust the terms of such awards in order to preserve proportionally the rights and obligations of the participants holding such awards, the Resverlogix Board will authorize such steps to be taken as it may consider to be equitable and appropriate to that end. Resverlogix has determined that, based on certain assumptions at the Effective Date, the Arrangement will not cause a "change in control" for the purpose of the Resverlogix LTIP and accordingly, will not cause accelerated vesting of the unvested Resverlogix RSUs or Resverlogix Restricted Stock.

The Resverlogix Board has determined that that concurrently with subsection 3.1(c) of the Plan of Arrangement: (a) all of the outstanding Resverlogix RSUs shall be cancelled and the former holders of such Resverlogix RSUs shall instead be granted one Resverlogix Replacement RSU and one Newco Replacement RSU for each Resverlogix RSU held; and (b) all of the outstanding Resverlogix Restricted Stock shall be cancelled and the former holders of such Resverlogix Restricted Stock shall instead be granted one Resverlogix Replacement Restricted Stock and one Newco Replacement Restricted Stock for each Resverlogix Restricted Stock held.

The Resverlogix Replacement RSUs and the Newco Replacement RSUs will have similar terms and conditions, including as to vesting, as the Resverlogix RSUs currently held. The Resverlogix Replacement Restricted Stock and the Newco Replacement Restricted Stock will have similar terms and conditions, including as to vesting, as the Resverlogix Restricted Stock currently held.

Newco has approved for adoption the Newco LTIP. Approval of the Newco LTIP by the Resverlogix Shareholders is being sought at the Meeting. The completion of the Arrangement is not conditional upon approval of the Newco LTIP.

Resverlogix Royalty Preferred Shares

The following summarizes the terms of the Resverlogix Royalty Preferred Shares. The following description is subject to, and qualified in its entirety by, the full text of the terms of the Resverlogix Royalty Preferred Shares in Schedule B to the Plan of Arrangement attached as Exhibit 1 to the Arrangement Agreement, which is attached as Appendix B to this Information Circular.

In connection with the Arrangement, Newco will receive one (1) Resverlogix Royalty Preferred Share for each Resverlogix Common Share outstanding immediately prior to the Effective Time. The Resverlogix Royalty Preferred Shares will entitle Newco to cumulative preferential dividends for each Resverlogix Royalty Preferred Share held:

(a) on the date that is three (3) months after the last day of the Semi-Annual Royalty Dividend Payment Period, in an amount equal to the Royalty Amount (as defined below), for such period multiplied by the Tax Factor (the "**Semi-Annual Royalty Dividend Payment**"); and

(b) on the date that is four (4) months after the last day of the Yearly Royalty Dividend Payment Period, in an amount equal the Tax Factor multiplied by the difference between the Royalty Amount for such period and the Royalty Amount for the period described in (a), above (the "**Yearly Royalty Dividend Payment**").

"**Royalty Amount**" means the amount using the following formula:

(A X B) ÷ C

where

A is the amount of the Net Apo Revenue for the applicable Royalty Dividend Payment Period

and

B is:

(a) 6% of the aggregate Net Apo Revenue for the applicable Royalty Dividend Payment Period that is less than or equal to US$1 billion;

(b) 8% of the aggregate Net Apo Revenue for the applicable Royalty Dividend Payment Period that is greater than US$1 billion but less than or equal to US$2 billion;

(c) 10% of the aggregate Net Apo Revenue for the applicable Royalty Dividend Payment Period that is greater than US$2 billion but less than or equal to US$5 billion; and

(d) 12% of the aggregate Net Apo Revenue for the applicable Royalty Dividend Payment Period that is greater than US$5 billion

and

C is the number of Resverlogix Royalty Preferred Shares issued on the date of the Plan of Arrangement.

In the event that the Corporation does not declare and pay the Royalty Dividend Payment on the applicable payment date, holders of Resverlogix Royalty Preferred Shares shall be entitled to receive and the Corporation shall pay in cash thereon, additional cumulative preferential dividends in an amount equal to twenty percent (20%) per annum of the Royalty Dividend Payment payable on such payment date, multiplied by the Tax Factor, calculated daily and compounded monthly (the "**Additional Royalty Dividend Payment**").

Holders of Resverlogix Royalty Preferred Shares shall not be entitled to receive notice of or attend meetings of the shareholders of the Corporation and shall not be entitled to vote at any such meetings other than in respect of separate meetings of the holders of the Resverlogix Royalty Preferred Shares.

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other return of capital or distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the Resverlogix Royalty Preferred Shares shall be entitled to receive in respect of each such share, before any distribution of any part of the assets of the Corporation among the holders of Resverlogix New Common Shares or other shares of the Corporation ranking junior to the Resverlogix Royalty Preferred Shares, an amount equal to the greater of $1.00 divided by the number of outstanding Royalty Preferred Shares and the amount of any accrued, but unpaid Royalty Dividend Payment and Additional Royalty Dividend Payment.

The holders of Resverlogix Royalty Preferred Shares shall be entitled to vote separately as a class, and shall be entitled to dissent, upon a proposal to amend the constating documents of the Corporation to:

(a) (i) increase or decrease any maximum number of Resverlogix Royalty Preferred Shares in the capital of the Corporation; or (ii) issue any Resverlogix Royalty Preferred Shares;

(b) (i) increase any maximum number of authorized shares of a class; (ii) issue any shares of any class; or (iii) create a new class of shares, having rights or privileges equal or superior to the Resverlogix Royalty Preferred Shares with respect to rights to dividends or distributions or rights in the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other return of capital or distribution of the Corporation among its shareholders for the purpose of winding up its affairs; or

(c) effect an exchange, reclassification or cancellation of all or part of the Resverlogix Royalty Preferred Shares.

Interests of Senior Management and Others in the Arrangement

In considering the recommendations of the Resverlogix Board with respect to the Arrangement, Resverlogix Shareholders should be aware that certain members of Resverlogix's senior management and the Resverlogix Board have certain interests in connection with the Arrangement that are different than their interests as Resverlogix Shareholders. The Resverlogix Board are aware of these interests and considered them along with other matters described above in "*The Arrangement - Reasons for the Arrangement*".

The executive officers and directors of Resverlogix beneficially own, directly or indirectly, or exercise control or direction over, in the aggregate, 13,385,469 Resverlogix Common Shares, representing approximately 18.0% of the Resverlogix Common Shares, 3,118,400 Resverlogix Options representing approximately 66.8% of the Resverlogix Options 360,500 Resverlogix RSUs and/or Resverlogix Restricted Stock representing approximately 62.8% of the Resverlogix RSUs and Resverlogix Restricted Stock, and, 1,683,665 Resverlogix Warrants representing approximately 14.4% of the Resverlogix Warrants, outstanding as of the close of business on April 29, 2013. All of the Resverlogix Common Shares, Resverlogix Options, Resverlogix RSUs, Resverlogix Restricted Stock and Resverlogix Warrants held by the executive officers and directors of Resverlogix will be treated in the same fashion as those held by any other securityholder of Resverlogix. See "*The Arrangement – Effects of the Arrangement*".

Certain directors, officers and employees of Resverlogix are or will be directors, officers or employees of Newco and may, following completion of the Arrangement, receive remuneration for acting in that capacity. See Appendix D – *Information Concerning Newco*.

Stock Exchange Listings

The Resverlogix Common Shares are currently listed, and the Resverlogix New Common Shares will continue to be listed, on the TSX under the trading symbol "RVX". **It is not anticipated that the Newco Shares will be listed on any stock exchange upon completion of the Arrangement and therefore, there will be no public market to trade the Newco Shares**. Resverlogix Shareholders may therefore not be able to realise on the value of the Newco Shares as the liquidity of the Newco Shares will be limited until such time the Newco Shares are listed on a stock exchange.The Resverlogix Board and the Newco Board have determined not to seek listing of the Newco Shares on any stock exchange upon completion of the Arrangement in view of the early stages of development of the Spin-Off Assets. The Newco Board will give due consideration in the future as to whether it is in the best interests of shareholders of Newco that the Newco Shares are listed

The TSX has determined that the Due Bill trading procedure will be used in connection with the distribution of the Newco Shares to Resverlogix Shareholders pursuant to the Arrangement. As a result of the use of Due Bills, any Resverlogix Shareholder who purchases their Resverlogix Shares on the TSX in the period two days prior to the Distribution Record Date up to and including the payment date of the Newco Shares issuable pursuant to the Arrangement will be entitled to receive the Newco Shares. Any trades that are executed during this period will be automatically flagged to ensure that such purchasers receive the entitlement to the Newco Shares and the sellers do not. See "*Procedure for the Receipt of Newco Shares - Information Concerning Due Bills*".

Procedure for the Arrangement to Become Effective

Procedural Steps

The Arrangement is proposed to be carried out pursuant to Section 193 of the ABCA. The following procedural steps must be taken in order for the Arrangement to become effective:

(a) the Arrangement must be approved by the Resverlogix Shareholders in the manner set forth in the Interim Order;

(b) the Court must grant the Final Order approving the Arrangement;

(c) all conditions to the Arrangement, as set forth in the Arrangement Agreement, must be satisfied or waived by the appropriate party; and

(d) the Final Order and Articles of Arrangement in the form prescribed by the ABCA must be filed with the Registrar.

Resverlogix Shareholder Approval

Pursuant to the terms of the Interim Order, the Arrangement Resolution must, subject to further order of the Court, be approved by at least 66⅔% of the votes cast by the Resverlogix Shareholders present in person or by proxy at the Meeting. Each Resverlogix Shareholder shall be entitled to one vote for each Resverlogix Common Share held by such holder. See "*The Arrangement - Interests of Senior Management and Others in the Arrangement*" and "*General Proxy Matters - Voting Securities and Principal Holders Thereof*".

Notwithstanding the foregoing, the Arrangement Resolution authorizes the Resverlogix Board, without further notice to or approval of the Resverlogix Shareholders, subject to the terms of the Arrangement, to amend the Arrangement Agreement or to decide not to proceed with the Arrangement at any time prior to the Arrangement becoming effective pursuant to the provisions of the ABCA. See Appendix A to this Information Circular for the full text of the Arrangement Resolution.

Court Approval

Interim Order

On April 29, 2013, the Court granted the Interim Order facilitating the calling of the Meeting and prescribing the conduct of the Meeting and other matters. The Interim Order is attached as Appendix C to this Information Circular.

Final Order

The ABCA provides that an arrangement requires Court approval. Subject to the terms of the Arrangement Agreement, and if the Arrangement is approved by Resverlogix Shareholders at the Meeting in the manner required by the Interim Order, Resverlogix will make application to the Court for the Final Order.

The application for the Final Order approving the Arrangement is scheduled for May 30, 2013 at 1:15 p.m. (Calgary time), or as soon thereafter as counsel may be heard, at the Court House, 601 - 5th Street S.W., Calgary, Alberta. At the hearing, any Resverlogix Shareholder and any other interested party who wishes to participate or to be represented or to present evidence or argument may do so, subject to filing with the Court and serving upon Resverlogix a Notice of Intention to Appear together with any evidence or materials which such party intends to present to the Court **on or before 12:00 Noon (Calgary time) on** May 23, 2013. **Service of such notice shall be effected by service upon the solicitors for Resverlogix: Borden Ladner Gervais LLP, 1900, 520-3rd Avenue S.W., Calgary, Alberta T2P 0R3, Attention: David T. Madsen.**

Resverlogix has been advised by its counsel, Borden Ladner Gervais LLP, that the Court has broad discretion under the ABCA when making orders with respect to the Arrangement and that the Court will consider, among other things, the fairness and reasonableness of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement, either as proposed or as amended, in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks fit. Depending upon the nature of any required amendments, Resverlogix may determine not to proceed with the Arrangement.

The Resverlogix New Common Shares and Newco Shares receivable by Resverlogix Shareholders pursuant to the Arrangement have not been, and will not be, registered under the U.S. Securities Act, and such securities will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(l0) thereof. The Court has been advised that the Final Order, if granted, will constitute the basis for an exemption from the registration requirements of the U.S. Securities Act, pursuant to Section 3(a)(10) thereof, with respect to the distribution of Resverlogix New Common Shares and Newco Shares issuable and distributable to Resverlogix Shareholders pursuant to the Arrangement.

Timing

The Arrangement will become effective upon the filing with the Registrar of a copy of the Final Order and the Articles of Arrangement, together with such other materials as may be requested by the Registrar. If the Arrangement Resolution is approved by the Resverlogix Shareholders as required by the Interim Order, Resverlogix will apply to the Court for the Final Order. If the Final Order is obtained on May 30, 2013, in form and substance satisfactory to Resverlogix and Newco, and all other conditions specified in the Arrangement Agreement are satisfied or waived, Resverlogix and Newco expect that the Effective Date will be June 3, 2013. The Effective Date could be delayed for a number of reasons, including an objection before the Court at the hearing of the application for the Final Order.

THE ARRANGEMENT AGREEMENT

The following description of certain material provisions of the Arrangement Agreement is a summary only, is not comprehensive and is qualified in its entirety by reference to the full text of the Arrangement Agreement, a copy of which is available on SEDAR at www.sedar.com under Resverlogix's profile.

Pursuant to the Arrangement Agreement, the parties thereto agreed to carry out the Arrangement on the terms set out in the Plan of Arrangement.

Covenants of Resverlogix and Newco

Mutual Covenants

Each of Resverlogix and Newco agreed in the Arrangement Agreement that it will:

(a) use commercially reasonable efforts and do all things reasonably required of it to cause the Plan of Arrangement to become effective on or before June 28, 2013;

(b) do and perform all such acts and things, and execute and deliver all such agreements, assurances, notices and other documents and instruments as may reasonably be required, both prior to and after the Effective Date, to facilitate the carrying out of the intent and purposes of the Arrangement Agreement;

(c) use commercially reasonable efforts to cause each of the conditions precedent set forth in Article 5 of the Arrangement Agreement, which are within its control, to be satisfied on or prior to June 28, 2013;

(d) use commercially reasonable efforts to cause the transactions set forth in Sections 4.6, 4.7 and 4.8 of the Arrangement Agreement to be completed concurrently with subsection 3.1(c) of the Plan of Arrangement; and

(e) use reasonable commercial efforts to enter into a mutually acceptable Management Services Agreement.

Covenants of Resverlogix and Therapeutics

Resverlogix, and where applicable, Therapeutics, agreed in the Arrangement Agreement that:

(a) each of Resverlogix and Therapeutics will until the Effective Date, not perform any act or enter into any transaction which interferes or is inconsistent with the completion of the Plan of Arrangement;

(b) Resverlogix will apply to the Court for the Interim Order;

(c) Resverlogix will solicit proxies to be voted at the Meeting in favour of the Arrangement Resolution and prepare, as soon as practicable, this Information Circular and proxy solicitation materials and any amendments or supplements thereto as required by, and in compliance with, the Interim Order, and applicable law, and, subject to receipt of the Interim Order, convene the Meeting as ordered by the Interim Order and conduct the Meeting in accordance with the Interim Order and as otherwise required by applicable law;

(d) Resverlogix will in a timely and expeditious manner, file this Information Circular in all jurisdictions where the same is required to be filed by it and mail the same to the Resverlogix Shareholders in accordance with the Interim Order and applicable law;

(e) Resverlogix will ensure that the information set forth in this Information Circular relating to Resverlogix and its subsidiaries, including Therapeutics, and their respective businesses and properties and the effect of the Plan of Arrangement thereon will be true, correct and complete in all material respects and will not contain any untrue statement of any material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading in light of the circumstances in which they are made;

(f) without limiting the generality of any of the foregoing covenants, until the Effective Date except as required to effect the Plan of Arrangement or with the consent of Newco, Resverlogix will not:

(i) issue any additional Resverlogix Common Shares, Resverlogix Preferred Shares or other securities of Resverlogix other than in connection with the Plan of Arrangement or transactions required in order to effect the Plan of Arrangement except pursuant to the exercise of outstanding Resverlogix Options, Resverlogix Warrants, Resverlogix RSUs and Resverlogix Restricted Stock prior to the date hereof;

(ii) issue or enter into any agreement or agreements to issue or grant options, warrants or rights to purchase any Resverlogix Common Shares, Resverlogix Preferred Shares or other securities of Resverlogix;

(iii) alter or amend its constating documents as the same exist at the date of the Arrangement Agreement except as specifically provided for hereunder;

(g) without limiting the generality of any of the foregoing covenant until the Effective Date except as required to effect the Plan of Arrangement or with the consent of Newco, Therapeutics will not:

(i) issue any additional Therapeutics Shares, Therapeutics Preferred Shares or other securities of Therapeutics;

(ii) issue or enter into any agreement or agreements to issue or grant options, warrants or rights to purchase any Therapeutics Shares, Therapeutics Preferred Shares or other securities of Therapeutics; or

(iii) alter or amend its constating documents as the same exist at the date of the Arrangement Agreement except as specifically provided for hereunder;

(h) each of Resverlogix and Therapeutics will indemnify and save harmless Newco from and against any and all liabilities, claims, demands, losses, costs, damages and expenses to which Newco or any of its Representatives may be subject or may suffer, in any way caused by, or arising, directly or indirectly, from or in consequence of:

(i) any misrepresentation or alleged misrepresentation in any information included in the Information Circular that is provided by Resverlogix and/or Therapeutics for the purpose of inclusion in the Information Circular;

(ii) any order made, or any inquiry, investigation or proceeding pursuant to any Securities Legislation, or by any Authority, based on any misrepresentation or any alleged misrepresentation in any information provided by Resverlogix and/or Therapeutics for the purpose of inclusion in the Information Circular; and

(iii) Resverlogix and/or Therapeutics not complying with any requirements of applicable laws in connection with the transaction contemplated in the Arrangement Agreement;

(i) Resverlogix will prior to the Effective Date, make application to the applicable regulatory authorities for such orders under applicable securities and/or corporate laws as may be necessary or desirable in connection with the Plan of Arrangement;

(j) Resverlogix will prior to the Effective Date, obtain confirmation from the TSX of the substitutional listing of the Resverlogix New Common Shares;

(k) Resverlogix will perform the obligations required to be performed by it under the Plan of Arrangement and do all such other acts and things as may be necessary or desirable and are within its power and control in order to carry out and give effect to the Plan of Arrangement, including (without limitation) using commercially reasonable efforts to obtain:

(i) the approval of Resverlogix Shareholders required for the implementation of the Plan of Arrangement;

(ii) the approval of the Resverlogix Shareholders for the implementation of the Newco Option Plan and the Newco LTIP;

(iii) the Interim Order and, subject to the obtaining of all required consents, orders, rulings and approvals (including, without limitation, required approvals of Resverlogix Shareholders), the Final Order;

(iv) such other consents, orders, rulings or approvals and assurances as are necessary or desirable for the implementation of the Plan of Arrangement, including those referred to in Section 5.1 of the Arrangement Agreement; and

(v) satisfaction of the conditions precedent referred to in Sections 5.1 and 5.2 of the Arrangement Agreement; and

(l) upon issuance of the Final Order and subject to the conditions precedent in Article 5 the Arrangement Agreement, forthwith proceed to file all necessary documents with the Registrar.

Covenants of Newco

Newco agreed in the Arrangement Agreement that it will:

(a) until the Effective Date, not perform any act or enter into any transaction which interferes or is inconsistent with the completion of the Plan of Arrangement;

(b) cooperate with and support Resverlogix in its application for the Interim Order and preparation of this Information Circular;

(c) without limiting the generality of any of the foregoing covenants, until the Effective Date except as required to give effect to the Plan of Arrangement or with the consent of Resverlogix will not:

(i) issue any additional Newco Shares, preferred shares of Newco or other securities of Newco other than in connection with the Plan of Arrangement or transactions required in order to effect the Plan of Arrangement;

(ii) issue or enter into any agreement or agreements to issue or grant options, warrants or rights to purchase any Newco Shares, preferred shares of Newco or other securities of Newco; and

(iii) alter or amend its constating documents as the same exist at the date of the Arrangement Agreement except as specifically provided for hereunder; and

(d) indemnify and save harmless each of Resverlogix and Therapeutics from and against any and all liabilities, claims, demands, losses, costs, damages and expenses to which Resverlogix, Therapeutics or any of their Representatives may be subject or may suffer, in any way caused by, or arising, directly or indirectly, from or in consequence of:

(i) any misrepresentation or alleged misrepresentation in any information included in the Information Circular that is provided by Newco for the purpose of inclusion in the Information Circular;

(ii) any order made, or any inquiry, investigation or proceeding pursuant to any Securities Legislation, or by any Authority, based on any misrepresentation or any alleged misrepresentation in any information provided by Newco for the purpose of inclusion in the Information Circular; and

(iii) Newco not complying with any requirements of applicable laws in connection with the transaction contemplated in the Arrangement Agreement; and

(e) perform the obligations required to be performed by it under the Plan of Arrangement and do all such other acts and things as may be necessary or desirable and are within its power and control in order to carry out and give effect to the Plan of Arrangement, including (without limitation) using commercially reasonable efforts to obtain:

(i) such consents, orders, rulings or approvals and assurances as are necessary or desirable for the implementation of the Plan of Arrangement, including those referred to in Section 5.1 of the Arrangement of Arrangement; and

(ii) satisfaction of the conditions precedent referred to in Sections 5.1 and 5.2 of the Arrangement Agreement.

Conditions Precedent to the Arrangement

Mutual Conditions Precedent

The Arrangement Agreement provides that the obligations of the parties to complete the transactions contemplated by the Arrangement Agreement are subject to the fulfillment, on or before the Effective Date, of a number of conditions precedent, each of which may only be waived, in whole or in part, by mutual consent of Resverlogix and Newco, including:

(a) the Interim Order shall not have been set aside or modified in a manner unacceptable to Resverlogix or Newco, acting reasonably, on appeal or otherwise;

(b) the Arrangement Resolution shall have been approved by the required number of votes cast by Resverlogix Shareholders at the Meeting;

(c) the Court shall have determined that the terms and conditions of the issuance of Newco Shares in the Plan of Arrangement are procedurally and substantively fair to Resverlogix Shareholders, and the Final Order shall have been obtained in form and substance satisfactory to all Parties, each acting reasonably, not later than June 28, 2013 or such later date as the Parties may agree;

(d) the Management Services Agreement shall be executed concurrently with the Closing;

(e) the Investor Rights Agreement dated April 15, 2009 to which Resverlogix is a party shall have been amended to the mutual satisfaction of Resverlogix and Newco;

(f) all necessary consents and approvals required from Citibank, N.A. pursuant to the Amended and Restated Loan Agreement dated March 8, 2013 and from Eastern Capital Limited pursuant to the Amended and Restated Intellectual Property Security Agreement dated March 8, 2013 shall have been obtained;

(g) all material consents, orders, rulings, approvals and assurances, including regulatory and judicial approvals and orders, required for the completion of the transactions provided for in the Arrangement Agreement and the Plan of Arrangement shall have been obtained or received from the Authorities, including (without limitation) applicable orders, rulings, no action letters and registrations pursuant to the *Securities Act* (Alberta) and the comparable securities legislation of the other applicable provinces and territories of Canada to permit the Resverlogix New Common Shares and the Newco Shares to be distributed pursuant to the Plan of Arrangement;

(h) no action shall have been instituted and be continuing on the Effective Date for an injunction to restrain, a declaratory judgment in respect of, or damages on account of, or relating to, the Plan of Arrangement and there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by the Arrangement Agreement and no cease trading or similar order with respect to any securities of any of the Parties shall have been issued and remain outstanding;

(i) none of the consents, orders, rulings, approvals or assurances required for the implementation of the Plan of Arrangement shall contain terms or conditions or require undertakings or security deemed unsatisfactory or unacceptable by any of the Parties, acting reasonably;

(j) no law, regulation or policy shall have been proposed, enacted, promulgated or applied which interferes or is inconsistent with the completion of the Plan of Arrangement, including, without limitation, any material change to the income tax laws of Canada, which would have a material adverse effect upon Resverlogix Shareholders if the Plan of Arrangement is completed;

(k) the Resverlogix New Common Shares shall continue to be listed in the TSX;

(l) the Arrangement Agreement shall not have been terminated under the terms of the Arrangement Agreement; and

(m) Resverlogix Shareholders holding not more than 5% of Resverlogix Common Shares, in the aggregate, shall have exercised their Dissent Rights.

Additional Conditions to the Obligations of each Party

The Arrangement Agreement further provides that the obligation of each Party to complete the transactions contemplated by the Arrangement Agreement is further subject to the condition, which may be waived by such Party without prejudice to its right to rely on any other condition in its favour, that the covenants of the other Party to be performed on or before the Effective Date pursuant to the terms of the Arrangement Agreement shall have been duly performed by it and that the representations and warranties of the other Party shall be true and correct in all material respects as at the Effective Date, with the same effect as if such representations and warranties had been made at, and as of, such time and each such Party shall receive a certificate, dated the Effective Date, of a senior officer of each other Party confirming the same.

Amendment of the Arrangement Agreement

The Arrangement Agreement may, at any time and from time to time before and after the holding of the Meeting, but not later than the Effective Date, be amended by the written agreement of the Parties without, subject to applicable law, further notice to or authorization on the part of their respective shareholders. Without limiting the generality of the foregoing, any such amendment may:

(a) waive compliance with or modify any of the covenants contained therein or waive or modify performance of any of the obligations of the Parties or satisfaction of any of the conditions precedent set forth in Article 4 of the Arrangement Agreement;

(b) waive any inaccuracies or modify any representation contained therein or in any document to be delivered pursuant hereto;

(c) change the time for performance of any of the obligations, covenants or other acts of the Parties; or

(d) make such alterations in the Arrangement Agreement as the Parties may consider necessary or desirable in connection with the Interim Order or otherwise.

Termination of the Arrangement Agreement

The Arrangement Agreement may be terminated at any time prior to the Effective Date by the mutual agreement of the Parties, at any time without approval of Resverlogix Shareholders.

PRINCIPAL LEGAL MATTERS

Court Approval and Completion of the Arrangement

An arrangement under the ABCA requires Court approval. See "*The Arrangement – Procedure for the Arrangement Becoming Effective – Court Approval*".

Assuming that the Final Order is granted, and that the other conditions set forth in the Arrangement Agreement are satisfied or waived by the Party or Parties for whose benefit they exist, then the Articles of Arrangement will be filed with the Registrar to give effect to the Arrangement and all other arrangements and documents necessary to complete the Arrangement will be delivered as soon as reasonably practicable thereafter. Subject to receipt of the Final Order and the satisfaction of the other conditions to the completion of the Arrangement, Resverlogix currently expects the Effective Date of the Arrangement to occur on June 3, 2013.

Canadian Securities Laws Considerations

Resale of Resverlogix New Common Shares and Newco Shares

The Resverlogix New Common Shares, the Newco Shares and other securities to be issued under the Arrangement will be issued in reliance on exemptions from the prospectus requirement of applicable Canadian securities laws. The Resverlogix New Common Shares and Newco Shares may generally be resold in each of the provinces and territories of Canada, without significant restriction, provided the trade is not a "control distribution" under applicable legislation, no unusual effort is made to prepare the market or to create a demand for those securities and no extraordinary commission or consideration is paid in respect of that sale. Upon completion of the Arrangement, it is anticipated that Newco will be a reporting issuer in each of the provinces of Canada.

The foregoing discussion is only a general overview of certain requirements of the Canadian securities laws applicable to the resale of securities to be received upon completion of the Arrangement. **All holders of securities received in connection with the Arrangement are urged to consult with counsel to ensure that the resale of their securities complies with applicable securities legislation.**

Judicial Developments

The Plan of Arrangement will be implemented pursuant to Section 193 of the ABCA, which provides that, where it is impractical to effect an arrangement under any other provision of the ABCA, a corporation may apply to the Court for an order approving the arrangement proposed by such corporation. An application will be made by Resverlogix for approval of the Arrangement pursuant to this section of the ABCA. See "*The Arrangement – Procedure for the Arrangement Becoming Effective – Court Approval*". Although there have been a number of judicial decisions considering this section and applications to various arrangements, there have not been, to the knowledge of Resverlogix, any recent significant decisions that would apply in this instance**. Resverlogix Shareholders should consult their legal advisors with respect to the legal rights available to them in relation to the Arrangement.**

United States Securities Laws Considerations

The following discussion is a general overview of certain requirements of U.S. federal and state securities laws applicable to Resverlogix Shareholders. All Resverlogix Shareholders are urged to consult with their own legal advisors to ensure that the resale of Resverlogix New Common Shares and Newco Shares issued to them under the Arrangement comply with applicable federal and state securities laws.

Exemption Relied Upon from the Registration Requirements of the U.S. Securities Act

The Resverlogix New Common Shares and Newco Shares issuable and distributable to Resverlogix Shareholders in exchange for their Resverlogix Common Shares under the Arrangement have not been and will not be registered under the U.S. Securities Act, and such securities will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof. Section 3(a)(10) exempts the issuance of securities issued in exchange for one or more bona fide outstanding securities from the general requirement of registration where the terms and conditions of the issuance and exchange of such securities have been approved by any court of competent jurisdiction, after a hearing upon the fairness of the terms and conditions of the issuance and exchange at which all persons to whom the securities will be issued have the right to appear and receive timely notice thereof. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. The Court granted the Interim Order on April 29, 2013 and, subject to the approval of the Arrangement by the Resverlogix Shareholders, a hearing on the Arrangement will be held on May 30, 2013 by the Court. Accordingly, the Final Order, if granted by the Court, constitutes a basis for the exemption from the registration requirements of the U.S. Securities Act with respect to the Resverlogix New Common Shares and the Newco Shares.

Resales of the Resverlogix New Common Shares or Newco Shares within the United States after the Effective Time

Persons who are not affiliates of the Corporation or Newco, as applicable, after the Arrangement may resell the Resverlogix New Common Shares or Newco Shares, as applicable, that they receive in connection with the Arrangement in the United States without restriction under the U.S. Securities Act. Resverlogix New Common Shares or Newco Shares received by Resverlogix Shareholders who will be an "affiliate" of the Corporation or Newco, as applicable, after the Arrangement, or was an "affiliate" of the Corporation or Newco, as applicable, within 90 days before the Effective Time, will be subject to certain restrictions on resale imposed by the U.S. Securities Act. As defined in Rule 144 under the U.S. Securities Act, an "affiliate" of an issuer is a person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the issuer and may include certain officers and directors of such issuer as well as principal shareholders of such issuer.

Persons who are affiliates of the Corporation or Newco, as applicable, after the Arrangement may not sell their Resverlogix New Common Shares or Newco Shares, as applicable, that they receive in connection with the Arrangement in the absence of registration under the U.S. Securities Act, unless an exemption from registration is available, such as the exemptions contained in Rule 144 or Rule 904 of Regulation S under the U.S. Securities Act.

(a) Affiliates — Rule 144. In general, under Rule 144, persons who are affiliates of the Corporation or Newco, as applicable, after the Arrangement will be entitled to sell in the United States, during any three-month period, the Resverlogix New Common Shares or Newco Shares, as applicable, that they receive in connection with the Arrangement, provided that the number of such securities sold does not exceed the greater of one percent of the then outstanding securities of such class or, if such securities are listed on a United States securities exchange and/or reported through the automated questions system of a U.S. registered securities association, the average weekly trading volume of such securities during the four calendar week period preceding the date of sale, subject to specified restrictions on manner of sale, requirements, aggregation rules and the availability of current public information about the Corporation or Newco, as applicable. Persons who are affiliates of the Corporation or Newco, as applicable, after the Arrangement will continue to be subject to the resale restrictions described in this paragraph for so long as they continue to be affiliates of the Corporation or Newco, as applicable.

(b) Affiliates — Regulation S. In general, under Regulation S, persons who are affiliates of the Corporation or Newco, as applicable, solely by virtue of their status as an officer or director of the Corporation or Newco, as applicable, may sell their Resverlogix New Common Shares or Newco Shares, as applicable, outside the United States in an "offshore transaction" (which would include a sale through the TSX or the TSX Venture Exchange, as applicable) if neither the seller, an affiliate nor any person acting on its behalf engages in "directed selling efforts" in the United States. In the case of a sale of Resverlogix New Common Shares or Newco Shares, as applicable, by an officer or director who is an affiliate of the Corporation or Newco, as applicable, solely by virtue of holding such position, there is an additional requirement that no selling commission, fee or other remuneration is paid in connection with such sale other than the usual and customary broker's commission that would be received by a person executing such transaction as agent. For purposes of Regulation S, "directed selling efforts" means "any activity undertaken for the purpose of or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the securities being offered". Certain additional restrictions, set for in Rule 903 of Regulation S, are applicable to Resverlogix Shareholders who are affiliates of the Corporation or Newco, as applicable, after the Arrangement other than by virtue of his or her status as an officer or director of the Corporation or Newco, as applicable.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Felesky Flynn LLP, Canadian tax counsel to Resverlogix and Newco in respect of the Arrangement and related transactions, the following summary, as at the date of this Information Circular, fairly presents the principal Canadian federal income tax considerations relating to the Arrangement generally applicable to

Resverlogix Shareholders who, at all relevant times, hold their Resverlogix Common Shares as capital property and will hold the Resverlogix New Common Shares and the Newco Shares acquired pursuant to the Arrangement as capital property, and who deal at arm's length with, and are not affiliated with, Resverlogix and Newco, as determined for the purposes of the Tax Act.

Resverlogix Common Shares, Resverlogix New Common Shares and Newco Shares will generally constitute capital property to a Resverlogix Shareholder unless any such shares are held in the course of carrying on a business of trading or dealing in shares or otherwise as part of a business of buying and selling securities, or such Resverlogix Shareholder has acquired such shares in a transaction or transactions considered to be an adventure or concern in the nature of trade. Certain Resverlogix Shareholders who are resident in Canada for the purposes of the Tax Act whose Resverlogix Common Shares, Resverlogix New Common Shares and Newco Shares might not otherwise qualify as capital property for purposes of the Tax Act may be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have such shares, and any other "Canadian security" (as defined in the Tax Act) owned in the taxation year of the election and all subsequent taxation years, deemed to be capital property. Resverlogix Shareholders contemplating making such an election should first consult their own tax advisors as such an election will affect the tax treatment for other Canadian securities held. The principal Canadian federal income tax considerations relating to the Arrangement generally applicable to Resverlogix Shareholders whose Resverlogix Common Shares do not constitute capital property will be significantly different than those described below. Resverlogix Shareholders who do not hold their Resverlogix Common Shares as capital property should consult their own tax advisors regarding their particular circumstances.

This summary is based upon the provisions of the Tax Act as enacted to the date of this Information Circular, the Tax Proposals and the understanding of Felesky Flynn LLP of the current published administrative practices and assessing policies of the CRA in effect as at the date of this Information Circular. While it has been assumed that all the Tax Proposals will become law as currently proposed, it is not certain that any of the Tax Proposals will be enacted in the form announced or at all. This summary is not exhaustive of all Canadian federal income tax considerations relating to the Arrangement and, except for the Tax Proposals, does not take into account or anticipate any changes in law or administrative practices or assessing policies of the CRA, whether by legislative, governmental, or judicial action or decision, nor does it take into account other federal tax legislation or provincial, territorial or foreign tax considerations, which may differ significantly from the Canadian federal income tax considerations described in this summary.

This summary assumes that the Resverlogix Common Shares will be or will remain listed on a designated stock exchange (the current definition of which includes the TSX) at the time of the disposition of such shares pursuant to the Arrangement and that the Resverlogix New Common Shares will be listed on such a designated stock exchange when issued and at all relevant times thereafter.

Resverlogix Common Shares held by certain financial institutions (as defined for the purposes of the "mark-to-market rules" in the Tax Act), including banks, trust companies, credit unions, insurance companies, registered securities dealers and corporations controlled by one or more of the foregoing, generally will not be held as capital property and will be subject to special mark-to-market rules. This summary does not otherwise take into account the mark-to-market rules and Resverlogix Shareholders that are financial institutions for the purposes of these rules should consult their own tax advisors with respect to the Canadian federal income tax considerations of the Arrangement that are applicable to such Resverlogix Shareholders.

This summary is not applicable to a Resverlogix Shareholder, an interest in whom or in which would be a "tax shelter investment" (as defined in the Tax Act). Any such Resverlogix Shareholders should consult their own tax advisors with respect to the Canadian federal income tax considerations of the Arrangement that are applicable to such Resverlogix Shareholders.

This summary does not address Canadian federal income tax considerations applicable to directors, officers or other insiders of Resverlogix, Newco or related or affiliated entities, or persons who hold Resverlogix Common Shares, or will hold Resverlogix New Common Shares or Newco Shares, subject to escrow, trading or other restrictions that might affect the value of such shares. Any such Resverlogix Shareholders should consult their own tax advisors with respect to the Canadian federal income tax considerations of the Arrangement that are applicable to such Resverlogix Shareholders.

This summary does not address Canadian federal income tax considerations applicable to holders of Resverlogix Options, Resverlogix RSUs, Resverlogix Restricted Stock or Resverlogix Warrants. Such holders should consult their own tax advisors with respect to the Canadian federal income tax considerations of the Arrangement that are applicable to such holders. This summary does not address all of the Canadian federal income tax considerations applicable to shareholders who acquired Resverlogix Common Shares pursuant to the exercise of a Resverlogix Option.

This summary does not address Canadian federal income tax considerations applicable to Resverlogix Shareholders who have elected to have the functional currency rules in Section 261 of the Tax Act apply. Any such Resverlogix Shareholders should consult their own tax advisors with respect to the Canadian federal income tax considerations of the Arrangement that are applicable to such holders.

This summary addresses the Canadian federal income tax considerations applicable to Resverlogix and Newco only to the extent expressly set out in this summary.

This summary does not address tax matters of any jurisdiction outside of Canada and Resverlogix Shareholders who are not resident in Canada under the laws of a country other than Canada, or who are citizens of a country other than Canada, or who otherwise may be subject to tax in a jurisdiction other than Canada, should consult their own tax advisors with respect to non-Canadian tax matters. If you are a resident of the United States, please see "*Certain United States Federal Income Tax Considerations*".

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal, business or tax advice to any particular Resverlogix Shareholder. No representations with respect to any tax consequences and considerations to any particular Resverlogix Shareholder are made. This summary is not exhaustive of all Canadian federal income tax considerations. The tax consequences and considerations to any particular Resverlogix Shareholder will depend on a variety of factors, including the Resverlogix Shareholder's own particular circumstances. Resverlogix Shareholders and all persons affected by the Arrangement should consult their own tax advisor regarding the tax consequences and considerations applicable to them of the Arrangement, having regard to their particular circumstances, including the application and effect of the income and other tax laws of any country, province, territory, state or local tax authority.

Shareholders Resident in Canada

The following portion of the summary generally is applicable to Resverlogix Shareholders who, for the purposes of the Tax Act and any relevant tax treaty, are resident, or are deemed to be resident, in Canada at all relevant times (each such Resverlogix Shareholder being a "**Resident**").

Resident Non-Dissenting Shareholders

Exchange of Resverlogix Common Shares for Resverlogix New Common Shares, Resverlogix Class A Preferred Shares and Resverlogix Royalty Preferred Shares

Under the Arrangement, a non-Dissenting Shareholder will receive one Resverlogix New Common Share, one Resverlogix Class A Preferred Share and one Resverlogix Royalty Preferred Share in exchange for each Resverlogix Common Share currently held. On such exchange, a non-Dissenting Shareholder will be deemed to have disposed of such Resverlogix Common Shares for proceeds of disposition equal to the adjusted cost base of such shares at the time of the exchange. A non-Dissenting Shareholder will not be considered to have received a dividend and will not realize a capital gain or a capital loss as a result of this share exchange.

The aggregate adjusted cost base of the Resverlogix New Common Shares, the Resverlogix Class A Preferred Shares and the Resverlogix Royalty Preferred Shares acquired by a non-Dissenting Shareholder on this share exchange will be equal to the adjusted cost base immediately before the share exchange of the Resverlogix Common Shares disposed of by the non-Dissenting Shareholder on the share exchange. The adjusted cost base immediately before the share exchange of a Resverlogix Common Share will be allocated among the holder's Resverlogix New Common Shares, Resverlogix Class A Preferred Shares and Resverlogix Royalty Preferred Shares in proportion to

the relative fair market value of such shares immediately after the share exchange. For this purpose, it is assumed the fair market value of the Resverlogix Class A Preferred Shares immediately after this share exchange will be equal to the fair market value of the Therapeutics Assets to be transferred to Newco pursuant to the Arrangement. The fair market value of the Resverlogix New Common Shares and the Resverlogix Royalty Preferred Shares is a question of fact determined by reference to all relevant factors (including the respective trading values of the Resverlogix New Common Shares following the share exchange). Resverlogix has advised counsel that Resident non-Dissenting Shareholders will be notified following the Effective Date on Resverlogix's website as to Resverlogix's estimation of the proportionate allocation. This allocation is not binding on the CRA or any particular non-Dissenting Shareholder. However, it is recommended that the allocations made by Resident non-Dissenting Shareholders be consistent with that estimated by Resverlogix.

Exchange of Resverlogix Class A Preferred Shares and Resverlogix Royalty Preferred Shares for Newco Shares

Under the Arrangement, the Resident non-Dissenting Shareholders will transfer their Resverlogix Class A Preferred Shares and their Resverlogix Royalty Preferred Shares to Newco in exchange for consideration consisting solely of one Newco Share for each Resverlogix Class A Preferred Share and Resverlogix Royalty Preferred Share so transferred. Except where the non-Dissenting Shareholder chooses to recognize a capital gain or a capital loss on the exchange of the Resverlogix Class A Preferred Shares and Resverlogix Royalty Preferred Shares as described below, a non-Dissenting Shareholder will be deemed to have disposed of such Resverlogix Class A Preferred Shares and Resverlogix Royalty Preferred Shares for proceeds of disposition equal to the adjusted cost base of such shares immediately before the exchange and such non-Dissenting Shareholder will not be considered to have received a dividend and will not realize a capital gain or a capital loss as a result of this share exchange. The Newco Shares received by the non-Dissenting Shareholder will be deemed to have been acquired at a cost equal to the aggregate adjusted cost base of the non-Dissenting Shareholder's Resverlogix Class A Preferred Shares and Resverlogix Royalty Preferred Shares immediately before the exchange.

A non-Dissenting Shareholder may choose to recognize a capital gain or a capital loss on the exchange of the Resverlogix Class A Preferred Shares and Resverlogix Royalty Preferred Shares by including all or any portion of the amount of capital gain or capital loss, otherwise determined, in computing such non-Dissenting Shareholder's income for the taxation year in which such exchange occurs. A non-Dissenting Shareholder who chooses to realize a gain or loss in this manner will realize a capital gain (or capital loss) to the extent that such holder's proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the non-Dissenting Shareholder's adjusted cost base of the Resverlogix Class A Preferred Shares and Resverlogix Royalty Preferred Shares so exchanged. The tax treatment of capital gains and capital losses is discussed below under "– *Taxation of Capital Gains and Capital* Losses". Where a non-Dissenting Shareholder has chosen to recognize a capital gain or a capital loss on the exchange of Resverlogix Class A Preferred Shares and Resverlogix Royalty Preferred Shares for Newco Shares, the adjusted cost base of the Newco Shares acquired by the non-Dissenting Shareholder on this exchange will be equal to the proceeds of disposition received or deemed to have been received by the non-Dissenting Shareholder.

Dividends paid on Resverlogix New Common Shares or Newco Shares (Post-Arrangement)

Dividends received or deemed to be received on Resverlogix New Common Shares or Newco Shares after completion of the Arrangement will be included in computing the holder's income for the purposes of the Tax Act. Such dividends received or deemed to be received by an individual (including a trust) will generally be subject to the gross-up and dividend tax credit rules in the Tax Act normally applicable to taxable dividends received from a corporation resident in Canada. Counsel has been advised by Resverlogix that future dividends on Resverlogix New Common Shares and Newco Shares are expected to be designated as "eligible dividends" for purposes of the Tax Act. Eligible dividends received by an individual generally are subject to tax at a reduced effective tax rate compared to dividends that are not eligible dividends. Dividends received or deemed to be received on such shares by an individual and certain trusts may give rise to alternative minimum tax.

Generally, dividends received or deemed to be received on Resverlogix New Common Shares or Newco Shares after completion of the Arrangement by a holder that is a corporation will be included in computing the corporation's income, but will be deductible in computing the corporation's taxable income, subject to certain limitations in the Tax Act. A holder of Resverlogix New Common Shares or Newco Shares that is a "private corporation" or a

"subject corporation" (as defined in the Tax Act) generally will be subject to a refundable tax of 33⅓ percent on dividends received or deemed to be received on such shares to the extent such dividends are deductible in computing the holder's taxable income. A holder of Resverlogix New Common Shares or Newco Shares that is, throughout the year, a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable for a refundable tax of 6⅔ percent on its "aggregate investment income" which is defined to include dividends that are not deductible in computing taxable income. Subsection 55(2) of the Tax Act provides that, where certain corporate holders of shares receive a dividend or deemed dividend in specified circumstances, all or part of such dividend may be treated as a capital gain from the disposition of capital property and not as a dividend. The tax treatment of capital gains and capital losses is discussed below under "– *Taxation of Capital Gains and Capital Losses*".

Dispositions of Resverlogix New Common Shares or Newco Shares (Post-Arrangement)

A disposition by a Resident of Resverlogix New Common Shares or Newco Shares after the Arrangement generally will result in a capital gain (or a capital loss) to the extent the proceeds of disposition received, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such shares immediately before the disposition. If a non-Dissenting Shareholder acquires Resverlogix New Common Shares or Newco Shares after the Effective Date at a time when the non-Dissenting Shareholder owns other Resverlogix New Common Shares or Newco Shares, the cost of the newly acquired shares will be averaged with the adjusted cost base of any other shares of the same class of Resverlogix or Newco, as the case may be, held by that non-Dissenting Shareholder at that time for the purpose of determining thereafter the adjusted cost base of each Resverlogix New Common Share or Newco Share held by such non-Dissenting Shareholder. The tax treatment of capital gains and capital losses is discussed below under "– *Taxation of Capital Gains and Capital Losses*".

Taxation of Capital Gains and Capital Losses

One-half of any capital gain (the "**taxable capital gain**") realized by a holder will be included in the holder's income for the year of disposition, and one-half of any capital loss realized (the "**allowable capital loss**") will be deducted by the holder against taxable capital gains realized in the year of disposition. Subject to the detailed rules in the Tax Act, any excess of allowable capital losses over taxable capital gains of the holder may be carried back up to three taxation years or forward indefinitely and deducted against net taxable capital gains in those other years. In certain circumstances, a capital loss otherwise arising on the disposition of shares by a corporation may be reduced by dividends previously received or deemed to have been received on such shares or shares for which the particular shares were issued in exchange. Analogous rules apply to a partnership or trust of which a corporation, partnership or trust is a member or beneficiary. Resident non-Dissenting Shareholders to whom these rules may be relevant should consult their own tax advisors.

A non-Dissenting Shareholder that is, throughout the relevant taxation year, a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay, in addition to tax otherwise payable under the Tax Act, a refundable tax of 6⅔ percent of its "aggregate investment income". For this purpose, aggregate investment income will include taxable capital gains.

Capital gains realized by individuals and certain trusts may give rise to alternative minimum tax under the Tax Act.

Resident Dissenting Shareholders

A Resident Dissenting Shareholder who, as a result of exercising Dissent Rights in respect of the Arrangement Resolution, receives a cash payment from Resverlogix in consideration for the holder's Resverlogix Common Shares generally will be deemed to receive a taxable dividend equal to the amount by which the amount received (excluding interest) from Resverlogix exceeds the paid-up capital of the Resident Dissenting Shareholder's Resverlogix Common Shares. In the case of a Resident Dissenting Shareholder that is a corporation, in some circumstances, the amount of such deemed dividend may be treated as proceeds of disposition and not a dividend. See "*Dividends paid on Resverlogix New Common Shares or Newco Shares*" above for a general description of the treatment of dividends under the Tax Act. The Resident Dissenting Shareholder also will be deemed to have received proceeds of disposition for the Resverlogix Common Shares equal to the amount (excluding interest) received by the Resident Dissenting Shareholder from the Corporation less the amount of the dividend, if any, referred to above. Consequently, the Resident Dissenting Shareholder will realize a capital gain (or capital loss) to

the extent that such proceeds of disposition exceed (or are exceeded by) the adjusted cost base of such Dissenting Shareholder's Common Shares. See "*Taxation of Capital Gains and Capital Losses*" above for a general description of the treatment of capital gains and losses under the Tax Act. Any amount treated as a taxable dividend to a Shareholder will not be deducted in computing the adjusted cost base of the Shareholder's Common Shares.

Shareholders Not Resident in Canada

The following portion of the summary is generally applicable to a Resverlogix Shareholder who, for the purposes of the Tax Act and any relevant tax treaty, at all relevant times, has not been and will not be resident or deemed to be resident in Canada, does not use or hold, and is not deemed to use or hold, such shares in connection with carrying on a business in Canada and to whom such shares do not constitute "taxable Canadian property" (a "**Non-Resident**"). This summary assumes that the Resverlogix Common Shares will be listed, or deemed to be listed, on a designated stock exchange on the Effective Date. This summary does not apply to a Non-Resident that is an insurer carrying on business in Canada and elsewhere.

This portion of the summary is predicated on our view that, based on Management's description of the assets owned by Resverlogix throughout the past 60 months, Resverlogix Common Shares generally should not constitute taxable Canadian property to a Non-Resident Resverlogix Shareholder.

Non-Resident Non-Dissenting Shareholders

A Non-Resident Resverlogix Shareholder who is a non-Dissenting Shareholder will not be subject to income tax under the Tax Act as a result of the Arrangement. Under the Tax Act, no withholding tax or clearance certificate will be required under Section 116 of the Tax Act in respect of the disposition of Resverlogix Common Shares, Resverlogix Class A Preferred Shares or Resverlogix Royalty Preferred Shares occurring pursuant to the Arrangement.

Dividends on Resverlogix New Common Shares or Newco Shares (Post-Arrangement)

Dividends on Resverlogix New Common Shares or Newco Shares that are paid or credited or deemed to be paid or credited to a Non-Resident Resverlogix Shareholder will be subject to Canadian non-resident withholding tax at the rate of 25 percent of the gross amount of such dividends. This rate may be reduced under any applicable tax treaty. In the case of a beneficial owner of dividends who is a resident of the U.S. for the purposes of the Canada-United States Tax Convention, as amended to date (the "**U.S. Tax Treaty**") and who qualifies for the benefits of the U.S. Tax Treaty, the rate of Canadian withholding tax generally will be reduced to 15 percent of the gross amount of such dividends. In addition, under the U.S. Tax Treaty, dividends paid or credited or deemed to be paid or credited to certain Non-Resident Resverlogix Shareholders that are U.S. tax exempt organizations generally will not be subject to Canadian withholding tax.

Dispositions of Resverlogix New Common Shares or Newco Shares (Post-Arrangement)

On a disposition of Resverlogix New Common Shares or Newco Shares after the Arrangement, a Non-Resident holder will not be subject to tax under the Tax Act unless, at the time of disposition, the particular shares are "taxable Canadian property" (as defined in the Tax Act and the Tax Proposals) to the holder. Generally, Resverlogix New Common Shares or Newco Shares will not be taxable Canadian property to a Non-Resident holder at a particular time, provided that at no time in the 60 month period prior to that time, not greater than 50% of the fair market value of the assets of the Resverlogix New Common Shares or Newco Shares, as the case may be, is derived directly or indirectly from real or immovable property situated in Canada, Canadian resource properties, or timber resource properties (or options in respect of any such property).

Provided the Resverlogix New Common Shares and Newco Shares are not taxable Canadian property or are listed on a designated stock exchange at the time of a disposition of such shares, no withholding tax or clearance certificate will be required under Section 116 of the Tax Act in respect of a disposition of such shares.

Non-Resident Dissenting Shareholders

A Non-Resident Shareholder who, consequent upon the exercise of dissent rights, disposes of Resverlogix Common Shares in consideration for a cash payment from Resverlogix will realize a capital gain or capital loss, and generally will also be deemed to receive a dividend from Resverlogix, in the same manner as described above under "*Resident Dissenting Shareholders*". A deemed dividend will be subject to withholding tax as described above under "*Non-Resident Non-Dissenting Shareholders - Dividends on Resverlogix New Common Shares or Newco Shares*". The same general considerations apply as discussed above under "*Non-Resident Non-Dissenting Shareholders - Dispositions of Resverlogix New Common Shares or Newco Shares*" in determining whether a capital gain realized on such disposition will be subject to tax under the Tax Act. Any interest ordered by a court to a non-resident Dissenting Shareholder generally will be exempt from Canadian withholding tax provided that the Dissenting Shareholder deals at arm's length with Resverlogix.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a general summary of certain material U.S. federal income tax considerations applicable to U.S. Holders arising from and relating to the receipt of Newco Shares pursuant to the Arrangement as well as the ownership and disposition of Newco Shares received pursuant to the Arrangement. This summary addresses only Resverlogix Shareholders that are U.S. Holders who participate in the Arrangement. This summary is for general information purposes only and does not purport to be a complete analysis or listing of all potential U.S. federal income tax consequences that may apply to a U.S. Holder as a result of the Arrangement. In addition, this summary does not take into account the individual facts and circumstances of any particular U.S. Holder that may affect the U.S. federal income tax consequences of the Arrangement to such U.S. Holder. Accordingly, this summary is not intended to be, and should not be construed as, legal or U.S. federal income tax advice with respect to any U.S. Holder. In addition, this summary does not address any tax consequences to U.S. persons that hold Resverlogix Options, Resverlogix Warrants, Resverlogix RSUs or Resverlogix Restricted Stock with respect to such securities. Except as specifically set forth below, this summary does not discuss applicable tax reporting requirements. This summary does not address the U.S. federal estate and gift, U.S. federal alternative minimum tax, U.S. state and local, or non-U.S. tax consequences to U.S. Holders of the Arrangement or the ownership or disposition of Newco Shares. Each U.S. Holder should consult its own tax advisors regarding the U.S. federal estate and gift, U.S. federal alternative minimum tax, U.S. state and local and non-U.S. tax consequences of the Arrangement and the ownership or disposition of Newco Shares.

No legal opinion from U.S. legal counsel or ruling from the IRS has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the Arrangement to U.S. Holders. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, and contrary to, the positions taken in this summary. In addition, because the authorities on which this summary is based are subject to various interpretations, the IRS and the U.S. courts could disagree with one or more of the positions taken in this summary.

NOTICE PURSUANT TO U.S. TREASURY DEPARTMENT CIRCULAR 230: ANYTHING CONTAINED IN THIS SUMMARY CONCERNING ANY U.S. FEDERAL TAX ISSUE IS NOT INTENDED OR WRITTEN TO BE USED, AND IT CANNOT BE USED BY A U.S. HOLDER, FOR THE PURPOSE OF AVOIDING U.S. FEDERAL TAX PENALTIES UNDER THE CODE. THIS SUMMARY WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED BY THIS DOCUMENT. EACH U.S. HOLDER SHOULD SEEK U.S. FEDERAL TAX ADVICE, BASED ON SUCH U.S. HOLDER'S PARTICULAR CIRCUMSTANCES, FROM AN INDEPENDENT TAX ADVISOR.

Scope of this Disclosure

Authorities

This summary is based on the Code, Treasury Regulations, published rulings of the IRS, published administrative positions of the IRS, the U.S. Tax Treaty and U.S. court decisions that are applicable and, in each case, as in effect and available, as of the date of this Information Circular. Any of the authorities on which this summary is based could be changed in a material and adverse manner at any time, and any such change could be applied on a

retroactive basis. This summary does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation that, if enacted, could be applied on a retroactive basis.

U.S. Holders

For purposes of this summary, the term "**U.S. Holder**" means a beneficial owner of Resverlogix Common Shares (or, after the Arrangement, Resverlogix New Common Shares and Newco Shares) that is for U.S. federal income tax purposes:

- an individual treated as a citizen or resident of the U.S.;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) organized under the laws of the U.S., any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust that: (a) is subject to the primary supervision of a court within the U.S. and the control of one or more U.S. persons for all substantial decisions; or (b) has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

U.S. Holders Subject to Special U.S. Federal Income Tax Rules Not Addressed

This summary does not address the U.S. federal income tax consequences of the Arrangement to U.S. Holders that are subject to special provisions under the Code, including U.S. Holders that: (a) are tax exempt organizations, qualified retirement plans, individual retirement accounts, or other tax deferred accounts; (b) are financial institutions, insurance companies, real estate investment trusts, or regulated investment companies; (c) are dealers in securities or currencies or U.S. Holders that are traders in securities that elect to apply a mark-to-market accounting method; (d) have a "functional currency" other than the U.S. dollar; (e) own Resverlogix Common Shares (or, after the Arrangement, Resverlogix New Common Shares and Newco Shares) as part of a straddle, hedging transaction, conversion transaction, constructive sale, or other arrangement involving more than one position; (f) hold Resverlogix Common Shares (or, after the Arrangement, Resverlogix New Common Shares and Newco Shares) other than as a capital asset within the meaning of Section 1221 of the Code; and (g) own (directly, indirectly, or by attribution) 10% or more of the total combined voting power of all classes of shares of Resverlogix (and/or after the Arrangement, Newco) entitled to vote. This summary also does not address the U.S. federal income tax considerations applicable to U.S. Holders who are: (a) U.S. expatriates or former long term residents of the U.S.; (b) persons that have been, are, or will be a resident or deemed to be a resident in Canada for purposes of the Tax Act; (c) persons that use or hold, will use or hold, or that are or will be deemed to use or hold Resverlogix Common Shares (or, after the Arrangement, Resverlogix New Common Shares and Newco Shares) in connection with carrying on a business in Canada; (d) persons whose Resverlogix Common Shares (or, after the Arrangement, Resverlogix New Common Shares and Newco Shares) constitute "taxable Canadian property" under the Tax Act; or (e) persons that have a permanent establishment in Canada for the purposes of the U.S. Tax Treaty. U.S. Holders that are subject to special provisions under the Code, including U.S. Holders described immediately above, should consult their own tax advisors regarding the U.S. and non-U.S. tax consequences of the Arrangement and the ownership and disposition of Newco Shares.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds Resverlogix Common Shares (or, after the Arrangement, Resverlogix New Common Shares and Newco Shares), the U.S. federal income tax consequences of the Arrangement and owning and disposing of such shares to such partnership and the partners of such partnership generally will depend on the activities of the partnership and the status of such partners. This summary does not address the tax consequences to any such partner or partnership. Partners of entities that are classified as partnerships for U.S. federal income tax purposes should consult their own tax advisors regarding the U.S. federal income tax consequences of the Arrangement and the ownership and disposition of Newco Shares.

U.S. Federal Income Tax Characterization of the Arrangement

The Arrangement will be effected under applicable provisions of Canadian corporate law, which are technically different from analogous provisions of U.S. corporate law. Therefore, the U.S. federal income tax consequences of certain aspects of the Arrangement are not certain. This summary assumes that: (a) the re-designation of the Resverlogix Common Shares as "Class A Common Shares", (b) the exchange of each Resverlogix "Class A Common Share" for one Resverlogix New Common Share, one Resverlogix Class A Preferred Share and one Resverlogix Royalty Preferred Share; (c) the transfer of each Resverlogix Class A Preferred Share and each Resverlogix Royalty Preferred Share to Newco in exchange for one Newco Share; (d) the transfer by Resverlogix of the Therapeutics Assets to Newco in exchange for the Newco Promissory Note; (e) the redemption of the Resverlogix Class A Preferred Shares by Resverlogix in exchange for the Resverlogix Promissory Note; and (f) the transfer by Resverlogix of the Newco Promissory Note to Newco as full payment of the Resverlogix Promissory Note, will properly be treated, under the step transaction doctrine or otherwise, as: (i) a tax deferred exchange by Resverlogix Shareholders of their Resverlogix Common Shares for Resverlogix New Common Shares, either under Section 1036 or Section 368(a)(1)(E) of the Code; and (ii) a distribution of the Newco Shares under Section 301 of the Code.

There can be no assurance that the IRS will not challenge this characterization of the Arrangement or that, if challenged, a U.S. court would not agree with the IRS. No ruling from the IRS or an opinion of counsel regarding any of the tax consequences of the Arrangement has been sought or obtained. Each U.S. Holder should consult its own tax advisor regarding the proper treatment of the Arrangement for U.S. federal income tax purposes.

Passive Foreign Investment Company Rules Applicable to the Arrangement

Status of Resverlogix and Newco

Special, generally adverse, U.S. federal income tax consequences apply to U.S. taxpayers who hold interests in a passive foreign investment company (a "**PFIC**") as defined under Section 1297 of the Code for any tax year during which such U.S. Holder holds or held shares in the PFIC, unless certain elections are available and timely and effectively made. As discussed below, it is believed that Resverlogix has been a PFIC in prior years and is expected to be one at the time of the Arrangement.

A non-U.S. corporation generally will be classified as a PFIC if, for a taxable year: (a) 75% or more of the gross income (as defined for U.S. federal income tax purposes) of such non-U.S. corporation for such taxable year is passive income (the "**income test**"); or (b) 50% or more of the value of such non-U.S. corporation's assets either produce passive income or are held for the production of passive income, based on the quarterly average of the fair market value of such assets (the "**asset test**"). For purposes of the PFIC provisions, "gross income" generally includes all sales revenues less the cost of goods sold, plus income from investments and from incidental or outside operations or sources, and "passive income" includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions.

For purposes of the PFIC income test and assets test described above, if a foreign corporation owns, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, it will be treated as if it: (a) held a proportionate share of the assets of such other corporation; and (b) received directly a proportionate share of the income of such other corporation. In addition, for purposes of the PFIC income test and asset test, "passive income" does not include certain interest, dividends, rents, or royalties that are received or accrued the foreign corporation from a "related person" (as defined in Section 954(d)(3) of the Code), to the extent such items are properly allocable to the income of such related person that is not passive income and certain other requirements are satisfied.

In addition, under certain attribution rules, if Resverlogix or Newco is a PFIC, U.S. Holders will be deemed to own their proportionate share of subsidiaries of Resverlogix or Newco, as applicable, which are PFICs (such subsidiaries referred to as "**Subsidiary PFICs**"), and will be subject to U.S. federal income tax on: (a) a distribution on the shares of a Subsidiary PFIC; and (b) a disposition of shares of a Subsidiary PFIC, both as if the holder directly held the shares of such Subsidiary PFIC.

Resverlogix believes that it was a PFIC for prior taxable years and based on current business plans and financial expectations, Resverlogix expects to be a PFIC for the taxable year that includes the Arrangement. In addition, based on current business plans and financial expectations, Resverlogix expects that Newco will be a PFIC for the taxable year in which the Arrangement occurs. The determination of whether any corporation was, or will be, a PFIC for a tax year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. In addition, whether any corporation will be a PFIC for any tax year depends on the assets and income of such corporation over the course of each such tax year and, as a result, generally cannot be determined until the close of the tax year in question. Accordingly, there can be no assurance that the IRS will not challenge any determination made by Resverlogix (or a Subsidiary PFIC) concerning its PFIC status or Newco's PFIC status. Each U.S. Holder should consult its own tax advisors regarding the PFIC status of Resverlogix, Newco and each Subsidiary PFIC.

Effect of PFIC Rules on the Exchange of Resverlogix Common Shares for Resverlogix New Common Shares

If Resverlogix has been a PFIC at any time during the period that a U.S. Holder has held Resverlogix Common Shares, such holder could potentially be subject to the special, generally adverse, rules described below with respect to the exchange of Resverlogix Common Shares for Resverlogix New Common Shares pursuant to the Arrangement. However, proposed Treasury Regulations under Section 1291 provide an exception to the application of the PFIC rules in the context of certain non-recognition transactions where shares in a PFIC are exchanged for shares of an entity that also qualifies as a PFIC for the tax year that includes the day after the effective date of the transaction (the "**PFIC for PFIC Exception**"). Assuming the exchange of Resverlogix Common Shares for Resverlogix New Common Shares in connection with the Arrangement qualifies as a tax deferred transaction under U.S. tax rules, such exchange should fit within the PFIC for PFIC Exception since Resverlogix is expected to be a PFIC both immediately before and immediately after such exchange.

These proposed Treasury Regulations state that they are to be effective for transactions occurring on or after April 11, 1992. If the proposed Treasury Regulations are adopted in their current form, U.S. Holders could be expected to avoid application of the PFIC rules with respect to their exchange of Resverlogix Common Shares for Resverlogix New Common Shares pursuant to the Arrangement. However, because the proposed Treasury Regulations have not yet been adopted in final form, they are not currently effective and there is no assurance that they will be adopted in the form and with the effective date proposed. Nevertheless, the IRS has announced that, in the absence of final Treasury Regulations, taxpayers may apply reasonable interpretations of Code provisions applicable to PFICs and that it considers the rules set forth in the proposed Treasury Regulations to be reasonable interpretations of those Code provisions.

In addition, in the absence of the proposed U.S. Treasury Regulations being finalized in their current form, if such exchange qualifies as a tax deferred exchange under Section 1036 or Section 368(a)(1)(E), such tax-deferred exchange treatment should be respected under the applicable PFIC rules; however, it is unclear whether the IRS would agree with this interpretation. U.S. Holders should consult their own tax advisors regarding whether the proposed U.S. Treasury Regulations under Section 1291 would apply if such exchange qualifies as a tax deferred exchange.

A U.S. Holder should take a basis in the Resverlogix New Common Shares received pursuant to the Arrangement equal to its basis in the Resverlogix Common Shares exchanged therefor and the holding period for the Resverlogix New Common Shares received should include the holding period of the exchanged Resverlogix Common Shares. However, there can be no assurance that the IRS will not challenge the qualification of such exchange under the PFIC for PFIC Exception or that, if challenged, a U.S. court would not agree with the IRS. Each U.S. Holder should consult its own tax advisor regarding the proper treatment of the Arrangement for U.S. federal income tax purposes.

Effect of PFIC Rules on the Distribution of Newco Shares Pursuant to the Arrangement

If Resverlogix is a PFIC or was a PFIC at any time during a U.S. Holder's holding period for the Resverlogix New Common Shares, the effect of the PFIC rules on such U.S. Holder receiving Newco Shares in the Arrangement will depend on whether such U.S. Holder has made a timely and effective election to treat Resverlogix as a "qualified electing fund" (a "**QEF**") under Section 1295 of the Code (a "**QEF Election**") or has made a mark-to-market election with respect to its Resverlogix New Common Shares under Section 1296 of the Code (a "**Mark-to-Market**

Election"). In this summary, a U.S. Holder that has made a timely and effective QEF Election or a Mark-to-Market Election is referred to as an "**Electing Shareholder**" and a U.S. Holder that has not made a timely and effective QEF Election or a Mark-to-Market Election is referred to as a "**Non-Electing Shareholder**". If either of these elections has been successfully made, Electing Shareholders generally would not be subject to the default rules of Section 1291 of the Code discussed below upon the receipt of Newco Shares pursuant to the Arrangement.

Default Rules

With respect to a Non-Electing Shareholder, if Resverlogix is a PFIC or was a PFIC at any time during a U.S. Holder's holding period for the Resverlogix New Common Shares, the default rules under Section 1291 of the Code will apply to gain recognized on any disposition of Resverlogix New Common Shares and to "excess distributions" from Resverlogix (generally, distributions received in the current taxable year that are in excess of 125% of the average distributions received during the three preceding years (or during the U.S. Holder's holding period for the Resverlogix New Common Shares, if shorter).

Under Section 1291 of the Code, any such gain recognized on the sale or other disposition of Resverlogix New Common Shares and any excess distribution must be rateably allocated to each day in a Non-Electing Shareholder's holding period for the Resverlogix New Common Shares. The amount of any such gain or excess distribution allocated to the tax year of disposition or distribution of the excess distribution and to years before Resverlogix became a PFIC, if any, would be taxed as ordinary income. The amounts allocated to any other tax year would be subject to U.S. federal income tax at the highest tax rate applicable to ordinary income in each such prior year and an interest charge would be imposed on the tax liability for each such year, calculated as if such tax liability had been due in each such prior year. Such a Non-Electing U.S. Holder that is not a corporation must treat any such interest paid as "personal interest," which is not deductible.

If the distribution of the Newco Shares pursuant to the Arrangement constitutes an "excess distribution" with respect to a Non-Electing Shareholder, such Non-Electing Shareholder will be subject to the rules of Section 1291 of the Code discussed above upon the receipt of the Newco Shares. In addition, the distribution of the Newco Shares pursuant to the Arrangement may be treated, under proposed Treasury Regulations, as the "indirect disposition" by a Non-Electing Shareholder of such Non-Electing Shareholder's indirect interest in Newco, which generally would be subject to the rules of Section 1291 of the Code discussed above.

QEF Election

If a U.S. Holder has made a timely and effective QEF Election with respect to its Resverlogix New Common Shares, the default rules under Section 1291 of the Code discussed above will generally not be applicable to such holder in connection with the distribution of Newco Shares pursuant to the Arrangement. Such an Electing Shareholder would, instead, be subject to rules described under "*– Passive Foreign Investment Company Rules Applicable to the Ownership and Disposition of Newco Shares Received in the Arrangement – QEF Election*" below, which generally require the current inclusion of net capital gain and ordinary earnings of Resverlogix but allow the holder to avoid application of the default rules described above. However, Resverlogix can provide no assurances that it will satisfy the record keeping and information disclosure requirements that apply to a QEF or supply U.S. Holders with the information required under the QEF rules for them to make a QEF Election. Thus, U.S. Holders may not be able to make a QEF Election with respect to their Resverlogix New Common Shares or Resverlogix Common Shares.

A QEF Election will be treated as "timely" only if it is made for the first year in the U.S. Holder's holding period for the Resverlogix New Common Shares in which Resverlogix is a PFIC. A U.S. Holder's holding period for the Resverlogix New Common Shares should include such holder's holding period for its Resverlogix Common Shares which are exchanged for such Resverlogix New Common Shares under the Arrangement. As a result, if a U.S. Holder has not made a timely QEF Election with respect to its Resverlogix Common Shares, in order to make a timely QEF Election with respect to its Resverlogix New Common Shares, a U.S. Holder may be required to make a "deemed sale" election under the Code (a "**Deemed Sale Election**") and a QEF Election with respect to its Resverlogix New Common Shares which would be treated as timely with respect to the Arrangement. A Deemed Sale Election may also be available with respect to a U.S. Holder's Resverlogix Common Shares. A U.S. Holder makes the Deemed Sale Election and the QEF Election by filing Form 8621 with its tax return, reporting any gain under the excess distribution rules, and paying any resulting tax on the gain, including the interest as described

under the Code. The foregoing is only a brief summary of the rules related to the QEF Election and Deemed Sale Election, and U.S. Holders should consult their own tax advisors regarding the application of these elections to their particular circumstances.

To the extent that the distribution of Newco Shares generates gain to Resverlogix under general U.S. tax rules applicable to corporations, the net capital gain an Electing Shareholder would be required to take into account under the QEF rules could be increased. To the extent the distribution of Newco Shares represents "earnings and profits" of Resverlogix that were previously included in income by the Electing Shareholder because of the QEF Election, the distribution of Newco Shares pursuant to the Arrangement will not be taxable to such holder. In addition, subject to the foregoing sentence, a U.S. Holder who has made a timely and effective QEF Election would be subject to the tax consequences described under "– *Tax Consequences of the Distribution*" below.

Even if a U.S. Holder has made a timely and effective QEF Election with respect to Resverlogix, in order to avoid application of the default rules described above to an indirect disposition of an interest in Newco deemed to occur under proposed Treasury Regulations as a result of the Arrangement, a U.S. Holder must make a separate timely and effective QEF Election with respect to Newco.

Mark-to-Market Election

If a Mark-to-Market Election, discussed under "– *Passive Foreign Investment Company Applicable to the Ownership and Disposition of Newco Shares Received in the Arrangement – Mark-to-Market Election*" below, has been made by a U.S. Holder with respect to its Resverlogix New Common Shares in a year prior to the distribution of Newco Shares, such U.S. Holder generally will not be subject to the PFIC rules discussed above upon the receipt of such Resverlogix New Common Shares. However, if a U.S. Holder makes a Mark-to-Market Election after the beginning of such U.S. Holder's holding period for the Resverlogix New Common Shares (which is deemed to include the holding period of the Resverlogix New Common Shares) and in the same year as the Newco Shares are distributed pursuant to the Arrangement, the PFIC rules would apply to the distribution of Newco Shares.

A U.S. Holder that has made a Mark-to-Market Election in a year prior to the year in which Newco Shares are distributed pursuant to the Arrangement should avoid the potential interest charge of Section 1291 of the Code on the distribution of Newco Shares and on any "indirect disposition" of such U.S. Holder's indirect interest in Newco deemed to occur, as described above. Instead, such U.S. Holder will include in ordinary income for the taxable year in which the distribution of Newco Shares occurs an amount equal to the excess, if any, of: (a) the fair market value of the Resverlogix New Common Shares as of the close of such taxable year over; (b) such U.S. Holder's tax basis in such Resverlogix New Common Shares. Such U.S. Holder will be allowed a deduction in an amount equal to the lesser of: (a) the excess, if any, of: (i) such U.S. Holder's adjusted tax basis in the Resverlogix New Common Shares over; (ii) the fair market value of such Resverlogix New Common Shares as of the close of such taxable year; or (b) the excess, if any, of: (i) the amount included in ordinary income because of such Mark-to-Market Election for prior taxable years; over (ii) the amount allowed as a deduction because of such Mark-to-Market Election for prior taxable years.

A U.S. Holder who has made a timely and effective Mark-to-Market Election would also be subject to the tax consequences described under "– *Tax Consequences of the Distribution*" below. In addition, a U.S. Holder that has made a Mark-to-Market Election generally will adjust its tax basis in the Resverlogix New Common Shares to reflect the amount included in gross income or allowed as a deduction because of such Mark-to-Market Election. Inclusion and deductions because of the Mark-to-Market Election are taken into account when calculating gain or loss on a future sale of Resverlogix New Common Shares.

The PFIC rules are complex, and each U.S. Holder should consult its own tax advisors regarding the PFIC rules and how the PFIC rules may affect the U.S. federal income tax consequences of the Arrangement. In particular, each U.S. Holder should consult its own tax advisors regarding the availability of, and procedure for making, a QEF Election or a Mark-to-Market Election.

Tax Consequences of the Distribution

Subject to the PFIC rules discussed above, a U.S. Holder would be required to include the fair market value of the Newco Shares received pursuant to the Arrangement (without reduction for any Canadian income tax withheld) in gross income as a dividend to the extent of the current or accumulated "earnings and profits" of Resverlogix. To the extent the fair market value of the Newco Shares distributed pursuant to the Arrangement exceeds Resverlogix's adjusted tax basis in such shares (as calculated for U.S. federal income tax purposes), the Arrangement can be expected to generate additional earnings and profits for Resverlogix. To the extent that the fair market value of the Newco Shares exceeds the current and accumulated "earnings and profits" of Resverlogix, the distribution of the Newco Shares pursuant to the Arrangement will be treated: (a) first, as a tax free return of capital to the extent of a U.S. Holder's tax basis in the Resverlogix New Common Shares; and (b) thereafter, as gain from the sale or exchange of such Resverlogix New Common Shares. However, Resverlogix may not maintain the calculations of its earnings and profits in accordance with U.S. federal income tax principles, and each U.S. Holder may have to assume that any distribution by Resverlogix with respect to the Resverlogix New Common Shares will constitute ordinary dividend income. Dividends received on Resverlogix New Common Shares by corporate U.S. Holders generally will not be eligible for the "dividends received deduction". Subject to the PFIC rules, preferential tax rates apply to long term capital gains of a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long term capital gains of a U.S. Holder that is a corporation. Resverlogix does not anticipate that its distribution of Newco Shares will constitute qualified dividend income eligible for the preferential tax rates applicable to long-term capital gains. The distribution rules are complex, and each U.S. Holder should consult its own tax advisors regarding the application of such rules.

Passive Foreign Investment Company Rules Applicable to the Ownership and Disposition of Newco Shares Received in the Arrangement

As noted in the discussion above, based on current business plans and financial projections, it is expected that Newco will be a PFIC for its tax year that includes the date after the Effective Date of the Arrangement and may be a PFIC in subsequent tax years. If Newco is a PFIC, the U.S. federal income tax consequences to a U.S. Holder of the acquisition, ownership, and disposition of Newco Shares will depend on whether such U.S. Holder makes a timely QEF Election or a Mark-to-Market Election (both as defined above) with respect to Newco, or the Newco Shares, as applicable. A U.S. Holder that does not make either a QEF Election or a Mark-to-Market Election will be referred to in this summary as a "**Non-Electing U.S. Holder**."

Default Rules

A Non-Electing U.S. Holder will be subject to the PFIC rules described above with respect to: (a) any gain recognized on the sale or other taxable disposition of Newco Shares; and (b) any excess distribution received on the Newco Shares. As previously discussed, these rules require that any such gain or excess distribution be allocated over the Non-Electing U.S. Holder's holding period for the Newco Shares and taxed at the highest tax rates applicable to ordinary income for such year with an interest charge assessed on the resulting liability as if such amount were due in such prior year and not paid. A Non-Electing U.S. Holder that is not a corporation must treat any such interest paid as "personal interest," which is not deductible. If Newco is a PFIC for any tax year during which a Non-Electing U.S. Holder holds Newco Shares, Newco will continue to be treated as a PFIC with respect to such Non-Electing U.S. Holder, regardless of whether Newco ceases to be a PFIC in one or more subsequent tax years. If Newco ceases to be a PFIC, a Non-Electing U.S. Holder may terminate this deemed PFIC status by electing to recognize gain (which will be taxed under the PFIC rules discussed above) as if such Newco Shares were sold on the last day of the last tax year for which Newco was a PFIC.

QEF Election

A U.S. Holder that makes a QEF Election for the first tax year in which its holding period of its Newco Shares begins generally will not be subject to the default PFIC rules discussed above with respect to its Newco Shares. However, a U.S. Holder that makes a QEF Election will be subject to U.S. federal income tax on such U.S. Holder's pro rata share of: (a) the net capital gain of Newco, which will be long term capital gain to such U.S. Holder; and (b) and the ordinary earnings of Newco, which will be taxed as ordinary income to such U.S. Holder. Generally, "net capital gain" is the excess of: (a) net long term capital gain; over (b) net short term capital loss. "Ordinary earnings"

are generally the excess of: (a) "earnings and profits"; over (b) net capital gain. A U.S. Holder that makes a QEF Election will be subject to U.S. federal income tax on such amounts for each tax year in which Newco is a PFIC, regardless of whether such amounts are actually distributed to such U.S. Holder by Newco. However, for any tax year in which Newco is a PFIC and has no net income or gain, U.S. Holders that have made a QEF Election would not have any income inclusions as a result of the QEF Election. If a U.S. Holder that made a QEF Election has an income inclusion, such a U.S. Holder may, subject to certain limitations, elect to defer payment of current U.S. federal income tax on such amounts, subject to an interest charge. If such U.S. Holder is not a corporation, any such interest paid will be treated as "personal interest," which is not deductible.

A U.S. Holder that makes a QEF Election generally: (a) may receive a tax free distribution from Newco to the extent that such distribution represents "earnings and profits" of Newco that were previously included in income by the U.S. Holder because of such QEF Election; and (b) will adjust such U.S. Holder's tax basis in the Newco Shares to reflect the amount included in income or allowed as a tax free distribution because of such QEF Election. In addition, a U.S. Holder that makes a QEF Election generally will recognize capital gain or loss on the sale or other taxable disposition of Newco Shares.

The procedure for making a QEF Election, and the U.S. federal income tax consequences of making a QEF Election, will depend on whether such QEF Election is timely. A QEF Election will be treated as "timely" if such QEF Election is made for the first year in the U.S. Holder's holding period for the Newco Shares in which Newco was a PFIC. A U.S. Holder may make a timely QEF Election by filing the appropriate QEF Election documents at the time such U.S. Holder files a U.S. federal income tax return for such year.

A QEF Election will apply to the tax year for which such QEF Election is made and to all subsequent tax years, unless such QEF Election is invalidated or terminated or the IRS consents to revocation of such QEF Election. If a U.S. Holder makes a QEF Election and, in a subsequent tax year, Newco ceases to be a PFIC, the QEF Election will remain in effect (although it will not be applicable) during those tax years in which Newco is not a PFIC. Accordingly, if Newco becomes a PFIC in another subsequent tax year, the QEF Election will be effective and the U.S. Holder will be subject to the QEF rules described above during any subsequent tax year in which Newco qualifies as a PFIC.

U.S. Holders should be aware that there can be no assurances that Newco will satisfy the record keeping requirements that apply to a QEF, or that Newco will supply U.S. Holders with information that such U.S. Holders require to report under the QEF rules, in the event that Newco is a PFIC and a U.S. Holder wishes to make a QEF Election. Thus, U.S. Holders may not be able to make a QEF Election with respect to their Newco Shares. Each U.S. Holder should consult its own tax advisors regarding the availability of, and procedure for making, a QEF Election.

Mark-to-Market Election

A U.S. Holder may make a Mark-to-Market Election only if the Newco Shares are marketable stock. The Newco Shares generally will be "marketable stock" if the Newco Shares are regularly traded on: (a) a national securities exchange that is registered with the SEC; (b) the national market system established pursuant to Section 11A of the U.S. Exchange Act; or (c) a foreign securities exchange that is regulated or supervised by a governmental authority of the country in which the market is located, provided that: (i) such foreign exchange has trading volume, listing, financial disclosure, and other requirements and the laws of the country in which such foreign exchange is located, together with the rules of such foreign exchange, ensure that such requirements are actually enforced; and (ii) the rules of such foreign exchange ensure active trading of listed stocks. If such stock is traded on such a qualified exchange or other market, such stock generally will be "regularly traded" for any calendar year during which such stock is traded, other than in de minimis quantities, on at least 15 days during each calendar quarter.

A U.S. Holder that makes a Mark-to-Market Election with respect to its Newco Shares generally will not be subject to the rules of Section 1291 of the Code discussed above with respect to the Newco Shares. However, if a U.S. Holder does not make a Mark-to-Market Election beginning in the first tax year of such U.S. Holder's holding period for the Newco Shares or such U.S. Holder has not made a timely QEF Election, the rules of Section 1291 of the Code discussed above will apply to certain dispositions of, and distributions on, the Newco Shares.

A U.S. Holder that makes a Mark-to-Market Election will include in ordinary income, for each tax year in which Newco is a PFIC, an amount equal to the excess, if any, of: (a) the fair market value of the Newco Shares, as of the close of such tax year; over (b) such U.S. Holder's tax basis in such Newco Shares. A U.S. Holder that makes a Mark-to-Market Election will be allowed a deduction in an amount equal to the excess, if any, of: (a) such U.S. Holder's adjusted tax basis in the Newco Shares; over (b) the fair market value of such Newco Shares (but only to the extent of the net amount of previously included income as a result of the Mark-to-Market Election for prior tax years).

A U.S. Holder that makes a Mark-to-Market Election generally also will adjust such U.S. Holder's tax basis in the Newco Shares to reflect the amount included in gross income or allowed as a deduction because of such Mark-to-Market Election. In addition, upon a sale or other taxable disposition of Newco Shares, a U.S. Holder that makes a Mark-to-Market Election will recognize ordinary income or ordinary loss (not to exceed the excess, if any, of: (a) the amount included in ordinary income because of such Mark-to-Market Election for prior tax years; over (b) the amount allowed as a deduction because of such Mark-to-Market Election for prior tax years).

A Mark-to-Market Election applies to the tax year in which such Mark-to-Market Election is made and to each subsequent tax year, unless the Newco Shares cease to be "marketable stock" or the IRS consents to revocation of such election. Each U.S. Holder should consult its own tax advisors regarding the availability of, and procedure for making, a Mark-to-Market Election.

Although a U.S. Holder may be eligible to make a Mark-to-Market Election with respect to the Newco Shares, no such election may be made with respect to the stock of any Subsidiary PFIC that a U.S. Holder is treated as owning because such stock is not marketable. Hence, the Mark-to-Market Election will not be effective to eliminate the interest charge described above with respect to deemed dispositions of Subsidiary PFIC stock or distributions from a Subsidiary PFIC.

Other PFIC Rules

Under Section 1291(f) of the Code, the IRS has issued proposed Treasury Regulations that, subject to certain exceptions, would cause a U.S. Holder that had not made a timely QEF Election to recognize gain (but not loss) upon certain transfers of Newco Shares that would otherwise be tax deferred (e.g., gifts and exchanges pursuant to corporate reorganizations). However, the specific U.S. federal income tax consequences to a U.S. Holder may vary based on the manner in which Newco Shares are transferred.

Certain additional adverse rules will apply with respect to a U.S. Holder if Newco is a PFIC, regardless of whether such U.S. Holder makes a QEF Election. For example, under Section 1298(b)(6) of the Code, a U.S. Holder that uses Newco Shares as security for a loan will, except as may be provided in Treasury Regulations, be treated as having made a taxable disposition of such Newco Shares.

Special rules also apply to the amount of foreign tax credit that a U.S. Holder may claim on a distribution from a PFIC. Subject to such specific rules, foreign taxes paid with respect to any distribution in respect of stock in a PFIC are generally eligible for the foreign tax credit. The rules relating to distributions by a PFIC and their eligibility for the foreign tax credit are complicated, and a U.S. Holder should consult with their own tax advisors regarding the availability of the foreign tax credit with respect to distributions by a PFIC.

The PFIC rules are complex, and each U.S. Holder should consult its own tax advisors regarding the PFIC rules and how the PFIC rules may affect the U.S. federal income tax consequences of the acquisition, ownership, and disposition of Newco Shares.

General U.S. Federal Income Tax Rules Applicable to the Ownership and Disposition of Newco Shares

A U.S. Holder's initial tax basis in the Newco Shares received pursuant to the Arrangement will be equal to the fair market value of such Newco Shares on the date of distribution. A U.S. Holder's holding period for the Newco Shares received pursuant to the Arrangement will begin on the day after the date of distribution.

The following discussion is subject to the rules described under the heading "– *Passive Foreign Investment Company Rules Applicable to the Ownership and Disposition of Newco Shares Received in the Arrangement*" above.

Distributions on Newco Shares

A U.S. Holder that receives a distribution, including a constructive distribution, with respect to a Newco Share will be required to include the amount of such distribution in gross income as a dividend (without reduction for any Canadian income tax withheld from such distribution) to the extent of the current or accumulated "earnings and profits" of Newco, as computed for U.S. federal income tax purposes. To the extent that a distribution exceeds the current and accumulated "earnings and profits" of Newco, such distribution will be treated first as a tax free return of capital to the extent of a U.S. Holder's tax basis in the Newco Shares and thereafter as gain from the sale or exchange of such Newco Shares (see "– *Sale or Other Taxable Disposition of Newco Shares*" below). However, Newco may not maintain the calculations of earnings and profits in accordance with U.S. federal income tax principles, and each U.S. Holder should therefore assume that any distribution by Newco with respect to the Newco Shares will constitute ordinary dividend income. Dividends received on the Newco Shares generally will not be eligible for the "dividends received deduction." Subject to applicable limitations, dividends paid by the Company to non-corporate U.S. Holders, including individuals, generally will be eligible for the preferential tax rates applicable to long-term capital gains for dividends, provided certain holding period and other conditions are satisfied, including that Newco not be classified as a PFIC in the tax year of distribution or in the preceding tax year. The dividend rules are complex, and each U.S. Holder should consult its own tax advisors regarding the application of such rules.

Sale or Other Taxable Disposition of Newco Shares

Upon the sale or other taxable disposition of Newco Shares, a U.S. Holder generally will recognize capital gain or loss in an amount equal to the difference between the amount of cash plus the fair market value of any property received and such U.S. Holder's tax basis in the shares sold or otherwise disposed of. Gain or loss recognized on such sale or other disposition generally will be long term capital gain or loss if, at the time of the sale or other disposition, the shares have been held for more than one year. Preferential rates apply to long term capital gains of a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long term capital gains of a U.S. Holder that is a corporation. Deductions for capital losses are subject to significant limitations under the Code.

Additional Considerations

Additional Tax on Passive Income

Individuals, estates and certain trusts whose income exceeds certain thresholds will be required to pay a 3.8% Medicare surtax on "net investment income" including, among other things, dividends and net gain from dispositions of property (other than property held in certain trades or businesses). U.S. Holders should consult their tax advisors regarding the effect, if any, of this legislation on their ownership and disposition of Resverlogix New Common Shares and Newco Shares.

Receipt of Foreign Currency

The amount of any distribution paid to a U.S. Holder in foreign currency, or on the sale, exchange or other taxable disposition of Newco Shares, generally will be equal to the U.S. dollar value of such foreign currency based on the exchange rate applicable on the date of receipt (regardless of whether such foreign currency is converted into U.S. dollars at that time). If the foreign currency received is not converted into U.S. dollars on the date of receipt, a U.S. Holder will have a basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Any U.S. Holder who receives payment in foreign currency and engages in a subsequent conversion or other disposition of the foreign currency may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss, and generally will be U.S. source income or loss for foreign tax credit purposes. Each U.S. Holder should consult its own U.S. tax advisors regarding the U.S. federal income tax consequences of receiving, owning, and disposing of foreign currency.

Foreign Tax Credit

A U.S. Holder who pays (whether directly or through withholding) Canadian income tax with respect to dividends paid by Resverlogix or Newco generally will be entitled, at the election of such U.S. Holder, to receive either a deduction or a credit for such Canadian income tax paid. Generally, a credit will reduce a U.S. Holder's U.S. federal income tax liability on a dollar for dollar basis, whereas a deduction will reduce a U.S. Holder's income subject to U.S. federal income tax. This election is made on a year by year basis and applies to all foreign taxes paid (whether directly or through withholding) by a U.S. Holder during a year.

Complex limitations apply to the foreign tax credit, including the general limitation that the credit cannot exceed the proportionate share of a U.S. Holder's U.S. federal income tax liability that such U.S. Holder's "foreign source" taxable income bears to such U.S. Holder's worldwide taxable income. In applying this limitation, a U.S. Holder's various items of income and deduction must be classified, under complex rules, as either "foreign source" or "U.S. source." In addition, this limitation is calculated separately with respect to specific categories of income. Dividends paid by Resverlogix and Newco generally will constitute "foreign source" income. Gain or loss recognized by a U.S. Holder on the sale or other taxable disposition of Newco Shares generally will be treated as "U.S. source" for purposes of applying the U.S. foreign tax credit rules unless the gain is subject to tax in Canada and is resourced as "foreign source" under the U.S. Tax Treaty and such U.S. Holder elects to treat such gain or loss as "foreign source." The foreign tax credit rules are complex, and each U.S. Holder should consult its own tax advisors regarding the foreign tax credit rules.

Information Reporting; Backup Withholding Tax

Under U.S. federal income tax law and Treasury Regulations, certain categories of U.S. Holders must file information returns with respect to their investment in, or involvement in, a foreign corporation. For example, U.S. return disclosure obligations (and related penalties) are imposed on U.S. Holders that hold certain specified foreign financial assets in excess of certain threshold amounts. The definition of specified foreign financial assets includes not only financial accounts maintained in foreign financial institutions, but also, unless held in accounts maintained by a financial institution, any stock or security issued by a non U.S. person, any financial instrument or contract held for investment that has an issuer or counterparty other than a U.S. person and any interest in a foreign entity. U.S. Holders may be subject to these reporting requirements unless their Newco Shares are held in an account at certain financial institutions. Penalties for failure to file certain of these information returns are substantial. U.S. Holders should consult with their own tax advisors regarding the requirements of filing information returns, including the requirement to file an IRS Form 8938.

The distribution within the U.S. or by a U.S. payor or U.S. middleman, of the Newco Shares pursuant to the Arrangement as well as payments made within the U.S., or by a U.S. payor or U.S. middleman, of dividends on, or proceeds arising from the sale or other taxable disposition of Newco Shares, generally will be subject to information reporting and backup withholding tax (currently at the rate of 28%), if a U.S. Holder: (a) fails to furnish such U.S. Holder's correct U.S. taxpayer identification number (generally on Form W 9); (b) furnishes an incorrect U.S. taxpayer identification number; (c) is notified by the IRS that such U.S. Holder has previously failed to properly report items subject to backup withholding tax; or (d) fails to certify, under penalty of perjury, that such U.S. Holder has furnished its correct U.S. taxpayer identification number and that the IRS has not notified such U.S. Holder that it is subject to backup withholding tax. However, U.S. Holders that are corporations generally are excluded from these information reporting and backup withholding tax rules. Backup withholding is not an additional tax. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability, if any, or will be refunded, if such U.S. Holder furnishes required information to the IRS in a timely manner.

The discussion of reporting requirements set forth above is not intended to constitute a complete description of all reporting requirements that may apply to a U.S. Holder. A failure to satisfy certain reporting requirements may result in an extension of the time period during which the IRS can assess a tax, and under certain circumstances, such an extension may apply to assessments of amounts unrelated to any unsatisfied reporting requirement. Each U.S. Holder should consult its own tax advisors regarding the information reporting and backup withholding rules.

ELIGIBILITY FOR INVESTMENT

In the opinion of Felesky Flynn LLP, Canadian tax counsel to Resverlogix and Newco in respect of the Arrangement and related transactions, at the Effective Date, provided that each of Resverlogix and Newco is a "public corporation" (as defined in the Tax Act), the Resverlogix New Common Shares, Resverlogix Class A Preferred Shares, Resverlogix Royalty Preferred Shares and Newco Shares will be "qualified investments" under the Tax Act for a trust governed by a registered retirement savings plan ("**RRSP**"), deferred profit sharing plan, registered retirement income fund ("**RRIF**"), registered education savings plan, registered disability savings plan, and a tax-free savings account ("**TFSA**").

Resverlogix should be a public corporation at the relevant time provided the Resverlogix New Common Shares are listed on a designated stock exchange (which includes the TSX). Newco should be a public corporation at the Effective Time provided it makes two elections under the Tax Act within the specified time periods.

Notwithstanding the foregoing, if the Resverlogix New Common Shares, Resverlogix Class A Preferred Shares, Resverlogix Royalty Preferred Shares and Newco Shares are a "prohibited investment" (as defined in the Tax Act) for a TFSA, an RRSP or a RRIF, the holder of the TFSA or the annuitant of the RRSP or RRIF, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Resverlogix New Common Shares, Resverlogix Class A Preferred Shares, Resverlogix Royalty Preferred Shares and Newco Shares will not be a "prohibited investment" for a trust governed by a TFSA or an RRSP or RRIF, provided that the holder of the TFSA or the annuitant of the RRSP or RRIF, as the case may be: (i) deals at arm's-length with Resverlogix or Newco, as applicable for purposes of the Tax Act; and (ii) does not have a "significant interest" (as defined in the Tax Act) in: (A) Resverlogix or Newco, as applicable; or (B) a corporation, partnership or trust with which Resverlogix or Newco does not deal at arm's length for purposes of the Tax Act. The Department of Finance (Canada) released Tax Proposals on December 21, 2012 that will delete the condition in (ii)(B) above and will exclude certain "excluded property" (as defined in the Tax Proposals) from being a "prohibited investment". Generally, the Resverlogix New Common Shares, Resverlogix Class A Preferred Shares, Resverlogix Royalty Preferred Shares and Newco Shares will be "excluded property" (i.e., not a "prohibited investment") to the holder of a TFSA or the annuitant of an RRSP or RRIF, as the case may be, if, at the relevant time, at least 90% of the fair market value of all equity of Resverlogix or Newco is owned by persons dealing at arm's length with such holder or annuitant, as the case may be, and their investment in Resverlogix or Newco meets the other criteria set forth in such Tax Proposals. Such Tax Proposals will be deemed to have come into force on March 23, 2011. Holders who intend to hold the Resverlogix New Common Shares, Resverlogix Class A Preferred Shares, Resverlogix Royalty Preferred Shares and Newco Shares in a TFSA or an RRSP or RRIF should consult their own tax advisors regarding the application of the foregoing prohibited investment rules having regard to their particular circumstances.

Resverlogix has advised counsel that it expects that the requirements that must be satisfied in order for the Resverlogix New Common Shares to be qualified investments as described above will be satisfied at the time such shares are issued in the Arrangement. Provided that Newco makes the two elections within the specified time periods, the Newco Shares will be qualified investments as described above at the time such shares are issued in the Arrangement. Resverlogix has advised counsel that it expects Newco to make those elections on a timely basis.

INFORMATION CONCERNING RESVERLOGIX CORP.

Resverlogix was incorporated under the ABCA on August 17, 2000 as Apsley Management Group Inc. Resverlogix acquired all of the shares of Resverlogix Inc. on April 25, 2003. Resverlogix then amalgamated with Resverlogix Inc. to form Resverlogix Corp. on February 7, 2005.

Resverlogix owns all of the voting securities of Therapeutics, a corporation incorporated under the ABCA on February 11, 2005 and Resverlogix Inc., a corporation incorporated under the laws of the state of Delaware on July 18, 2008.

Resverlogix is a clinical stage cardiovascular company with an epigenetic platform technology that modulates protein production. Resverlogix is developing RVX-208, a small molecule for the treatment of atherosclerosis. RVX-208 is the first BET bromodomain inhibitor in clinical trials.

Market for Resverlogix Shares

The Resverlogix Shares are listed and traded on the TSX. The trading symbol for the Resverlogix Shares is "RVX". The following sets forth trading information for the Resverlogix Shares on the TSX for the periods indicated:

Period	High (CDN$)	Low (CDN$)	Volume
2012			
January	1.70	1.35	1,042,800
February	2.30	1.47	2,151,800
March	1.98	1.70	698,700
April	1.92	1.39	1,045,000
May	1.56	1.30	788,391
June	1.90	1.29	506,185
July	1.90	1.57	724,713
August	1.89	1.53	1,113,133
September	2.19	1.77	1,585,935
October	2.32	1.85	1,771,476
November	2.16	1.69	812,802
December	1.83	1.55	1,020,905
2013			
January	3.33	1.57	3,568,836
February	3.08	2.27	2,011,239
March	2.84	2.50	1,037,571
April 1 – 26	3.49	2.65	3,629,011

On April 5, 2013, the last trading day prior to the date of the public announcement of the Arrangement, the closing price of the Resverlogix Shares on the TSX was CDN$3.25. On April 26, 2013, the last trading day prior to the date of this Information Circular, the closing price of the Resverlogix Shares on the TSX was CDN$3.19.

Description of Resverlogix Post-Arrangement

Upon completion of the Arrangement, Resverlogix will remain focused on developing RVX-208. RVX-208 is being investigated by Resverlogix for the treatment of patients with dyslipidemia and atherosclerosis at high risk for cardiovascular disease. Resverlogix will continue with its RVX-208 related clinical trial for diabetes and the soon to launch Alzheimer's disease clinical trial.

The directors and executive officers of Resverlogix will continue to be the directors and executive officers of Resverlogix upon completion of the Arrangement.

Upon completion of the Arrangement, Resverlogix will be authorized to issue an unlimited number of Resverlogix New Common Shares, an unlimited number of Resverlogix Preferred Shares and that number of Resverlogix Royalty Preferred Shares equal to the number of Resverlogix Common Shares outstanding immediately prior to the Effective Time.

The Resverlogix Common Shares are currently listed, and the Resverlogix New Common Shares will continue to be listed, on the TSX under the trading symbol "RVX".

INFORMATION CONCERNING 1741273 ALBERTA LTD.

Newco was incorporated under the ABCA on April 10, 2013 as "1741273 Alberta Ltd."

As of the date hereof, Newco is a wholly-owned subsidiary of Resverlogix. After giving effect to the Arrangement, Newco will be wholly-owned by holders of Resverlogix Common Shares immediately prior to the Effective Time,

other than those Resverlogix Shareholders who exercise the Dissent Rights provided under the terms of the Arrangement.

Newco was incorporated for the purposes of participating in the Arrangement and acquiring the Therapeutics Shares and has not carried on any active business other than in connection with the Arrangement and related matters and as discussed in this Information Circular. Pursuant to the Plan of Arrangement, Resverlogix will transfer the Therapeutics Assets to Newco on the Effective Date. Through the Resverlogix Royalty Preferred Shares held by Newco upon completion of the Arrangement, Newco will be entitled to dividends based on a percentage of Net Apo Revenue, if any.

Upon completion of the Arrangement, Newco, through its wholly-owned subsidiary Therapeutics, will have an epigenetic platform technology useful for the discovery of novel treatments for human diseases. Through licenses of patents and patent applications from Resverlogix, Therapeutics will be permitted to develop compounds covered by such licensed patents and patent applications for applications other than indications involving an increase in ApoA-1. New compounds arising from Therapeutics' epigenetic drug discovery platform function by inhibiting BET bromodomains and have the potential to impact multiple diseases, including cancer, autoimmune, cardiovascular, neurodegenerative disorders and metabolic abnormalities.

The Newco Shares are not currently traded or quoted on a Canadian marketplace. It is not anticipated that the Newco Shares will be listed on any stock exchange upon completion of the Arrangement and therefore, there will be no public market to trade the Newco Shares. Upon completion of the Arrangement, Newco will become a reporting issuer or the equivalent thereof in each of the provinces of Canada and will become subject to the informational reporting requirements under applicable securities laws.

See Appendix D – *Information Concerning Newco*.

RISK FACTORS

In evaluating whether to approve the Arrangement Resolution, Resverlogix Shareholders should carefully consider the following risk factors.

Risks Relating to the Arrangement

General

The completion of the Arrangement is subject to a number of conditions precedent, some of which are outside of the control of the Parties, including receipt of the regulatory approvals, approval of the Resverlogix Shareholders and the granting by the Court of the Final Order. There can be no certainty, nor can the Parties provide any assurance, that these conditions will be satisfied or waived or, if satisfied or waived, when they will be satisfied or waived. If the Arrangement is not completed, the market price of the Resverlogix Shares may be adversely affected.

Resverlogix and Newco may not realize the benefits that Resverlogix anticipates from the Arrangement for a number of reasons, including, but not limited to, if any of the matters identified as risks in this section and elsewhere in this Information Circular were to occur. If Resverlogix and Newco do not realize the anticipated benefit from the Arrangement for any reasons, their respective businesses may be materially adversely affected. In addition, the Therapeutics Assets being transferred to Newco under the Arrangement and the Resverlogix Royalty Preferred Shares that Newco will acquire under the Arrangement represent a significant portion of the value of Resverlogix.

Termination of the Arrangement Agreement

Resverlogix has the right to terminate the Arrangement Agreement in certain circumstances. Accordingly, there is no certainty, nor can Resverlogix provide any assurance, that the Arrangement Agreement will not be terminated by Resverlogix before the completion of the Arrangement.

Stock Exchange Listings

The Newco Shares are not currently traded or quoted on a Canadian marketplace. It is not anticipated that the Newco Shares will be listed on any stock exchange upon completion of the Arrangement and therefore, there will be no public market to trade the Newco Shares. As such, Resverlogix Shareholders may experience a loss of liquidity in respect of the Spin-Off Assets that will be indirectly held by Newco upon completion of the Arrangement as trades of the Newco Shares may more difficult to effect if such shares are not listed on a stock exchange.

Risks Relating to Resverlogix

General

If the Arrangement is not completed, Resverlogix will continue to face the risks that it currently faces with respect to its affairs, business and operations and future prospects. Such risk factors are set forth and described in the Resverlogix's Annual Information Form for the year ended April 30, 2012 which has been filed on SEDAR.

The Market Price for the Resverlogix Common Shares May Decline

If the Arrangement Resolution is not approved by the Resverlogix Shareholders or, even if the Arrangement Resolution is approved, as a result of the Spin-Off Assets being transferred to Newco, an entity separate from Resverlogix, the market price of the Resverlogix Common Shares may decline to the extent that the current market price of the Resverlogix Common Shares reflects a market assumption that the Plan of Arrangement will be completed or to the extent the current market price of Resverlogix Common Shares reflects the value associated with the Spin-Off Assets, as applicable.

Risks Relating to Newco

General

An investment in Newco should be considered highly speculative due to the nature of its activities and the stage of its development upon completion of the Arrangement. Newco was incorporated for the purposes of participating in the Arrangement and acquiring the Therapeutics Shares and has not carried on any active business other than in connection with the Arrangement and related matters and as discussed in this Information Circular. Following completion of the Arrangement, Newco will be an early stage research company with an epigenetic platform technology useful for the discovery of novel treatments for human diseases. The risks and uncertainties set forth below and in Appendix D – "*Information Concerning Newco – Risk Factors*" are not the only ones facing Newco. Additional risks and uncertainties not presently known to Newco or that Newco currently considers immaterial may also impair the business and operations of Newco and cause the value of the Newco Shares to decline. If any of such risks actually occur, Newco's business may be harmed and its financial condition and results of operations may suffer significantly. In that event, the value of the Newco Shares could decline and holders of the Newco Shares may lose all or part of their investment. Readers should carefully consider the risk factors in Appendix D – "*Information Concerning Newco – Risk Factors*" in addition to the other information contained in Appendix D – "*Information Concerning Newco*" and this Information Circular before investing in Newco Shares.

Other Risks

For a complete description of the other risks relating to the business and operations of Newco, see Appendix D – "*Information Concerning Newco– Risk Factors*".

PROCEDURE FOR THE RECEIPT OF NEWCO SHARES

Pursuant to the Arrangement, the Resverlogix Common Shares will be cancelled upon the exchange of such shares for the Resverlogix New Common Shares, Resverlogix Class A Preferred Shares and Resverlogix Royalty Preferred Shares.

All of the Resverlogix Class A Preferred Shares and Resverlogix Royalty Preferred Shares issued to Resverlogix Shareholders will be transferred to Newco in exchange for Newco Shares and the Resverlogix Class A Preferred Shares will be subsequently redeemed. Accordingly, Resverlogix will not issue share certificates representing the Resverlogix Class A Preferred Shares and Resverlogix Royalty Preferred Shares to Resverlogix Shareholders.

At the Effective Time, share certificates representing on their face Resverlogix Common Shares shall for all purposes, be deemed to be share certificates representing Resverlogix New Common Shares and no new share certificates shall be issued with respect to the Resverlogix New Common Shares issued in connection with the Arrangement.

As soon as practicable after the Effective Date, the transfer agent of Newco will forward to each registered Newco Shareholder of record at the Effective Date who has not dissented to the Arrangement, a DRS Advice evidencing ownership of Newco Shares to which they are entitled receive under the Arrangement.

Information Concerning Due Bills

Due Bills are entitlements that can be used to defer the "ex-dividend" trading of listed securities undergoing certain material corporate events such as stock-splits, spin-offs or other distributions in circumstances where the effective date or payment date of the event cannot be determined with certainty in advance. Generally, Due Bills attach to securities traded during the period that commences on the date that is two trading days prior to the expected record date and comes off at the close of trading on the applicable payment/effective date (the "**Due Bill Period**"). This allows the security to carry the appropriate market value until the entitlement has been paid.

Historically, the general process in the Canadian securities industry has been for the listed securities of an issuer that are entitled to a distribution to commence trading on an "ex-distribution" basis (the date on which purchases of the security will no longer have an attaching right to the distribution) at the opening of trading on the date that is two trading days prior to the record date (the "**Ex-Date**"). For example, in the event that a cash dividend is declared payable on a listed security to securityholders as of the record date, the listed securities would begin to trade without the entitlement to receive the dividend at the opening of trading on the Ex-Date in recognition of the fact that such trades will settle three trading days after the trade date (T+3) and accordingly, the buyer will not be a securityholder of record on the record date for the dividend despite having purchased the security prior to the record date. As a result, the market value of the listed security will typically declare as of the Ex-Date to reflect this lack of entitlement.

With respect to the Arrangement, since completion of the Arrangement is subject to the satisfaction of conditions precedent, it is possible that the Arrangement will not be completed on the expected Effective Date or at all, in which case the expected Distribution Record Date will change or be nullified, as the case may be. Therefore, the Ex-Date in respect of the Arrangement cannot be determined with certainty and market valuation issues could arise between the expected Ex-Date and the actual Effective Date. Accordingly, Due Bill trading will be used in connection with the Arrangement in order to address such uncertainties.

Due Bill trading may only be used in connection with a "push-out" of listed securities (i.e. where the certificates representing the originally listed securities to which the entitlement attaches will not be replaced with new certificates; rather, only the entitlement (e.g. the dividend, shares of a new company, etc.) will be "pushed-out" to shareholders). In the case of the Arrangement, this means that Due Bill trading will be used in connection with the Resverlogix Common Shares/Newco Shares, as the certificates representing the Resverlogix Common Shares will not be replaced with new certificates (the certificates representing the Resverlogix Common Shares will continue to represent the Resverlogix New Common Shares from and after the Effective Time) and only certificates representing the Newco Shares will be "pushed-out" (i.e. delivered to the registered holders of Resverlogix Common Shares as at the close of business on the Distribution Record Date). See "*Procedure for the Receipt of Newco Shares*" above.

Any Resverlogix Common Shares traded during the Due Bill Period will have Due Bills attached and will therefore carry the right to receive Newco Shares. By using a Due Bill market for the Newco Shares, the Ex-Date for the Resverlogix Common Shares will be deferred and buyers and sellers of the Resverlogix Common Shares will be certain of the entitlements attaching thereto. Resverlogix Shareholders trading such Resverlogix Common Shares

during the Due Bill Period will not be required to take any special action. Any trades of Resverlogix Common Shares that are executed during the Due Bill Period will be automatically flagged to ensure purchasers receive the distribution entitlement and sellers do not.

Regular trading of the Resverlogix New Common Shares will commence on the first trading day after the Effective Date (which Effective Date is currently expected to occur on or around June 3, 2013).

RIGHTS OF DISSENT

The following description of the right to dissent and appraisal to which registered Dissenting Shareholders are entitled is not a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of such Dissenting Shareholder's Resverlogix Common Shares and is qualified in its entirety by reference to the text of Section 6 of the Plan of Arrangement which is attached as Exhibit 1 to the Arrangement Agreement attached to this Information Circular as Appendix B, to the full text of the Interim Order, which is attached to this Information Circular as Appendix C and the text of Section 191 of the ABCA, which is attached to this Information Circular as Appendix G. A Dissenting Shareholder who intends to exercise the right to dissent and appraisal should carefully consider and comply with the provisions of the ABCA, as modified by the Interim Order. Failure to strictly comply with the provisions of that section, as modified by the Interim Order and to adhere to the procedures established therein may result in the loss of all rights thereunder.

A Court hearing the application for the Final Order has the discretion to alter the rights of dissent described herein based on the evidence presented at such hearing. Pursuant to the Interim Order, Dissenting Shareholders are entitled to dissent and to be paid by Resverlogix the fair value of the Resverlogix Common Shares held by such Dissenting Shareholder in respect of which such Dissenting Shareholder dissents, determined as of the close of business on the last Business Day before the day on which the Arrangement Resolution from which such Dissenting Shareholder dissents was approved by the Resverlogix Shareholders. A Dissenting Shareholder may dissent only with respect to all of the Resverlogix Common Shares held by such Dissenting Shareholder or on behalf of any one beneficial owner and registered in the Dissenting Shareholder's name. Only registered Resverlogix Shareholders may dissent. Persons who are beneficial owners of Resverlogix Common Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent, should be aware that they may only do so through the registered owner of such securities. A registered Resverlogix Shareholder, such as a broker, who holds Resverlogix Common Shares as nominee for beneficial holders, some of whom wish to dissent, must exercise dissent rights on behalf of such beneficial owners with respect to the Resverlogix Common Shares held for such beneficial owners. In such case, the demand for dissent should set forth the number of Resverlogix Common Shares covered by it.

Dissenting Shareholders must provide a written objection to the Arrangement Resolution to Resverlogix, c/o Borden Ladner Gervais LLP, 1900, 520-3rd Avenue S.W., Calgary, Alberta T2P 0R3, Attention: David T. Madsen, by 5:00 p.m. (Calgary time) on the second Business Day immediately prior to the date of the Meeting or the date of any adjourned Meeting. No Resverlogix Shareholder who has voted in favour of the Arrangement Resolution shall be entitled to dissent with the respect to the Arrangement. A Dissenting Shareholder may not exercise the right of dissent in respect of only a portion of such Dissenting Shareholder's Resverlogix Common Shares, but may dissent only with respect to all of the Resverlogix Common Shares held by the Dissenting Shareholder.

An application may be made to the Court by Resverlogix or by a Dissenting Shareholder after the adoption of the Arrangement Resolution to fix the fair value of the Dissenting Shareholder's Resverlogix Common Shares. If such an application to the Court is made by Resverlogix, Resverlogix must, unless the Court otherwise orders, send to each Dissenting Shareholder a written offer to pay the Dissenting Shareholder an amount considered by the Resverlogix Board to be the fair value of the Resverlogix Common Shares. The offer, unless the Court otherwise orders, will be sent to each Dissenting Shareholder at least 10 days before the date on which the application is returnable if Resverlogix is the applicant or within 10 days after Resverlogix is served with notice of the application if a Dissenting Shareholder is the applicant. The offer will be made on the same terms to each Dissenting Shareholder and will be accompanied by a statement showing how the fair value was determined.

Subject to the terms of the Arrangement Agreement, Resverlogix may make an agreement with a Dissenting Shareholder for the purchase of such holder's Resverlogix Common Shares in the amount of the offer made by

Resverlogix (or otherwise) at any time before the Court pronounces an order fixing the fair value of the Resverlogix Common Shares.

A Dissenting Shareholder is not required to give security for costs in respect of an application and, except in special circumstances, will not be required to pay the costs of the application or appraisal. On the application, the Court will make an order fixing the fair value of the Resverlogix Common Shares of all Dissenting Shareholders who are parties to the application, giving judgment in that amount against Resverlogix and in favour of each of those Dissenting Shareholders, and fixing the time within which Resverlogix must pay that amount payable to the Dissenting Shareholders. The Court may in its discretion allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder calculated from the date on which the Dissenting Shareholder ceases to have any rights as a Resverlogix Shareholder, until the date of payment.

Upon the Arrangement becoming effective, or upon the making of an agreement between Resverlogix and the Dissenting Shareholder as to the payment to be made to the Dissenting Shareholder, or upon the pronouncement of a Court order, whichever first occurs, the Dissenting Shareholder will cease to have any rights as a Resverlogix Shareholder other than the right to be paid the fair value of such Dissenting Shareholder's Resverlogix Common Shares, in the amount agreed to by Resverlogix and the Dissenting Shareholder or in the amount of the judgment, as the case may be. Until one of these events occurs, the Dissenting Shareholder may withdraw the Dissenting Shareholder's dissent. In addition, if the Arrangement has not yet become effective, Resverlogix may rescind the Arrangement Resolution, and in either event the dissent and appraisal proceedings in respect of that Dissenting Shareholder will be discontinued.

The Corporation shall not make a payment to a Dissenting Shareholder if there are reasonable grounds for believing that the Corporation is or would after the payment be unable to pay its liabilities as they become due, or that the realizable value of the assets of the Corporation would thereby be less than the aggregate of its liabilities. In such event, the Corporation shall notify each Dissenting Shareholder that it is lawfully unable to pay Dissenting Shareholders for their Resverlogix Common Shares in which case the Dissenting Shareholder may, by written notice to the Corporation within 30 days after receipt of such notice, withdraw its written objection, in which case such Resverlogix Shareholders shall, in accordance with the Interim Order, be deemed to have participated in the Arrangement as a Resverlogix Shareholder. If the Dissenting Shareholder does not withdraw its written objection, it retains its status as a claimant against the Corporation to be paid as soon as the Corporation is lawfully entitled to do so or, in a liquidation, to generally be ranked subordinate to creditors but prior to its shareholders.

A Registered Shareholder who exercises Dissent Rights will, if the holder is ultimately entitled to be paid the fair value thereof, be deemed to have transferred its Resverlogix Common Shares in consideration for a debt claim against Resverlogix to be paid the fair value of such Resverlogix Common Share pursuant to the Dissent Procedures and shall not be entitled to any other payment or consideration, including any payment under the Arrangement had such holder not exercised Dissent Rights. If such Resverlogix Shareholder is for any reason ultimately not entitled to be paid the fair value for its Resverlogix Common Shares, it shall be deemed to have participated in the Arrangement as of the Effective Time at the same terms and at the same time as non-dissenting Resverlogix Shareholders and shall be issued only the same consideration which a Resverlogix Shareholder is entitled to receive under the Arrangement as if such Dissenting Shareholder would not have exercised Dissent Rights.

The above summary does not purport to provide a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of their Resverlogix Common Shares. Section 191 of the ABCA requires adherence to the procedures established therein and failure to do so may result in the loss of all rights thereunder. Accordingly, each Dissenting Shareholder who might desire to exercise the right to dissent and appraisal should carefully consider and comply with the provisions of that section, the full text of which is set out in Appendix G to this Information Circular and consult their own legal advisor.

The Arrangement Agreement provides that, unless otherwise waived, it is a condition to the completion of the Arrangement that holders of no more than 5% of the outstanding Resverlogix Common Shares shall have exercised Dissent Rights in respect of the Arrangement that have not been withdrawn as of the Effective Date.

OTHER MATTERS TO BE CONSIDERED AT THE MEETING

The completion of the Arrangement is not conditional upon approval of the Newco Option Plan or the Newco LTIP by the Resverlogix Shareholders.

Newco Option Plan

At the Meeting, Resverlogix Shareholders will be asked to consider and, if deemed advisable, to approve an ordinary resolution to adopt the Newco Option Plan, which will authorize the Newco Board to issue stock options to employees, officers, directors and certain consultants of Newco and related entities following completion of the Arrangement. A copy of the Newco Option Plan is set out in Appendix E to this Information Circular, and the summary of the Newco Option Plan contained in this Information Circular is subject to, and is qualified in its entirety by, the full text of the Newco Option Plan attached hereto.

The purpose of the Newco Option Plan is to provide an incentive to the employees, officers, directors and certain consultants of Newco and related entities to achieve the longer term objectives of Newco, to attract, retain and give suitable recognition to the ability and industry of such persons who contribute materially to the success of Newco, by providing them with the opportunity to acquire an increased proprietary interest in Newco.

Description of the Plan

The maximum number of Newco Shares reserved for issuance at any time pursuant to the Newco Option Plan and the Newco LTIP shall not exceed 10% of the Newco Shares issued and outstanding from time to time. The Newco Board has approved the Newco Option Plan, pursuant to which Newco Options to purchase Newco Shares, including Newco Replacement Options, may be granted following completion of the Arrangement. For a complete description of the Newco Option Plan, please see Appendix D – "*Information Concerning Newco – Newco Option Plan*".

The foregoing summary is subject to the specific provisions of the Newco Option Plan attached at Appendix E hereto.

Approval Required

At the Meeting, Resverlogix Shareholders will be asked to consider and, if deemed advisable, to approve the following ordinary resolution to adopt the Newco Option Plan:

> "**BE IT RESOLVED** as an ordinary resolution of the shareholders of Resverlogix Corp. ("**Resverlogix**") that:
>
> 1. the stock option plan of 1741273 Alberta Ltd. ("**Newco**"), on the terms described in and in the form attached at Appendix E to the Information Circular of Resverlogix dated April 29, 2013 be and the same is hereby authorized and approved and adopted as the stock option plan of Newco;
>
> 2. any one director or officer of Newco be and is hereby authorized and directed to do all things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution; and
>
> 3. notwithstanding that this resolution has been passed by the shareholders of Resverlogix, the directors of Newco are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of Resverlogix or Newco, at any time if such revocation is considered necessary or desirable by the directors."

In order for the foregoing resolution to be passed, it must be approved by a simple majority of the votes cast by the Resverlogix Shareholders who vote in person or by proxy at the Meeting.

Unless otherwise directed, the persons named in the enclosed form of proxy, if named as proxy, intend to vote FOR the approval of the foregoing resolution.

Newco LTIP

At the Meeting, Resverlogix Shareholders will be asked to consider and, if deemed advisable, to approve an ordinary resolution to adopt the Newco LTIP, which provides employees, directors, officers and consultants of Newco and its subsidiaries with the opportunity to acquire Newco Shares through an award of Newco RSUs and Newco Restricted Stock following completion of the Arrangement. A copy of the Newco LTIP is set out in Appendix F to this Information Circular, and the summary of the Newco LTIP contained in this Information Circular is subject to, and is qualified in its entirety by, the full text of the Newco LTIP attached hereto.

The purpose of the Newco LTIP is to assist Newco in attracting, retaining and motiving key employees, directors, officers and consultants of Newco and its subsidiaries and to more closely align the personal interests of such persons with shareholders, thereby advancing the interests of Newco and its shareholders and increasing the long-term value of Newco.

Description of the Plan

The maximum number of Newco Shares reserved for issuance at any time pursuant to the Newco LTIP and the Newco Option Plan shall not exceed 10% of the Newco Shares issued and outstanding from time to time. The Newco Board has approved the Newco LTIP, pursuant to which Newco RSUs and Newco Restricted Stock, including Newco Replacement RSUs and Newco Replacement Restricted Stock, may be awarded following completion of the Arrangement. For a complete description of the Newco LTIP, please see Appendix D – "*Information Concerning Newco – Newco LTIP*".

The foregoing summary is subject to the specific provisions of the Newco LTIP attached at Appendix F hereto.

Approval Required

At the Meeting, Resverlogix Shareholders will be asked to consider and, if deemed advisable, to approve the following ordinary resolution to adopt the Newco LTIP:

> "**BE IT RESOLVED** as an ordinary resolution of the shareholders of Resverlogix Corp. ("**Resverlogix**") that:
>
> 1. the long term incentive plan of 1741273 Alberta Ltd. ("**Newco**"), on the terms described in and in the form attached at Appendix F to the Information Circular of Resverlogix dated April 29, 2013 be and the same is hereby authorized and approved and adopted as the long term incentive plan of Newco;
>
> 2. any one director or officer of Newco be and is hereby authorized and directed to do all things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution; and
>
> 3. notwithstanding that this resolution has been passed by the shareholders of Resverlogix, the directors of Newco are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of Resverlogix or Newco, at any time if such revocation is considered necessary or desirable by the directors."

In order for the foregoing resolution to be passed, it must be approved by a simple majority of the votes cast by the Resverlogix Shareholders who vote in person or by proxy at the Meeting.

Unless otherwise directed, the persons named in the enclosed form of proxy, if named as proxy, intend to vote FOR the approval of the foregoing resolution.

GENERAL PROXY MATTERS

This Information Circular and forms of proxy are not being sent to registered or beneficial owners using the Notice and Access procedures contained in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation of proxies by the management of Resverlogix to be used at the Meeting. Solicitations of proxies will be primarily by mail, but may also be by newspaper publication, in person or by telephone, fax or oral communication by directors, officers, employees or agents of Resverlogix who will be specifically remunerated therefor. All costs of the solicitation for the Meeting will be borne by Resverlogix.

Record Date

The Record Date for determination of Resverlogix Shareholders entitled to receive notice of and to vote at the Meeting is April 25, 2013. Only Resverlogix Shareholders whose names have been entered in the register of Resverlogix Common Shares on the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting, provided that holders of Resverlogix Common Shares who acquire Resverlogix Common Shares after the Record Date will be entitled to vote such Resverlogix Common Shares at the Meeting if, after the Record Date, a holder of record transfers his or her Resverlogix Common Shares and the transferee, upon producing properly endorsed certificates evidencing such Resverlogix Common Shares or otherwise establishing that he or she owns such Resverlogix Common Shares, requests at least 10 days before the Meeting that the transferee's name is included in the list of Resverlogix Shareholders entitled to vote.

Appointment and Revocation of Proxies

Accompanying this Information Circular is a form of proxy for holders of Resverlogix Common Shares. The persons named in the enclosed form of proxy are directors and/or officers of Resverlogix. Registered Shareholders may also use the internet site at www.valianttrust.com to transmit their voting instructions. See "– *Voting by Internet*" below.

A Resverlogix Shareholder may appoint another person (who need not be a Resverlogix Shareholder) to represent such shareholder at the Meeting, other than the persons designated in the accompanying form of proxy, and may do so either by inserting such person's name in the blank space provided in the accompanying form of proxy or by completing another form of proxy and, in either case, sending or delivering the completed proxy to the offices of Valiant Trust Company, Suite 310, 606 - 4th Street S.W., Calgary, Alberta T2P 1T1, attention: Proxy Department.

To be valid, the proxy must be received by Valiant Trust Company no later than 11:00 a.m. (Calgary time) on May 24, 2013 or the second last business day prior to the date of any adjourned Meeting. The time limit for the deposit of proxies may be waived by the Chairman of the Meeting at his discretion, without notice.

A Resverlogix Shareholder who has given a form of proxy may revoke it as to any matter on which a vote has not already been cast pursuant to its authority by an instrument in writing executed by such shareholder or by his attorney duly authorized in writing or, if the Resverlogix Shareholder is a corporation, by a director, officer or attorney thereof duly authorized, and deposited either at the above mentioned office of Valiant Trust Company no later than 11:00 a.m. (Calgary time) on May 24, 2013 or the second last business day prior to the date of any adjourned Meeting, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof.

Signature of Proxy

The form of proxy must be executed by the Resverlogix Shareholder or his or her attorney authorized in writing, or if the Resverlogix Shareholder is a corporation, the form of proxy should be signed in its corporate name under its corporate seal by an authorized officer whose title should be indicated. A proxy signed by a person acting as attorney or in some other representative capacity should reflect such person's capacity following his or her signature and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with Resverlogix).

Voting by Internet

Resverlogix Shareholders may use the internet site at www.valianttrust.com to transmit their voting instructions. Resverlogix Shareholders should have the form of proxy in hand when they access the web site and will be prompted to enter their Control Number, which is located on the form of proxy. If Resverlogix Shareholders vote by internet, their vote must be received not later than 11:00 a.m. (Calgary time) on May 24, 2013 or the second last business day prior to the date of any adjourned Meeting. **The website may be used to appoint a proxy holder to attend and vote on a Resverlogix Shareholder's behalf at the Meeting and to convey a Resverlogix Shareholder's voting instructions. Please note that if a Resverlogix Shareholder appoints a proxy holder and submits their voting instructions and subsequently wishes to change their appointment, a Resverlogix Shareholder may resubmit their proxy and/or voting direction, prior to the deadline noted above. When resubmitting a proxy, the most recently submitted proxy will be recognized as the only valid one, and all previous proxies submitted will be disregarded and considered as revoked, provided that the last proxy is submitted by the deadline noted above.**

Exercise of Discretion by Proxy Holders

All Resverlogix Common Shares represented at the Meeting by properly executed proxies will be voted. Where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the Resverlogix Common Shares represented by the proxy will be voted in accordance with such specification. **In the absence of such specification, such Resverlogix Common Shares will be voted in favour of each resolution**. The enclosed form of proxy confer discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of printing of this Information Circular, management of Resverlogix knows of no such amendment, variation or other matter.

Advice to Beneficial Holders of Shares

The information set forth in this section is of significant importance to many Resverlogix Shareholders, as a substantial number of Resverlogix Shareholders do not hold their Resverlogix Common Shares in their own name. Resverlogix Shareholders who do not hold their Resverlogix Common Shares in their own name ("**Beneficial Shareholders**") should note that only proxies deposited by Resverlogix Shareholders whose names appear on the records of the registrar and transfer agent for Resverlogix as the registered holders of Resverlogix Common Shares can be recognized and acted upon at the Meeting. If Resverlogix Common Shares are listed in an account statement provided to a Resverlogix Shareholder by a broker, then in almost all cases those Resverlogix Common Shares will not be registered in the Resverlogix Shareholder's name on the records of Resverlogix. Such Resverlogix Common Shares will more likely be registered under the name of the Resverlogix Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Resverlogix Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominees for many Canadian brokerage firms). Resverlogix Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting Resverlogix Common Shares for their clients. Resverlogix does not know for whose benefit the Resverlogix Common Shares registered in the name of CDS & Co. are held. The majority of Resverlogix Common Shares held in the United States are registered in the name of Cede & Co., the nominee for the Depository Trust Company, which is the United States equivalent of CDS Clearing and Depository Services Inc.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Resverlogix Common Shares are voted at the applicable Meeting. Often, the form of proxy supplied to a Resverlogix Shareholder by its broker is identical to the form of proxy provided to registered Resverlogix Shareholders; however, its purpose is limited to instructing the registered Resverlogix Shareholder how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a scannable Voting Instruction Form in lieu of the form of proxy. The Beneficial Shareholder is requested to complete and return the Voting Instruction Form to them by mail or facsimile. Alternatively the Beneficial Shareholder can call a toll-free telephone number or access the internet to vote the Resverlogix Common Shares held by the Beneficial Shareholder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Resverlogix Common Shares to be represented at the Meeting. A Beneficial Shareholder receiving a Voting Instruction Form cannot use that Voting Instruction Form to vote Resverlogix Common Shares directly at the Meeting as the Voting Instruction Form must be returned as directed by Broadridge well in advance of the Meeting in order to have the Resverlogix Common Shares voted.

Although you may not be recognized directly at the Meeting for the purposes of voting Resverlogix Common Shares registered in the name of your broker or other intermediary, you may attend at the Meeting as a proxyholder for the registered holder and vote your Resverlogix Common Shares in that capacity. If you wish to attend the Meeting and vote your own Resverlogix Common Shares you must do so as proxyholder for the registered holder. To do this, you should enter your own name in the blank space on the applicable form of proxy provided to you and return the document to your broker or other intermediary (or the agent of such broker or other intermediary) in accordance with the instructions provided by such broker, intermediary or agent well in advance of the Meeting.

Voting Securities and Principal Holders Thereof

Resverlogix is authorized to issue an unlimited number of Resverlogix Common Shares without nominal or par value and an unlimited number of Resverlogix Preferred Shares, issuable in series. As of April 29, 2013, 74,565,583 Resverlogix Common Shares were issued and outstanding and no Resverlogix Preferred Shares were outstanding. On all matters to be considered and acted upon at the Meeting, holders of Resverlogix Common Shares are entitled to one vote for each Resverlogix Common Share held. The quorum at the Meeting shall be at least two persons present in person, each being a Resverlogix Shareholder entitled to vote thereat or a duly appointed proxy or representative for an absent Resverlogix Shareholder so entitled, and representing in the aggregate not less than five percent of the outstanding Resverlogix Shares.

Except as set forth below, to the best of the knowledge of the directors and officers of the Corporation, as at April 29, 2013, no person or company beneficially owns or controls or directs, directly or indirectly, Resverlogix Common Shares carrying more than 10% of the voting rights of Resverlogix:

Beneficial Owner	Number of Resverlogix Common Shares Held	Percentage of Outstanding Resverlogix Common Shares
Eastern Capital Limited Cayman Islands	13,200,000	17.7%

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS OF RESVERLOGIX

Resverlogix is not aware of any individuals who are, or who at any time during the most recently completed financial year were, a director or executive officer of Resverlogix, a proposed nominee for election as a director of the Corporation, or an associate of any of those directors, executive officers or proposed nominees, who are, or have been at any time since the beginning of the most recently completed financial year of Resverlogix, indebted to Resverlogix or any of its subsidiaries or whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year of Resverlogix has been, the subject of a guarantee, support

agreement, letter of credit or other similar arrangement or understanding provided by Resverlogix or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed under "*The Arrangement - Interests of Senior Management and Others in the Arrangement*", and as set forth below no informed person of Resverlogix, or any associate or affiliate of any informed person, has had any material interest in any transaction, or proposed transaction, which has materially affected or would materially affect Resverlogix or any of its subsidiaries since the commencement of the most recently completed financial year of Resverlogix.

The Corporation is party to an amended and restated agreement and indemnity dated March 8, 2013 with Eastern Capital Limited ("**Eastern**"), the largest shareholder of the Corporation, whereby the Corporation agreed to indemnify Eastern in respect of its liabilities pursuant to irrevocable standby letters of credit in the aggregate amount of $38.8 million arranged by Eastern to secure loans in such amount obtained by the Corporation from Citibank, N.A. In consideration for arranging the letters of credit, in August 2012 the Corporation issued to Eastern 1,320,000 Resverlogix Warrants exercisable at a price of $1.58 per share for a term of five years and in March 2013 the Corporation issued to Eastern 728,640 Resverlogix Warrants exercisable at a price of $2.38 per share for a term of five years. The Corporation also agreed to pay a guarantee fee to Eastern in the amount of 0.03% per annum on the daily average undrawn amount of the letters of credit. In addition, the Corporation granted Eastern a security interest in its issued patents and certain tax pools as security for its obligations under the indemnity.

OTHER MATERIAL FACTS

Resverlogix is not aware of any material facts concerning the securities of Resverlogix or any other matter not described in this Information Circular that has not been previously disclosed and is known to Resverlogix but which would reasonably be expected to affect the decision of the Resverlogix Shareholders with respect to the matters to be voted upon at the Meeting.

ADDITIONAL INFORMATION

Additional financial information is provided in Resverlogix's comparative financial statements and management's discussion and analysis ("**MD&A**") for the year ended April 30, 2012 and for the three and nine month periods ended January 31, 2012. Copies of Resverlogix's financial statements and MD&A are available on written request to the Corporation by: (a) mail to Suite 202, 279 Midpark Way S.E., Calgary, Alberta T2X 1M2 ; (b) telephone: (403) 254-9252; or (c) fax to (403) 256-8495. Additional information relating to Resverlogix is available on SEDAR at www.sedar.com.

APPENDIX A

ARRANGEMENT RESOLUTION

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The arrangement (the "**Arrangement**") under Section 193 of the *Business Corporations Act* (Alberta) (the "**ABCA**") substantially as set forth in the Plan of Arrangement attached as Exhibit 1 to the Arrangement Agreement (as defined herein) attached as Appendix B to the management information circular of Resverlogix Corp. (the "**Corporation**") dated April 29, 2013 (the "**Information Circular**"), all as more particularly described and set forth in the Information Circular, and all transactions contemplated thereby, be and are hereby authorized and approved.

2. The Arrangement Agreement (the "**Arrangement Agreement**") dated April 29, 2013 among the Corporation , RVX Therapeutics Inc. and 1741273 Alberta Ltd. described in the Information Circular, together with such amendments and variations thereto made in accordance with the terms of the Arrangement Agreement as may be approved by the persons referred to in paragraph 4 hereof, such approval to be evidenced conclusively by their execution and delivery of any such amendments or variations, is hereby confirmed, ratified and approved.

3. Notwithstanding that this resolution has been duly passed and/or has received the approval of the Court of Queen's Bench of Alberta, the directors of the Corporation are hereby authorized and empowered without further notice to or approval of the holders of common shares of the Corporation: (a) to amend the Arrangement Agreement or the Plan of Arrangement, to the extent permitted by the Arrangement Agreement, as amended; and (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.

4. Any officer or director of the Corporation is hereby authorized and directed for and on behalf of the Corporation to execute, under the seal of the Corporation or otherwise, and to deliver articles of arrangement and such other documents as are necessary or desirable to the Registrar of Corporations under the ABCA in accordance with the Arrangement Agreement for filing and to take all such other steps or actions as may be necessary or desirable in connection with the Arrangement and the transactions described in the Information Circular and to execute under the seal of the Corporation or otherwise, all such other certificates, instruments, agreements, documents and notices, and to take such further actions in such officer's or director's opinion as may be necessary or desirable to carry out the purposes and intent of the foregoing resolutions."

APPENDIX B

ARRANGEMENT AGREEMENT

ARRANGEMENT AGREEMENT

THIS AGREEMENT made as of the 29th day of April, 2013.

BETWEEN:

> **RESVERLOGIX CORP.,** a company amalgamated under the laws of the Province of Alberta (hereinafter referred to as, "**Resverlogix**")
>
> - and -
>
> **1741273 ALBERTA LTD.,** a company incorporated under the laws of the Province of Alberta (hereafter referred to as "**Newco**")
>
> - and -
>
> **RVX THERAPEUTICS INC.,** a company incorporated under the laws of the Province of Alberta (hereafter referred to as, "**Therapeutics**")

WHEREAS the parties wish to enter into this Agreement to implement the acquisition by Newco of all of the Therapeutics Shares (as defined herein) by way of a statutory plan of arrangement under Section 193 of the *Business Corporations Act* (Alberta) on the terms and conditions set out in this Agreement and the Plan of Arrangement annexed hereto as Exhibit 1.

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the promises and the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties to the other, the Parties covenant and agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, terms used herein and defined in the Plan of Arrangement attached hereto as Exhibit 1 shall have the meaning ascribed thereto in the Plan of Arrangement and the following terms have the following meanings, respectively:

"**ABCA**" means the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder;

"**Agreement**" means this arrangement agreement entered into between the Parties as first referenced above, including Exhibit 1 hereto and all amendments made hereto;

"**Arrangement**" means the arrangement under the provisions of Section 193 of the ABCA on the terms and conditions set forth in the Plan of Arrangement, subject to any amendments or variations thereto in accordance with the Arrangement Agreement, Section 7 of the Plan of Arrangement or made at the direction of the Court in the Final Order with consent of Resverlogix;

"**Arrangement Resolution**" means the special resolution of Resverlogix Shareholders to be considered at the Meeting authorizing and approving the Plan of Arrangement;

"**Articles of Arrangement**" means the articles of arrangement of Resverlogix in respect of the Arrangement required under subsection 193(10) of the ABCA to be filed with the Registrar after the Final Order has been made to give effect to the Arrangement;

"**ATM Distribution**" means the distribution of approximately 300,000 Resverlogix Common Shares pursuant to the equity distribution agreement between the Corporation and JonesTrading Canada Inc. dated January 19, 2013, by way of transactions that are "at-the-market distributions" between the date hereof and the Effective Date;

"**Authority**" means any: (i) national, international, multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, court, tribunal, arbitral body, commission, board bureau, ministry or agency, domestic or foreign; (ii) any subdivision, agent commission, board or authority of any of the foregoing; (iii) any quasi-governmental or self-regulatory organization exercising any regulatory, expropriation or taxing authority under or for the account of its members or any of the above; or (iv) the TSX;

"**Closing**" means the completion of the transactions contemplated by this Agreement;

"**Court**" means the Court of Queen's Bench of Alberta;

"**Dissent Rights**" means the rights of dissent granted in favour of registered Resverlogix Shareholders in respect of the Arrangement to be described in the Plan of Arrangement and the Interim Order;

"**Effective Date**" has the meaning ascribed thereto in the Plan of Arrangement;

"**Effective Time**" has the meaning ascribed thereto in the Plan of Arrangement;

"**Encumbrances**" means any mortgage, charge, pledge, lien, hypothec, prior claim, assignment for security interest, guarantee, right of third parties or other charge, encumbrance, or any collateral securing the payment obligation of any person, as well as any other agreement or arrangement with any similar effect whatsoever;

"**Final Order**" means the final order of the Court approving the Arrangement pursuant to paragraph 193(9)(a) of the ABCA, as such order may be affirmed, amended or modified by any court of competent jurisdiction (with the consent of Resverlogix) at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;

"**Information Circular**" means the notice of meeting and management information circular of Resverlogix dated on or about April 29, 2013, together with all appendices, distributed by Resverlogix in connection with the Meeting, as amended, supplemented or otherwise modified;

"**Interim Order**" means the interim order of the Court under subsection 193(4) of the ABCA containing declarations and directions with respect to the Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

"**Management Services Agreement**" means an agreement between Resverlogix and Newco for the provision, commencing on the Effective Date, of management services by Resverlogix and its officers to Newco and its successors;

"**Meeting**" means the special meeting of Resverlogix Shareholders, including any adjournments or postponements thereof, to be called and held in accordance with this Agreement and the Interim Order to consider, among other things, the Arrangement;

"**Newco LTIP**" means the long term incentive plan of Newco to be adopted by Newco no later than the Effective Date, which plan will be similar to the Resverlogix LTIP;

"**Newco Option Plan**" means the stock option plan of Newco to be adopted by Newco no later than the Effective Date, which plan will be similar to the Resverlogix Option Plan;

"**Newco Preferred Shares**" means the preferred shares in the capital of Newco;

"**Newco Replacement Option**" means an option to acquire a Newco Share granted pursuant to the Newco Option Plan in accordance with Section 4.6 hereof;

"**Newco Replacement Restricted Stock**" means a restricted stock granted pursuant to the Newco LTIP in accordance with Section 4.8 hereof;

"**Newco Replacement RSU**" means a restricted share unit to acquire a Newco Share granted pursuant to the Newco LTIP in accordance with Section 4.8 hereof;

"**Newco Replacement Warrant**" means a common share purchase warrant to acquire a Newco Share granted in accordance with Section 4.7 hereof;

"**Newco Shares**" means the common shares in the capital of Newco;

"**Parties**" means, collectively, the parties to this Agreement and "**Party**" means any one of them;

"**Person**" means any individual, corporation, firm, partnership (including, without limitation, a limited partnership), sole proprietorship, syndicate, joint venture, trustee, trust, any unincorporated organization or association, any government or instrumentality thereof and any tribunal;

"**Plan of Arrangement**" means the plan of arrangement set out as Exhibit 1 hereto as the same may be amended from time to time in accordance with the terms thereof or hereof;

"**Registrar**" means the Registrar of Corporations for the Province of Alberta duly appointed pursuant to Section 263 of the ABCA;

"**Representative**" means any director, officer, employee, agent, advisor or consultant of either Party;

"**Resverlogix Common Shares**" means the common shares in the capital of Resverlogix as constituted immediately prior to the Effective Date (that will be re-designated under the Plan of Arrangement as "Class A Common Shares");

"**Resverlogix LTIP**" means the long term incentive plan of Resverlogix dated effective July 26, 2010 and approved by Resverlogix Shareholders on September 9, 2010;

"**Resverlogix New Common Shares**" means common shares in the capital of Resverlogix to be created pursuant to the Plan of Arrangement;

"**Resverlogix Option**" means an option to acquire a Resverlogix Common Share granted pursuant to the Resverlogix Option Plan;

"**Resverlogix Option Plan**" means the stock option plan of Resverlogix approved by Resverlogix Shareholders on October 16, 2012;

"**Resverlogix Preferred Shares**" means the preferred shares in the capital of Resverlogix;

"**Resverlogix Replacement Option**" means an option to acquire a Resverlogix New Common Share granted pursuant to the Resverlogix Option Plan in accordance with Section 4.6 hereof;

"**Resverlogix Replacement Restricted Stock**" means a restricted stock granted pursuant to the Resverlogix LTIP in accordance with Section 4.8 hereof;

"**Resverlogix Replacement RSU**" means a restricted share unit to acquire a Resverlogix New Common Share granted pursuant to the Resverlogix LTIP in accordance with Section 4.8 hereof;

"**Resverlogix Replacement Warrant**" means a common share purchase warrant to acquire a Resverlogix New Common Share granted in accordance with Section 4.7 hereof;

"**Resverlogix Restricted Stock**" means a restricted stock granted pursuant to the Resverlogix LTIP;

"**Resverlogix RSU**" means a restricted share unit to acquire a Resverlogix Common Share granted pursuant to the Resverlogix LTIP;

"**Resverlogix Shareholders**" means the holders of Resverlogix Common Shares;

"**Resverlogix Warrants**" means a common share purchase warrant to purchase a Resverlogix Common Share;

"**Securities Act**" means the *Securities Act* (Alberta) together with all rules and regulations promulgated thereunder or with respect thereto;

"**Securities Legislation**" means the Securities Act and the equivalent law in the other provinces of Canada, and the published policies, instruments, rules, judgments, orders and decisions of any Authority administering those statutes, as well as the rules, regulations, by-laws and policies of the TSX;

"**Therapeutics Preferred Shares**" means the preferred shares in the capital of Therapeutics;

"**Therapeutics Shares**" means the Class A common voting shares in the capital of Therapeutics;

"**TSX**" means the Toronto Stock Exchange; and

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended.

1.2 Exhibits

The following exhibit is attached to this Agreement and forms part hereof:

Exhibit 1 - Plan of Arrangement

1.3 Construction

In this Agreement, unless otherwise expressly stated or the context otherwise requires:

(a) references to "herein", "hereby", "hereunder", "hereof" and similar expressions are references to this Agreement and not to any particular section, subsection or Exhibit;

(b) references to an "Article", "section" or "Exhibit" are references to an Article, section or Exhibit of or to this Agreement;

(c) words importing the singular shall include the plural and *vice versa*, words importing gender shall include the masculine, feminine and neuter genders, and references to a "person" or "persons" shall include individuals, corporations, partnerships, associations, bodies politic and other entities, all as may be applicable in the context;

(d) the use of headings is for convenience of reference only and shall not affect the construction or interpretation hereof;

(e) the word "including", when following any general term or statement, is not to be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as referring to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement; and

(f) a reference to a statute or code includes every regulation made pursuant thereto, all amendments to the statute or code or to any such regulation in force from time to time, and any statute, code or regulation which supplements or supersedes such statute, code or regulation.

ARTICLE 2
ARRANGEMENT

2.1 Arrangement

As soon as reasonably practicable, Resverlogix shall apply to the Court pursuant to Section 193 of the ABCA for an order approving the Arrangement and in connection with such application shall:

(a) subject to obtaining all necessary approvals of the Resverlogix Shareholders as contemplated in the Interim Order and as may be directed by the Court in the Interim Order, take all steps necessary or desirable to submit the Arrangement to the Court and apply for the Final Order;

(b) inform the Court that upon approval from the Court and consummation of the Arrangement, the Parties intend to rely on Section 3(a)(10) under the U.S. Securities Act to issue the Resverlogix New Common Shares and Newco Shares to Resverlogix Shareholders in the United States without registration under the U.S. Securities Act; and

(c) subject to the satisfaction or waiver of the conditions set forth herein, deliver to the Registrar the Articles of Arrangement and such other documents as may be required to give effect to the Arrangement, whereupon the transactions comprising the Arrangement shall occur and shall be deemed to have occurred in the order set out in the Plan of Arrangement without any further act or formality, except as contemplated in the Plan of Arrangement.

2.2 Effective Date and Effective Time

The Arrangement will become effective on the Effective Date and the steps to be carried out pursuant to the Plan of Arrangement will become effective commencing as at the Effective Time and in the order set out therein or as otherwise specified in the Plan of Arrangement.

2.3 Resverlogix Approval

(a) Resverlogix represents to and in favour of Newco that its board of directors has determined unanimously that:

(i) the Arrangement is in the best interests of Resverlogix; and

(ii) they will recommend that the Resverlogix Shareholders vote in favour of the Arrangement Resolution.

(b) Resverlogix represents to and in favour of Newco that each of its directors has advised Resverlogix that he or she intends to vote all of the Resverlogix Common Shares beneficially owned, directly or indirectly, or over which direction or control is exercised, by him or her in favour of the Arrangement Resolution, and will, accordingly, so represent in the Information Circular.

(c) For greater certainty, nothing in the foregoing or elsewhere in this Agreement shall limit the ability of the board of directors of Resverlogix to act in accordance with its view of its fiduciary duties, including withdrawing, modifying or changing any such determination, recommendation or intention to vote.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Mutual Representations and Warranties of Resverlogix, Newco and Therapeutics

Each of Resverlogix, Newco and Therapeutics represents and warrants to the other as follows and acknowledges that the other Parties are relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

(a) the execution and delivery of each of this Agreement by it and the completion by it of the transactions contemplated herein and in the Plan of Arrangement do not and will not:

(i) result in the breach of, or violate any term or provision of, its articles or by-laws;

(ii) conflict with, result in the breach of, constitute a default under, or accelerate or permit the acceleration of the performance required by, any agreement, instrument, licence or permit to which it is a party or by which it is bound and which is material to it, or to which any material property of such Party is subject, or result in the creation of any Encumbrance upon any of its material assets under any such agreement, instrument, licence or permit or give to others any material interest or right, including rights of purchase, termination, cancellation or acceleration, under any such agreement, instrument, licence or permit; or

(iii) violate any provision of law or administrative regulation or any judicial or administrative award, judgment, order or decree applicable and known to it, the breach of which would have a material adverse effect on it;

(b) there are no actions, suits, proceedings or investigations commenced, contemplated or threatened against or affecting it, at law or in equity, before or by any Authority nor are there any existing facts or conditions which may reasonably be expected to form a proper basis for any actions, suits, proceedings or investigations, which, in any case, would prevent or hinder the consummation of the transactions contemplated by this Agreement;

(c) no dissolution, winding up, bankruptcy, liquidation or similar proceeding has been commenced or is pending or proposed in respect of it;

(d) the execution and delivery of this Agreement, and the completion of the transactions contemplated herein and in the Plan of Arrangement have been duly approved by its

board of directors and this Agreement constitutes a valid and binding obligation of such Party enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and to general principles of equity and limitations upon the enforcement of indemnification for fines or penalties imposed by law; and

(e) the Arrangement will be structured in reliance on Section 3(a)(10) of the U.S. Securities Act such that, assuming the Court approves the Arrangement as provided herein, the issuance of the Resverlogix New Common Shares and the Newco Shares to Resverlogix Shareholders in the United States will not require registration under the U.S. Securities Act.

3.2 Representations and Warranties of Newco

Newco represents and warrants to and in favour of Resverlogix as follows, and acknowledges that Resverlogix is relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

(a) Newco is a corporation duly incorporated and validly existing under the laws of the Province of Alberta, is duly qualified to carry on its business in each jurisdiction where the conduct of its business is currently conducted and is presently proposed to be conducted, or the ownership, leasing or operation of its property and assets requires such qualification, and has all requisite corporate power and authority to carry on its business and to enter into and perform its obligations under this Agreement;

(b) Newco is authorized to issue an unlimited number of Newco Shares and an unlimited number of Newco Preferred Shares of which one Newco Share and no Newco Preferred Shares are issued and outstanding as of the date hereof;

(c) at the date hereof, no Person holds any securities convertible into Newco Shares or Newco Preferred Shares or any other securities of Newco or has any agreement, warrant, option or any other right capable of becoming an agreement, warrant or option for the purchase or other acquisition of any unissued Newco Shares or Newco Preferred Shares; and

(d) Newco has been incorporated solely to participate in the Arrangement and to perform its obligations contemplated in this Agreement, the Arrangement and all matters related thereto, and except as aforesaid, Newco has not conducted or carried on any business, acquired any assets, assumed or incurred any liabilities or allowed any Encumbrances to be created against it.

3.3 Representations and Warranties of Resverlogix

Resverlogix represents and warrants to and in favour of Newco as follows, and acknowledges that Newco is relying on such representations and warranties in connection with the matters contemplated in this Agreement:

(a) Resverlogix is a corporation duly amalgamated and validly existing under the laws of the Province of Alberta, is duly qualified to carry on its business in each jurisdiction where the conduct of its business is currently conducted and is presently proposed to be conducted, or the ownership, leasing or operation of its property and assets requires such qualification, and has all requisite corporate power and authority to carry on its business and to enter into and perform its obligations under this Agreement;

(b) the authorized capital of Resverlogix consists of an unlimited number of Resverlogix Common Shares and an unlimited number of Resverlogix Preferred Shares, of which 74,565,583 Resverlogix Common Shares and no Resverlogix Preferred Shares are issued and outstanding as of the date hereof as fully-paid and non-assessable;

(c) at the date hereof, no Person holds any securities convertible into Resverlogix Common Shares or Resverlogix Preferred Shares or has any agreement, warrant, option or other right capable of becoming an agreement, warrant or option for the purchase or other acquisition of any issued or unissued Resverlogix Common Shares or Resverlogix Preferred Shares, other than the holders of Resverlogix Options to acquire in aggregate 4,667,500 Resverlogix Common Shares issued pursuant to the Resverlogix Option Plan, holders of Resverlogix Warrants to acquire in the aggregate 11,706,032 Resverlogix Common Shares and holders of Resverlogix RSUs and Resverlogix Restricted Stock to acquire in the aggregate 573,900 Resverlogix Common Shares issued pursuant to the Resverlogix LTIP; and

(d) Resverlogix is the owner of all of the issued and outstanding shares of Therapeutics with good and marketable title thereto, which shares will, as at the Effective Time, be free and clear of all Encumbrances.

3.4 Representations and Warranties of Resverlogix and Therapeutics Regarding Therapeutics

Resverlogix and Therapeutics hereby jointly and severally represent and warrant to and in favour of Newco as follows, and acknowledges that Newco is relying on such representations and warranties in connection with the matters contemplated in this Agreement:

(a) Therapeutics is a corporation duly incorporated and validly existing under the laws of the Province of Alberta, is duly qualified to carry on its business in each jurisdiction where the conduct of its business is currently conducted and is presently proposed to be conducted, or the ownership, leasing or operation of its property and assets requires such qualification, and has all requisite corporate power and authority to carry on its business and to enter into and perform its obligations under this Agreement;

(b) the authorized capital of Therapeutics consists of an unlimited number of Therapeutics Shares, an unlimited number of Class B common voting shares, an unlimited number of Class C common non-voting shares and an unlimited number of Therapeutics Preferred Shares, of which 3,678,001 Therapeutics Shares and no Class B common voting shares, Class C common non-voting shares or Therapeutics Preferred Shares are issued and outstanding as of the date hereof as fully-paid and non-assessable;

(c) at the date hereof, no Person holds any securities convertible into Therapeutics Shares or Therapeutics Preferred Shares or has any agreement, warrant, option or other right capable of becoming an agreement, warrant or option for the purchase or other acquisition of any issued or unissued Therapeutics Shares or Therapeutics Preferred Shares; and

(d) Resverlogix owns 100% of the issued and outstanding shares of Therapeutics.

3.5 Survival of Representations and Warranties

The representations and warranties of each of the Parties contained herein will survive the execution and delivery of this Agreement and will terminate on the earlier of the termination of this Agreement in accordance with its terms and the Effective Time.

ARTICLE 4
COVENANTS

4.1 Mutual Covenants of Newco and Resverlogix

Each of Newco and Resverlogix covenants with the other Party that it will:

(a) use commercially reasonable efforts and do all things reasonably required of it to cause the Plan of Arrangement to become effective on or before June 28, 2013;

(b) do and perform all such acts and things, and execute and deliver all such agreements, assurances, notices and other documents and instruments as may reasonably be required, both prior to and after the Effective Date, to facilitate the carrying out of the intent and purposes of this Agreement;

(c) use commercially reasonable efforts to cause each of the conditions precedent set forth in Article 5, which are within its control, to be satisfied on or prior to June 28, 2013;

(d) use commercially reasonable efforts to cause the transactions set forth in Sections 4.6, 4.7 and 4.8 to be completed concurrently with subsection 3.1(c) of the Plan of Arrangement; and

(e) use reasonable commercial efforts to enter into a mutually acceptable Management Services Agreement.

4.2 Covenants of Resverlogix and Therapeutics

Resverlogix and where applicable, Therapeutics, hereby covenant and agree with Newco that:

(a) each of Resverlogix and Therapeutics will until the Effective Date, not perform any act or enter into any transaction which interferes or is inconsistent with the completion of the Plan of Arrangement;

(b) Resverlogix will apply to the Court for the Interim Order;

(c) Resverlogix will solicit proxies to be voted at the Meeting in favour of the Arrangement Resolution and prepare, as soon as practicable, the Information Circular and proxy solicitation materials and any amendments or supplements thereto as required by, and in compliance with, the Interim Order, and applicable law, and, subject to receipt of the Interim Order, convene the Meeting as ordered by the Interim Order and conduct the Meeting in accordance with the Interim Order and as otherwise required by applicable law;

(d) Resverlogix will in a timely and expeditious manner, file the Information Circular in all jurisdictions where the same is required to be filed by it and mail the same to the Resverlogix Shareholders in accordance with the Interim Order and applicable law;

(e) Resverlogix will ensure that the information set forth in the Information Circular relating to Resverlogix and its subsidiaries, including Therapeutics, and their respective businesses and properties and the effect of the Plan of Arrangement thereon will be true, correct and complete in all material respects and will not contain any untrue statement of any material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading in light of the circumstances in which they are made;

(f) without limiting the generality of any of the foregoing covenants, until the Effective Date except as required to effect the Plan of Arrangement or the ATM Distribution or with the consent of Newco, Resverlogix will not:

(i) issue any additional Resverlogix Common Shares, Resverlogix Preferred Shares or other securities of Resverlogix other than in connection with the Plan of Arrangement or transactions required in order to effect the Plan of Arrangement and except pursuant to the exercise or vesting of outstanding Resverlogix Options, Resverlogix Warrants, Resverlogix RSUs and Resverlogix Restricted Stock issued or granted prior to the date hereof;

(ii) issue or enter into any agreement or agreements to issue or grant options, warrants or rights to purchase any Resverlogix Common Shares, Resverlogix Preferred Shares or other securities of Resverlogix; or

(iii) alter or amend its constating documents as the same exist at the date of this Agreement except as specifically provided for hereunder;

(g) without limiting the generality of any of the foregoing covenants, until the Effective Date except as required to effect the Plan of Arrangement or with the consent of Newco, Therapeutics will not:

(i) issue any additional Therapeutics Shares, Therapeutics Preferred Shares or other securities of Therapeutics;

(ii) issue or enter into any agreement or agreements to issue or grant options, warrants or rights to purchase any Therapeutics Shares, Therapeutics Preferred Shares or other securities of Therapeutics; or

(iii) alter or amend its constating documents as the same exist at the date of this Agreement except as specifically provided for hereunder;

(h) each of Resverlogix and Therapeutics will indemnify and save harmless Newco from and against any and all liabilities, claims, demands, losses, costs, damages and expenses to which Newco or any of its Representatives may be subject or may suffer, in any way caused by, or arising, directly or indirectly, from or in consequence of:

(i) any misrepresentation or alleged misrepresentation in any information included in the Information Circular that is provided by Resverlogix and/or Therapeutics for the purpose of inclusion in the Information Circular;

(ii) any order made, or any inquiry, investigation or proceeding pursuant to any Securities Legislation, or by any Authority, based on any misrepresentation or any alleged misrepresentation in any information provided by Resverlogix and/or Therapeutics for the purpose of inclusion in the Information Circular; and

(iii) Resverlogix and/or Therapeutics not complying with any requirements of applicable laws in connection with the transaction contemplated in this Agreement;

(i) Resverlogix will prior to the Effective Date, make application to the applicable regulatory authorities for such orders under applicable securities and/or corporate laws as may be necessary or desirable in connection with the Plan of Arrangement;

(j) Resverlogix will prior to the Effective Date, obtain confirmation from the TSX of the substitutional listing of the Resverlogix New Common Shares;

(k) Resverlogix will perform the obligations required to be performed by it under the Plan of Arrangement and do all such other acts and things as may be necessary or desirable and are within its power and control in order to carry out and give effect to the Plan of Arrangement, including (without limitation) using commercially reasonable efforts to obtain:

(i) the approval of Resverlogix Shareholders required for the implementation of the Plan of Arrangement;

(ii) the approval of the Resverlogix Shareholders for the implementation of the Newco Option Plan and the Newco LTIP;

(iii) the Interim Order and, subject to the obtaining of all required consents, orders, rulings and approvals (including, without limitation, required approvals of Resverlogix Shareholders), the Final Order;

(iv) such other consents, orders, rulings or approvals and assurances as are necessary or desirable for the implementation of the Plan of Arrangement, including those referred to in Section 5.1;

(v) satisfaction of the conditions precedent referred to in Sections 5.1 and 5.2; and

(l) Resverlogix will upon issuance of the Final Order and subject to the conditions precedent in Article 5, forthwith proceed to file all necessary documents with the Registrar.

4.3 Covenants of Newco

Newco hereby covenants and agrees with Resverlogix that it will:

(a) until the Effective Date, not perform any act or enter into any transaction which interferes or is inconsistent with the completion of the Plan of Arrangement;

(b) cooperate with and support Resverlogix in its application for the Interim Order, preparation of the Information Circular and in its application for the Final Order;

(c) without limiting the generality of any of the foregoing covenants, until the Effective Date except as required to give effect to the Plan of Arrangement or with the consent of Resverlogix will not:

(i) issue any additional Newco Shares, Newco Preferred Shares or other securities of Newco other than in connection with the Plan of Arrangement or transactions required in order to effect the Plan of Arrangement;

(ii) issue or enter into any agreement or agreements to issue or grant options, warrants or rights to purchase any Newco Shares, Newco Preferred Shares or other securities of Newco; or

(iii) alter or amend its constating documents as the same exist at the date of this Agreement except as specifically provided for hereunder;

(d) indemnify and save harmless each of Resverlogix and Therapeutics from and against any and all liabilities, claims, demands, losses, costs, damages and expenses to which Resverlogix, Therapeutics or any of their Representatives may be subject or may suffer, in any way caused by, or arising, directly or indirectly, from or in consequence of:

(i) any misrepresentation or alleged misrepresentation in any information included in the Information Circular that is provided by Newco for the purpose of inclusion in the Information Circular;

(ii) any order made, or any inquiry, investigation or proceeding pursuant to any Securities Legislation, or by any Authority, based on any misrepresentation or any alleged misrepresentation in any information provided by Newco for the purpose of inclusion in the Information Circular; and

(iii) Newco not complying with any requirements of applicable laws in connection with the transaction contemplated in this Agreement; and

(e) perform the obligations required to be performed by it under the Plan of Arrangement and do all such other acts and things as may be necessary or desirable and are within its power and control in order to carry out and give effect to the Plan of Arrangement, including (without limitation) using commercially reasonable efforts to obtain:

(i) such consents, orders, rulings or approvals and assurances as are necessary or desirable for the implementation of the Plan of Arrangement, including those referred to in Section 5.1; and

(ii) satisfaction of the conditions precedent referred to in Sections 5.1 and 5.2.

4.4 Interim Order

As soon as practicable after the date hereof, Resverlogix shall apply to the Court pursuant to Section 193 of the ABCA for the Interim Order providing for, among other things, the calling and holding of the Meeting.

4.5 Final Order

If the Interim Order and all Resverlogix Shareholder approvals as required in respect of the Plan of Arrangement are obtained, Resverlogix shall promptly thereafter take the necessary steps to submit the Plan of Arrangement to the Court and apply for the Final Order in such fashion as the Court may direct, and as soon as practicable following receipt of the Final Order, and subject to the satisfaction or waiver of the other conditions provided for in Article 5 hereof, Resverlogix shall make any filings required to give effect to the Plan of Arrangement pursuant to the Final Order.

4.6 Stock Options

Concurrently with subsection 3.1(c) of the Plan of Arrangement, pursuant to the Resverlogix Option Plan and the Arrangement, Resverlogix shall cancel the outstanding Resverlogix Options and as the sole consideration therefor:

(a) Newco will grant Newco Replacement Options to the former holders of Resverlogix Options under the Newco Option Plan; and

(b) Resverlogix will grant Resverlogix Replacement Options to the former holders of Resverlogix Options under the Resverlogix Option Plan,

(collectively, the "**Option Exchange**"), such that, for each Resverlogix Common Share that the holder would have been entitled to acquire pursuant to the Resverlogix Option (and the terms of the Resverlogix Option Plan), the holder will instead be entitled to acquire one Resverlogix New Common Share pursuant to the corresponding Resverlogix Replacement Option and one Newco Share pursuant to the corresponding Newco Replacement Option. For greater certainty, a holder of Resverlogix Options will receive no consideration for the exchange of such Resverlogix Options other than Resverlogix Replacement Options and Newco Replacement Options and the Resverlogix Options so exchanged will be cancelled and terminated concurrently with the Option Exchange. The original exercise price of a holder's Resverlogix Option will be allocated to the Resverlogix Replacement Options and the Newco Replacement Options acquired by the holder pursuant to the Option Exchange in such proportion as may be determined by the board of directors of Resverlogix and the board of directors of Newco.

4.7 Warrants

Concurrently with subsection 3.1(c) of the Plan of Arrangement, pursuant to the terms of the Resverlogix Warrants (and the terms of the warrant indenture(s) respecting such Resverlogix Warrants, if applicable) and the Arrangement, Resverlogix shall cancel the outstanding Resverlogix Warrants and as the sole consideration therefor:

(a) Newco will grant Newco Replacement Warrants to the former holders of Resverlogix Warrants; and

(b) Resverlogix will grant Resverlogix Replacement Warrants to the former holders of Resverlogix Warrants,

(collectively, the "**Warrant Exchange**"), such that, for each Resverlogix Common Share that the holder would have been entitled to acquire pursuant to the Resverlogix Warrants (and the terms of the warrant indenture(s) respecting such Resverlogix Warrants, if applicable), the holder will instead be entitled to acquire one Resverlogix New Common Share pursuant to the corresponding Resverlogix Replacement Warrant and one Newco Share pursuant to the corresponding Newco Replacement Warrant. Newco shall enter into a supplemental warrant indenture in respect of any Resverlogix Warrants that are subject to a warrant indenture, that are being exchanged, in part, for Newco Replacement Warrants. For greater certainty, a holder of Resverlogix Warrants will receive no consideration for the exchange of such Resverlogix Warrants other than Resverlogix Replacement Warrants and Newco Replacement Warrants and the Resverlogix Warrants so exchanged will be cancelled and terminated concurrently with the Warrant Exchange. The original exercise price of a holder's Resverlogix Warrants will be allocated to the Resverlogix Replacement Warrants and the Newco Replacement Warrants acquired by the holder pursuant to the Warrant Exchange in such proportion as may be determined by the board of directors of Resverlogix and the board of directors of Newco.

4.8 RSUs and Restricted Stock

Concurrently with subsection 3.1(c) of the Plan of Arrangement, pursuant to the Resverlogix LTIP and the Arrangement:

(a) Resverlogix shall cancel the outstanding Resverlogix RSUs and as the sole consideration therefor:

(i) Newco will grant Newco Replacement RSUs to the former holders of Resverlogix RSUs under the Newco LTIP; and

(ii) Resverlogix will grant Resverlogix Replacement RSUs to the former holders of Resverlogix RSUs under the Resverlogix LTIP,

(collectively, the "**RSU Exchange**"), such that, for each Resverlogix Common Share that the holder would have been entitled to acquire pursuant to the Resverlogix RSU (and the terms of the Resverlogix LTIP), the holder will instead be entitled to acquire one Resverlogix New Common Share pursuant to the corresponding Resverlogix Replacement RSU and one Newco Share pursuant to the corresponding Newco Replacement RSU. For greater certainty, a holder of Resverlogix RSUs will receive no consideration for the exchange of such Resverlogix RSUs other than Resverlogix Replacement RSUs and Newco Replacement RSUs and the Resverlogix RSUs so exchanged will be cancelled and terminated concurrently with the RSU Exchange; and

(b) Resverlogix shall cancel the outstanding Resverlogix Restricted Stock and as the sole consideration therefor:

(i) Newco will grant Newco Replacement Restricted Stock to the former holders of Resverlogix Restricted Stock under the Newco LTIP; and

(ii) Resverlogix will grant Resverlogix Replacement Restricted Stock to the former holders of Resverlogix Restricted Stock under the Resverlogix LTIP,

(collectively, the "**Restricted Stock Exchange**"), such that, for each Resverlogix Restricted Stock that the holder would have been granted pursuant to the terms of the Resverlogix LTIP, the holder will instead be granted one Resverlogix Replacement Restricted Stock and one Newco Replacement Restricted Stock. For greater certainty, a holder of Resverlogix Restricted Stock will receive no consideration for the exchange of such Resverlogix Restricted Stock other than Resverlogix Replacement Restricted Stock and Newco Replacement Restricted Stock and the Resverlogix Restricted Stock so exchanged will be cancelled and terminated concurrently with the Restricted Stock Exchange.

ARTICLE 5
CONDITIONS

5.1 Mutual Conditions Precedent

The respective obligations of the Parties to complete the transactions contemplated by this Agreement and otherwise to give effect to the Plan of Arrangement shall be subject to the satisfaction of the following conditions:

(a) the Interim Order will have been granted in form and substance satisfactory to the Parties, acting reasonably, and such order shall not have been set aside or modified in a manner unacceptable to the Parties, each acting reasonably, on appeal or otherwise;

(b) the Arrangement Resolution shall have been approved by the required number of votes cast by Resverlogix Shareholders at the Meeting;

(c) the Court shall have determined that the terms and conditions of the issuance of Resverlogix New Common Shares and Newco Shares in the Plan of Arrangement are procedurally and substantively fair to Resverlogix Shareholders, and the Final Order shall have been obtained in form and substance satisfactory to all Parties, each acting reasonably, not later than June 28, 2013 or such later date as the Parties may agree;

(d) the Management Services Agreement shall be executed concurrently with the Closing;

(e) the Investor Rights Agreement dated April 15, 2009 to which Resverlogix is a party shall have been amended to the mutual satisfaction of Resverlogix and Newco;

(f) all necessary consents and approvals required from Citibank, N.A. pursuant to the Amended and Restated Loan Agreement dated March 8, 2013 and from Eastern Capital Limited pursuant to the Amended and Restated Intellectual Property Security Agreement dated March 8, 2013 shall have been obtained;

(g) all material consents, orders, rulings, approvals and assurances, including regulatory and judicial approvals and orders, required for the completion of the transactions provided for in this Agreement and the Plan of Arrangement shall have been obtained or received from the Authorities, including (without limitation) applicable orders, rulings, no action letters and registrations pursuant to the Securities Act and the comparable securities legislation of the other applicable provinces and territories of Canada to permit the Resverlogix New Common Shares and the Newco Shares to be distributed pursuant to the Plan of Arrangement;

(h) no action shall have been instituted and be continuing on the Effective Date for an injunction to restrain, a declaratory judgment in respect of, or damages on account of, or relating to, the Plan of Arrangement and there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement and no cease trading or similar order with respect to any securities of any of the Parties shall have been issued and remain outstanding;

(i) none of the consents, orders, rulings, approvals or assurances required for the implementation of the Plan of Arrangement shall contain terms or conditions or require undertakings or security deemed unsatisfactory or unacceptable by any of the Parties, acting reasonably;

(j) no law, regulation or policy shall have been proposed, enacted, promulgated or applied which interferes or is inconsistent with the completion of the Plan of Arrangement, including, without limitation, any material change to the income tax laws of Canada, which would have a material adverse effect upon Resverlogix Shareholders if the Plan of Arrangement is completed;

(k) the Resverlogix New Common Shares shall continue to be listed on the TSX;

(l) this Agreement shall not have been terminated under Article 6; and

(m) Resverlogix Shareholders holding not more than 5% of the Resverlogix Common Shares, in the aggregate, shall have exercised their Dissent Rights.

5.2 Additional Conditions to Obligations of Each Party

The obligation of each Party to complete the transactions contemplated by this Agreement is further subject to the condition, which may be waived by such Party without prejudice to its right to rely on any other condition in its favour, that the covenants of the other Party to be performed on or before the Effective Date pursuant to the terms of this Agreement shall have been duly performed by it and that the representations and warranties of the other Party shall be true and correct in all material respects as at the Effective Date, with the same effect as if such representations and warranties had been made at, and as of, such time and each such Party shall receive a certificate, dated the Effective Date, of a senior officer of each other Party confirming the same.

5.3 Merger of Conditions

The conditions set out in Section 5.1 shall be conclusively deemed to have been satisfied, waived or released on the Arrangement becoming effective.

ARTICLE 6
AMENDMENT AND TERMINATION

6.1 Amendment and Waiver

This Agreement may, at any time and from time to time before and after the holding of the Meeting, but not later than the Effective Date, be amended by the written agreement of the Parties without, subject to applicable law, further notice to or authorization on the part of their respective shareholders. Without limiting the generality of the foregoing, any such amendment may:

(a) waive compliance with or modify any of the covenants contained herein or waive or modify performance of any of the obligations of the Parties or satisfaction of any of the conditions precedent set forth in Article 5 of this Agreement;

(b) waive any inaccuracies or modify any representation contained herein or in any document to be delivered pursuant hereto;

(c) change the time for performance of any of the obligations, covenants or other acts of the Parties; or

(d) make such alterations in this Agreement as the Parties may consider necessary or desirable in connection with the Interim Order or otherwise.

6.2 Termination

This Agreement may, at any time prior to the Plan of Arrangement becoming effective under the provisions of the ABCA, be terminated by the mutual agreement of the Parties, at any time without approval of Resverlogix Shareholders.

ARTICLE 7
GENERAL

7.1 Severability

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule, law, or public policy, all other conditions and provisions of this Agreement will nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to any Party. Upon any determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties will negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated by this Agreement are fulfilled to the fullest extent possible.

7.2 Enurement

This Agreement will be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns from time to time.

7.3 Assignment

This Agreement may not be assigned by any Party without the prior written consent of each of the other Parties.

7.4 Governing Law

This Agreement will be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

Each Party agrees that any action or proceeding arising out of or relating to this Agreement may be instituted in the courts of Alberta, waives any objection which it may have now or later to the venue of that action or proceeding, irrevocably submits to the exclusive jurisdiction of those courts in that action or proceeding and agrees to be bound by any judgment of those courts.

7.5 Time of Essence

Time is of the essence in respect of this Agreement.

7.6 Entire Agreement

This Agreement, the Plan of Arrangement and the other agreements contemplated hereby and thereby constitute the entire agreement between the Parties pertaining to the subject matter hereof. There are no warranties, conditions, or representations (including any that may be implied by statute) and there are no agreements in connection with such subject matter, except as specifically set forth or referred to in this Agreement or as otherwise set out in writing and delivered at Closing. No reliance is placed on any warranty, representation, opinion, advice or assertion of fact made by any Party or its directors, officers, employees or agents, to any other Party or its directors, officers, employees or agents, except to the extent that the same has been reduced to writing and included as a term of this Agreement. Accordingly, there will be no liability, either in tort or in contract, assessed in relation to any such warranty, representation, opinion, advice or assertion of fact, except to the extent aforesaid.

7.7 Further Assurances

Each of the Parties hereto will promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other Party hereto may reasonably require from time to time for the purpose of giving effect to this Agreement and will use reasonable efforts and take all such steps as may reasonably be within its power to implement to their full extent the provisions of this Agreement.

7.8 Language

The Parties to this Agreement confirm their express wish that this Agreement and all documents and agreements directly or indirectly relating thereto be drawn up in the English language. Les Parties reconnaissent leur volonté express que la présente Entente ainsi que tous les documents et contrats s'y rattachant directement ou indirectement soient rédigés en anglais.

IN WITNESS WHEREOF the Parties hereto have executed this Arrangement Agreement as of the date first written above.

RESVERLOGIX CORP.

Per: (signed) "*A. Brad Cann*"
Name: A. Brad Cann
Title: Chief Financial Officer

1471273 ALBERTA LTD.

Per: (signed) "*A. Brad Cann*"
Name: A. Brad Cann
Title: Chief Financial Officer

RVX THERAPEUTICS INC.

Per: (signed) "*A. Brad Cann*"
Name: A. Brad Cann
Title: Chief Financial Officer

EXHIBIT 1

PLAN OF ARRANGEMENT UNDER SECTION 193 OF

THE *BUSINESS CORPORATIONS ACT* (ALBERTA)

1. INTERPRETATION

1.1 In this Plan of Arrangement, unless the context otherwise requires, the following words and terms shall have the meaning hereinafter set out:

(a) "**ABCA**" means the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder;

(b) "**arm's length**" has the meaning attributed to such term in subsection 251(1) of the Tax Act;

(c) "**Arrangement**" means the arrangement under the provisions of Section 193 of the ABCA on the terms and conditions set forth in this Plan of Arrangement, subject to any amendments or variations hereto made in accordance with the Arrangement Agreement and the provisions hereof or made at the direction of the Court in the Final Order with consent of Resverlogix;

(d) "**Arrangement Agreement**" means the Arrangement Agreement dated April 29, 2013 between Resverlogix, Newco and Therapeutics to which this Plan of Arrangement is attached as Exhibit 1;

(e) "**Arrangement Resolution**" means the Special Resolution of Resverlogix Shareholders to be considered at the Meeting authorizing and approving this Plan of Arrangement;

(f) "**Articles of Arrangement**" means the articles of arrangement of Resverlogix in respect of the Arrangement required under subsection 193(10) of the ABCA to be filed with the Registrar after the Final Order has been made to give effect to the Arrangement;

(g) "**Business Day**" means a day which is not a Saturday, Sunday or a civic or statutory holiday in Calgary, Alberta;

(h) "**Certificate**" means the proof of filing to be issued by the Registrar pursuant to subsection 193(11) of the ABCA in respect of the Arrangement;

(i) "**Court**" means the Court of Queen's Bench of Alberta;

(j) "**Dissenting Shareholder**" means a registered holder of Resverlogix Common Shares who has duly exercised a Dissent Right in strict compliance with the Dissent Procedures;

(k) "**Dissent Procedures**" means the procedures set forth in Section 191 of the ABCA and the Interim Order required to be taken by a Resverlogix Shareholder to exercise the right of dissent in respect of Resverlogix Common Shares in connection with the Arrangement;

(l) "**Dissent Rights**" means the rights of dissent of Resverlogix Shareholders in respect of the Arrangement Resolution as defined in Section 6 hereof;

(m) "**Effective Date**" means the date shown in the Certificate;

(n) "**Effective Time**" means the time when the Arrangement will be deemed to have been completed, which shall be 12:01 a.m., Calgary time, on the Effective Date;

(o) "**Eligible Dividend**" has the meaning attributed to that term in subsection 89(1) of the Tax Act;

(p) "**Encumbrances**" means any mortgage, charge, pledge, lien, hypothec, prior claim, assignment for security interest, guarantee, right of third parties or other charge, encumbrance, or any collateral securing the payment obligation of any person, as well as any other agreement or arrangement with any similar effect whatsoever;

(q) "**fair market value**" means the highest price available in an open and unrestricted market between informed prudent parties acting at arm's length and under no compulsion to act and contracting for a taxable purchase and sale, expressed in terms of cash;

(r) "**Final Order**" means the final order of the Court approving the Arrangement pursuant to subsection 193(9)(a) of the ABCA, as such order may be affirmed, amended or modified by any court of competent jurisdiction (with the consent of Resverlogix) at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;

(s) "**Information Circular**" means the notice of meeting and accompanying information circular of Resverlogix, together with all appendices, distributed by Resverlogix in connection with the Meeting, as amended supplemented or otherwise modified;

(t) "**Interim Order**" means the interim order of the Court under subsection 193(4) of the ABCA containing declarations and directions with respect to the Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

(u) "**Meeting**" means the special meeting of Resverlogix Shareholders, including any adjournment or postponement thereof, to be called and held in accordance with the Arrangement Agreement and the Interim Order to consider, among other things, the Arrangement;

(v) "**Newco**" means 1741273 Alberta Ltd., a corporation incorporated under the laws of Alberta;

(w) "**Newco Founding Share**" means the one (1) Newco Share held by Resverlogix that was issued to Resverlogix on the incorporation of Newco;

(x) "**Newco Promissory Note**" means the unsecured, demand promissory note of Newco, bearing interest at 5.0% per annum only after a demand thereunder has been made, issued pursuant to subsection 3.1(d) of this Plan of Arrangement, which promissory note shall be in a principal amount equal to: (i) the fair market value of the Therapeutics Shares; plus (ii) an amount equal to the aggregate of the Therapeutics Cash Amount and the Therapeutics Debt Amount, acquired by Newco from Resverlogix in subsection 3.1(d) hereof;

(y) "**Newco Shares**" means the common shares in the capital of Newco;

(z) "**Person**" means any individual, corporation, firm, partnership (including, without limitation, a limited partnership), sole proprietorship, syndicate, joint venture, trustee, trust, any unincorporated organization or association, any government or instrumentality thereof and any tribunal;

(aa) "**PUC**" means paid-up capital, and has the meaning attributed to such term in subsection 89(1) of the Tax Act;

(bb) "**Registrar**" means the Registrar of Corporations for the Province of Alberta duly appointed pursuant to Section 263 of the ABCA;

(cc) "**Resverlogix**" means Resverlogix Corp., a corporation amalgamated under the laws of Alberta;

(dd) "**Resverlogix Class A Preferred Shares**" means the Class A preferred shares in the capital of Resverlogix to be created pursuant to the amendment to the Articles of Resverlogix under subsection 3.1(b) of this Plan of Arrangement and having the rights, privileges, restrictions and conditions set out in Schedule A to this Plan of Arrangement

(ee) "**Resverlogix Common Shares**" means the common shares in the capital of Resverlogix, as constituted immediately prior to the Effective Date, which are to be renamed and reclassified as "Class A Common Shares" in the capital of Resverlogix pursuant to the amendment to the Articles of Resverlogix under subsection 3.1(b) of this Plan of Arrangement;

(ff) "**Resverlogix New Common Shares**" means the common shares in the capital of Resverlogix to be created pursuant to the amendment to the Articles of Resverlogix under subsection 3.1(b) of this Plan of Arrangement and having the rights, privileges, restrictions and conditions set out in Schedule A to this Plan of Arrangement;

(gg) "**Resverlogix Preferred Shares**" means the preferred shares in the capital of Resverlogix other than the Resverlogix Class A Preferred Shares and the Resverlogix Royalty Preferred Shares;

(hh) "**Resverlogix Promissory Note**" means the unsecured, subordinated demand promissory note of Resverlogix issued pursuant to subsection 3.1(f) of this Plan of Arrangement, which promissory note shall be in a principal amount equal to the fair market value of the Therapeutics Shares acquired by Newco from Resverlogix in subsection 3.1(e) hereof;

(ii) "**Resverlogix Royalty Preferred Shares**" means the royalty preferred shares in the capital of Resverlogix to be created pursuant to the amendment to the Articles of Resverlogix under subsection 3.1(b) of this Plan of Arrangement and having the rights, privileges, restrictions and conditions set out in Schedule A to this Plan of Arrangement;

(jj) "**Resverlogix Shareholder**" means a Person who is a registered holder of Resverlogix Common Shares as shown on the share register of Resverlogix and for the purposes of the Meeting, is a registered holder of Resverlogix Common Shares as of the record date therefor, and for the purposes of the Arrangement, is a registered holder of Resverlogix Common Shares immediately prior to the Effective Time;

(kk) "**Special Resolution**" has the meaning ascribed to such term in the ABCA;

(ll) "**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder as amended from time to time;

(mm) "**Tax Convention**" means any bilateral tax convention to which Canada is a party that is in force as at the Effective Time;

(nn) "**Tax Proposals**" means all specific proposals to amend the Tax Act that have been announced or published by or on behalf of the Minister of Finance (Canada) prior to the Effective Time;

(oo) "**Therapeutics**" means RVX Therapeutics Inc., a corporation incorporated under the laws of Alberta;

(pp) "**Therapeutics Assets**" means, collectively, the Therapeutics Cash Amount, the Therapeutics Debt Amount and the Therapeutics Shares;

(qq) "**Therapeutics Cash Amount**" means the cash amount to be transferred to Newco by Resverlogix in connection with the Arrangement;

(rr) "**Therapeutics Debt Amount**" means the aggregate of all indebtedness of Therapeutics owing to Resverlogix immediately prior to the Effective Time;

(ss) "**Therapeutics Shares**" means the common share in the capital of Therapeutics; and

(tt) "**Valiant**" means Valiant Trust Company.

1.2 The headings contained in this Plan of Arrangement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Plan of Arrangement. The terms "this Plan of Arrangement", "hereof", "herein", "hereto", "hereunder" and similar expressions refer to this Plan of Arrangement and not to any particular article, section, subsection, paragraph, subparagraph, clause or sub-clause hereof and include any agreement or instrument supplementary or ancillary hereto.

1.3 If the date on which any action is required to be taken hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.4 In this Plan of Arrangement, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders and neuter.

1.5 A reference to a Person includes any successor to that Person. A reference to any statute includes all regulations made pursuant to such statute and the provisions of any statute or regulation which amends, supplements or supersedes any such statute or regulation.

1.6 Unless otherwise stated in this Plan of Arrangement, all references herein to amounts of money are expressed in lawful money of Canada.

1.7 The following are the Schedules to this Plan of Arrangement:

Schedule A – Share Conditions attaching to Resverlogix Common Shares, Resverlogix New Common Shares, Resverlogix Class A Preferred Shares, Resverlogix Royalty Preferred Shares and Resverlogix Preferred Shares

Schedule B – Share Conditions attaching to Resverlogix New Common Shares, Resverlogix Royalty Preferred Shares and Resverlogix Preferred Shares

Schedule C – Calculation of the Therapeutics Cash Amount and Therapeutics Debt Amount

2. EFFECT OF THE ARRANGEMENT

2.1 This Plan of Arrangement is made pursuant to and subject to the provisions of the Arrangement Agreement. Upon filing of the Articles of Arrangement and the issuance of the Certificate, this Plan of Arrangement will become effective at, and shall be binding upon Resverlogix, Newco, Therapeutics and the Resverlogix Shareholders and all other persons as and from the Effective Time without any further act or formality required on the part of any Person except as expressly provided herein.

2.2 Articles of Arrangement shall be filed with the Registrar with the purpose and intent that none of the provisions of this Plan of Arrangement shall become effective unless all of the provisions of this Plan of Arrangement become effective. The Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Section 3.1 has become effective in the sequence set out therein.

3. THE ARRANGEMENT

3.1 At the Effective Time, the following shall occur and shall be deemed to occur in the following order without any further act or formality, with each event or transaction occurring and being deemed to occur immediately after the occurrence of the preceding event or transaction:

(a) subject to Section 6 hereof, each Resverlogix Common Share held by Dissenting Shareholders shall be, and shall be deemed to be, transferred to Resverlogix (free and clear of any Encumbrances) for cancellation without any further act or formality and;

(i) such Dissenting Shareholders shall cease to be the holders of such Resverlogix Common Shares, and to have any rights as holders of such Resverlogix Common Shares other than the right to be paid fair value for such Resverlogix Common Shares as set out in Section 6; and

(ii) such Dissenting Shareholders' names shall be removed as the holders of such Resverlogix Common Shares from the register of Resverlogix Common Shares maintained by or on behalf of Resverlogix;

(b) the Articles of Resverlogix will be amended by:

(i) changing the designation of the existing "Common Shares" to "Class A Common Shares" and to increase the voting rights of the Resverlogix Common Shares from one vote to two votes per Resverlogix Common Share and to change the rights, privileges, restrictions and conditions attached thereto, whether issued or unissued, so that the rights, privileges, restrictions and conditions attached thereto shall be as set out in Schedule A attached hereto;

(ii) creating a new class of shares designated as "Common Shares", in an unlimited number, having the rights, privileges, restrictions and conditions set out in Schedule A attached hereto;

(iii) creating a new class of shares designated as "Class A Preferred Shares", in an unlimited number, having the rights, privileges, restrictions and conditions set out in Schedule A attached hereto;

(iv) creating a new class of shares designated as "Royalty Preferred Shares", up to a maximum number of Royalty Preferred Shares equal to the number of issued and outstanding Resverlogix Common Shares immediately prior to the Effective Time, having the rights, privileges, restrictions and conditions set out in Schedule A attached hereto; and

(v) otherwise to the extent necessary to facilitate the Arrangement,

so that upon completion of the amendments of the articles of Resverlogix set forth above, the authorized share capital of Resverlogix shall be as set out in Schedule A attached hereto;

(c) all of the outstanding Resverlogix Common Shares (other than those held by Dissenting Shareholders) shall be and shall be deemed to be changed into and exchanged for Resverlogix New Common Shares, Resverlogix Class A Preferred Shares and Resverlogix Royalty Preferred Shares on the basis of one (1) Resverlogix New Common Share, one (1) Resverlogix Class A Preferred Share and one (1) Resverlogix Royalty Preferred Share for each outstanding Resverlogix Common Share held and as a result thereof:

(i) the Resverlogix Shareholders whose Resverlogix Common Shares have been so exchanged shall cease to be, and shall be deemed to cease to be, holders of such Resverlogix Common Shares and to have any rights as holders of such Resverlogix Common Shares other than the right to receive one (1) Resverlogix New Common Share, one (1) Resverlogix Class A Preferred Share and one (1) Resverlogix Royalty Preferred Share pursuant to this subsection 3.1(c); and

(ii) such Resverlogix Shareholders' names shall be removed as the holders of such Resverlogix Common Shares from the register of Resverlogix Common Shares maintained by or on behalf of Resverlogix and shall be added to the registers of the Resverlogix New Common Shares, Resverlogix Class A Preferred Shares and Resverlogix Royalty Preferred Shares maintained by or on behalf of Resverlogix, respectively,

and in connection therewith, the amount of the stated capital account maintained by Resverlogix for the Resverlogix Common Shares will be deducted from such account and a portion thereof will be added to the stated capital account maintained by Resverlogix for each of the Resverlogix New Common Shares, the Resverlogix Class A Preferred Shares and the Resverlogix Royalty Preferred Shares as follows:

(iii) the amount thereof that is added to the stated capital account for the Resverlogix Class A Preferred Shares being equal to the fair market value of the Resverlogix Class A Preferred Share, which fair market value is equal to: (A) the aggregate fair market value of the Therapeutics Shares; plus (B) an amount equal to the aggregate of the Therapeutics Cash Amount and the Therapeutics Debt Amount;

(iv) the amount thereof that is added to the stated capital account for the Resverlogix Royalty Preferred shares being equal to $1.00; and

(v) the amount thereof that is added to the stated capital account of the Resverlogix New Common Shares being equal to the amount deducted from the stated capital account of the Resverlogix Common Shares so exchanged less the aggregate of the amount added to the stated capital account of the Resverlogix Class A Preferred Share and the amount added to the stated capital of the Resverlogix Royalty Preferred Shares;

(d) Newco shall acquire from Resverlogix, the Therapeutics Assets in consideration of Newco issuing to Resverlogix the Newco Promissory Note and as a result thereof:

(i) Resverlogix shall cease to be, and shall be deemed to cease to be, a holder of the Therapeutics Shares and to have any rights as a holder of the Therapeutics Shares other than the right to receive the Newco Promissory Note pursuant to this subsection 3.1(d);

(ii) Resverlogix shall be removed as the holder of the Therapeutics Shares from the register of Therapeutics Shares maintained by or on behalf of Therapeutics;

(iii) Newco shall be deemed to be the transferee of the Therapeutics Shares (free and clear of any Encumbrances) and shall be, and shall be deemed to be, entered in the register of Therapeutics Shares maintained by or on behalf of Therapeutics; and

(iv) Resverlogix shall cease to have any claim against Therapeutics in respect of the Therapeutics Debt;

(e) each issued and outstanding Resverlogix Class A Preferred Share and Resverlogix Royalty Preferred Share shall be, and shall be deemed to be, transferred to and acquired by Newco (free and clear of any Encumbrances) in exchange for one (1) Newco Share and as a result thereof:

(i) the shareholders whose Resverlogix Class A Preferred Shares and Resverlogix Royalty Preferred Shares have been so transferred shall cease to be, and shall be deemed to cease to be, holders of such Resverlogix Class A Preferred Shares and Resverlogix Royalty Preferred Shares and to have any rights as holders of such Resverlogix Class A Preferred Shares and Resverlogix Royalty Preferred Shares other than the right to receive one (1) Newco Share for each Resverlogix Class A Preferred Share and Resverlogix Royalty Share held, pursuant to this subsection 3.1(e);

(ii) such shareholders' names shall be removed: (A) as the holders of such Resverlogix Class A Preferred Shares from the register of Resverlogix Class A Preferred Shares; and (B) as the holders of such Resverlogix Royalty Preferred Shares from the register of Resverlogix Royalty Preferred Shares maintained by or on behalf of Resverlogix; and

(iii) Newco shall be deemed to be the transferee of such Resverlogix Class A Preferred Shares and Resverlogix Royalty Preferred Shares (free and clear of any Encumbrances) and shall be, and shall be deemed to be, entered in the register of Resverlogix Class A Preferred Shares and Resverlogix Royalty Preferred Shares maintained by or on behalf of Resverlogix,

and in connection therewith, in accordance with the ABCA, Newco will add to the stated capital account maintained by Newco for the Newco Shares, an amount that will not exceed the aggregate PUC of the Resverlogix Class A Preferred Shares and Resverlogix Royalty Preferred Shares so transferred to Newco;

(f) Resverlogix shall and shall be deemed to redeem all of the outstanding Resverlogix Class A Preferred Shares acquired by Newco under subsection 3.1(e) for an amount equal to the aggregate redemption amount (as determined pursuant to the articles of Resverlogix) in consideration of Resverlogix issuing to Newco the Resverlogix Promissory Note in a principal amount equal to such aggregate redemption amount, in full satisfaction of the aggregate redemption price of the Resverlogix Class A Preferred Shares and as a result thereof:

(i) Newco shall cease to be, and shall be deemed to cease to be, a holder of Resverlogix Class A Preferred Shares and to have any rights as a holder of Resverlogix Class A Preferred Shares other than the right to receive the Resverlogix Promissory Note pursuant to this subsection 3.1(f); and

(ii) Newco shall be removed as the holder of such Resverlogix Class A Preferred Shares from the register of Resverlogix Class A Preferred Shares maintained by or on behalf of Resverlogix;

(g) Resverlogix will pay the principal amount of the Resverlogix Promissory Note by transferring to Newco the Newco Promissory Note in full payment, satisfaction and discharge of Resverlogix's obligations under the Resverlogix Promissory Note and simultaneously, Newco will pay the principal amount of the Newco Promissory Note by transferring to Resverlogix the Resverlogix Promissory Note in full payment, satisfaction and discharge of Newco's obligations under the Newco Promissory Note. The Resverlogix Promissory Note and the Newco Promissory Note will thereupon be cancelled;

(h) the Articles of Resverlogix will be amended by:

(i) cancelling the class of shares designated as "Class A Common Shares", none of which will be issued and outstanding at such time in accordance with the Plan of Arrangement;

(ii) cancelling the class of shares designated as "Class A Preferred Shares", none of which will be issued and outstanding at such time in accordance with the Plan of Arrangement; and

(iii) otherwise to the extent necessary to facilitate the Arrangement,

so that upon completion of the amendments of the articles of Resverlogix set forth above, the authorized share capital of Resverlogix shall be as set out in Schedule B attached hereto; and

(i) the Newco Founding Share shall be cancelled for no consideration and as a result thereof:

(i) Resverlogix shall cease to be, and shall be deemed to ceased to be, the holder of the Newco Founding Share and to have any rights as a holder of the Newco Founding Share; and

(ii) Resverlogix shall be removed as the holder of the Newco Founding Share from the register of Newco Shares maintained by or on behalf of Newco.

3.2 On or prior to the Effective Date, the Therapeutics Cash Amount shall be determined and the Therapeutics Debt Amount shall be calculated by Resverlogix and Newco and the amounts so determined and agreed to by Resverlogix and Newco shall be inserted in Schedule C to this Plan of Arrangement in the copy which is attached to the Articles of Arrangement, and for purposes of the Arrangement, the Therapeutics Cash Amount and Therapeutics Debt Amount shall conclusively be deemed to be the amounts so contained in such Schedule C.

4. SHARE CERTIFICATES

4.1 Forthwith following the Effective Time, Resverlogix and Newco, as applicable, shall cause to be issued to the holders of Resverlogix Common Shares, certificates representing or electronic registration statements evidencing, the securities exchanged for shares pursuant to Section 3.1 of this Plan of Arrangement as follows:

(a) recognizing that the Resverlogix Common Shares will be renamed the "Class A Common Shares" and will be cancelled upon exchange of the Resverlogix Common Shares for the Resverlogix New Common Shares, Resverlogix Class A Preferred Shares and Resverlogix Royalty Preferred Shares under this Plan of Arrangement, no new share certificates will be issued with respect to the Resverlogix Common Shares;

(b) recognizing that all of the Resverlogix Class A Preferred Shares and Resverlogix Royalty Preferred Shares issued to Resverlogix Shareholders will be immediately transferred to Newco in exchange for Newco Shares and that the Resverlogix Class A Preferred Shares will be subsequently redeemed by Resverlogix in exchange for the Resverlogix Promissory Note pursuant to this Plan of Arrangement, Resverlogix will not issue certificates representing the Resverlogix Class A Preferred Shares issued in connection with this Plan of Arrangement and shall only issue share certificates representing the Resverlogix Royalty Preferred Shares issued to Newco;

(c) from and after the Effective Time, share certificates representing the Resverlogix Common Shares not deemed to be cancelled pursuant to subsection 3.1(a) of this Plan of Arrangement, shall for all purposes be deemed to be share certificates representing Resverlogix New Common Shares and no new share certificates shall be issued with respect to the Resverlogix New Common Shares issued in connection with the Arrangement; and

(d) as soon as practicable after the Effective Time, Newco shall cause to be issued to the registered holders of Newco Shares at the Effective Time on the Effective Date, certificates representing or

electronic registration statements evidencing, ownership of the number of Newco Shares to which such holders are entitled following the Effective Date.

5. WITHOLDING RIGHTS

5.1 Resverlogix and Newco shall be entitled to deduct and withhold from any consideration otherwise payable to any Resverlogix Shareholder under this Plan of Arrangement (including, without limitation, any amounts payable pursuant to Section 6.2 hereof), such amounts as Resverlogix or Newco determines, acting reasonably, are required or reasonably believes to be required to be deducted and withheld from such consideration in accordance with the Tax Act, the United States Internal Revenue Code of 1986 or any provision of any other applicable law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Person in respect of which such withholding was made, provided that such deducted and withheld amounts are remitted to the appropriate taxing authority.

6. RIGHTS OF DISSENT

6.1 Resverlogix Shareholders shall be entitled to exercise dissent rights ("**Dissent Rights**") with respect to the Resverlogix Common Shares pursuant to and in the manner set forth in Section 191 of the ABCA as modified by the Interim Order and this Section 6, but provided that notwithstanding subsection 191(5)(a) of the ABCA, such Dissenting Shareholder delivers to Resverlogix written objection to the Arrangement by 5:00 p.m. (Calgary time) on the second Business Day immediately prior to the date of the Meeting and otherwise complies with Section 191 of the ABCA (the "**Dissent Procedures**").

6.2 If the Arrangement is concluded, a Resverlogix Shareholder who exercises Dissent Rights in strict compliance with the Dissent Procedures shall be entitled to be paid by Resverlogix the fair value of the Resverlogix Common Shares held by such Dissenting Shareholder, determined as provided for in the ABCA, as modified by the Interim Order and this Section 6, provided that any such Dissenting Shareholder who exercises such right to dissent and who:

(a) is ultimately entitled to be paid fair value for its Resverlogix Common Shares shall be deemed to have transferred its Resverlogix Common Shares to Resverlogix in consideration for a debt claim against Resverlogix to be paid fair value of such Resverlogix Common Shares pursuant to the Dissent Procedures, and shall not be entitled to any other payment or consideration, including any payment under the Arrangement had such holders not exercised their Dissent Rights; or

(b) is for any reason ultimately not entitled to be paid fair value for its Resverlogix Common Shares, shall be deemed to have participated in the Arrangement as of the Effective Time at the same terms and at the same time as a non-dissenting Resverlogix Shareholder and shall be issued only the same consideration which a Resverlogix Shareholder is entitled to receive under the Arrangement as if such Dissenting Shareholder would not have exercised Dissent Rights.

6.3 The aggregate of all amounts paid to Resverlogix Shareholders by Resverlogix in respect of Resverlogix Common Shares for which Dissent Rights are exercised in accordance with Section 6.2 shall be deducted from the stated capital account maintained by Resverlogix for the Resverlogix Common Shares.

6.4 The amount of any deemed dividend resulting from the application of subsection 84(3) of the Tax Act to the repurchase of the Resverlogix Common Shares held by Dissenting Shareholders is hereby designated by Resverlogix as an Eligible Dividend.

6.5 For greater certainty, in addition to any other restrictions in Section 191 of the ABCA, no Person who has voted in favour of this Plan of Arrangement shall be entitled to dissent with respect to this Plan of Arrangement.

7. AMENDMENT

7.1 Resverlogix reserves the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that any amendment, modification or supplement must be contained in a written document which is filed with the Court and, if made following the Meeting, then: (i) approved by the Court; and (ii) if the Court directs, approved by the Resverlogix Shareholders and in any event communicated to them, and in either case in the manner required by the Court.

7.2 Any amendment, modification or supplement to this Plan of Arrangement proposed by Resverlogix, may be made at any time prior to or at the Meeting, with or without any other prior notice or communication and, if so proposed and accepted by Persons voting at the Meeting (other than as may be required under the Interim Order) shall become part of this Plan of Arrangement for all purposes.

7.3 Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Meeting will be effective only if it is consented to by Resverlogix and, if required by the Court, by the Resverlogix Shareholders.

7.4 Notwithstanding the foregoing provisions of this Section 7, no amendment, modification or supplement of this Plan of Arrangement may be made prior to the Effective Time except in accordance with the terms of the Arrangement Agreement.

SCHEDULE A

Share Conditions attaching to Resverlogix New Common Shares, Resverlogix Common Shares, Resverlogix Class A Preferred Shares, Resverlogix Preferred Shares and Resverlogix Royalty Preferred Shares at the time of the amendment contemplated in subsection 3.1(b) of the Plan of Arrangement

1. The rights, privileges, restrictions and conditions attaching to the Class A Common Shares shall be as follows:

   (a) The holders of Class A Common Shares shall be entitled to receive notice of and to attend and vote at all meetings of shareholders of the Corporation except meetings of the holders of another class of shares. Each Class A Common Share shall entitle the holder thereof to two votes in respect of each Class A Common Share held.

   (b) Subject to the preferences accorded to the holders of the any class of preferred shares, the holders of Class A Common Shares shall be entitled to receive such dividends as may be declared thereon by the board of directors of the Corporation from time to time.

   (c) In the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the holders of Class A Common Shares shall be entitled, along with the holders of all other common shares of the Corporation, to receive pro rata all of the assets remaining for distribution after the payment to the holders of any class of preferred shares, in accordance with the preference on liquidation, dissolution or winding-up accorded to the holders of any class of preferred shares.

2. The rights, privileges, restrictions and conditions attaching to the Common Shares shall be as follows:

   (a) The holders of Common Shares shall be entitled to receive notice of and to attend and vote at all meetings of shareholders of the Corporation except meetings of the holders of another class of shares. Each Common Share shall entitle the holder thereof to one vote in respect of each Common Share held.

   (b) Subject to the preferences accorded to the holders of the any class of preferred shares, the holders of Common Shares shall be entitled to receive such dividends as may be declared thereon by the board of directors of the Corporation from time to time.

   (c) In the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the holders of Common Shares shall be entitled, along with the holders of all other common shares of the Corporation, to receive pro rata all of the assets remaining for distribution after the payment to the holders of any class of preferred shares, in accordance with the preference on liquidation, dissolution or winding-up accorded to the holders of any class of preferred shares.

3. The rights, privileges, restrictions and conditions attaching to the Class A Preferred Shares are as follows:

   (a) Subject to applicable law, holders of the Class A Preferred Shares will not be entitled to receive notice of or to attend any meeting of the shareholders of the Corporation and will not be entitled to vote at any such meeting.

(b) The holders of the Class A Preferred Shares will be entitled to receive non-cumulative cash dividends, if, as and when declared by the Board, in such amounts and payable in such manner and at such times as the Board may from time to time determine. The Board may, in its sole discretion, declare dividends on the Class A Preferred Shares to the exclusion of any other class of shares of the Corporation.

(c) In the event of the liquidation, dissolution or winding up of the Corporation whether voluntary or involuntary, the holders of the Class A Preferred Shares will be entitled to receive, before any amount shall be paid by the Corporation or any assets of the Corporation shall be distributed to the holders of Class A Common Shares, Common Shares, Preferred Shares and Royalty Preferred Shares or holders of any other shares of any other class of the Corporation, an amount equal to the Redemption Amount (as defined in paragraph 3(d) below) in respect of each Class A Preferred Share held by them, respectively, to the extent of the amount or value of the assets of the Corporation available under applicable law for payment to holders of shares of the Corporation upon liquidation, dissolution or winding up of the Corporation. After payment to the holders of the Class A Preferred Shares of the amount provided above in this paragraph 3(c), such holders will not be entitled to share in any further distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs.

(d) The Corporation may redeem at any time the whole, or from time to time any part, of the then issued and outstanding Class A Preferred Shares from the holders thereof on payment (which may, at the discretion of the Corporation, be made through the issuance of a promissory note or promissory notes) of an amount for each Class A Preferred Share to be redeemed equal to: (i) the aggregate fair market value of: (a) all of the issued and outstanding common shares of RVX Therapeutics Inc. immediately before the issuance of the Class A Preferred Shares as described in subsection 3.1(c) of the Plan of Arrangement; plus (b) an amount equal to the aggregate of the Therapeutics Cash Amount and the Therapeutics Debt Amount (as such terms are defined in the Plan of Arrangement); divided by (ii) the number of issued and outstanding Class A Preferred Shares (the "**Class A Preferred Share Redemption Amount**"). For the purposes of this paragraph 3(d), "**Plan of Arrangement**" means the Plan of Arrangement to which this Schedule A is attached.

(e) Subject to applicable law, a holder of Class A Preferred Shares will be entitled to require the Corporation to redeem, at any time, all or any of the Class A Preferred Shares held by such holder, by tendering to the Corporation at its registered office a share certificate or certificates representing the Class A Preferred Shares that the holder wishes to have the Corporation redeem together with a written request specifying the number of Class A Preferred Shares to be redeemed and the business day (referred to herein as the **"Retraction Date"**) on which the holder wishes to have the Corporation redeem the Class A Preferred Shares. Following receipt of such share certificate or certificates and written request, the Corporation will, on the Retraction Date (or as soon as practicable thereafter), redeem such Class A Preferred Shares by paying to the holder the Class A Preferred Share Redemption Amount for each Class A Preferred Share so redeemed.

(f) Any Class A Preferred Shares that are redeemed by the Corporation as aforesaid will for all purposes be considered to have been redeemed on, and will be cancelled concurrently with, the payment of the Class A Preferred Share Redemption Amount by the Corporation to or for the benefit of the holder thereof.

(g) For so long as any Class A Preferred Shares are outstanding, the Corporation will not: (i) declare or pay any dividend on the shares of any other class of the Corporation; or (ii) redeem, purchase for cancellation or otherwise acquire any shares of any other class of the Corporation, if, in the opinion of the board of directors of the Corporation, the payment of such dividend or the consideration payable in connection with such redemption, purchase or other acquisition, as the case may be, would reduce the net realizable value of the assets of the Corporation (after taking into account all liabilities of the Corporation) to an amount that is less than the product of the Class A Preferred Share Redemption Amount of each Class A Preferred Share multiplied by the number of Class A Preferred Shares outstanding immediately before the time of payment of such dividend or consideration, as the case may be.

(h) For the purposes of subsection 191(4) of the *Income Tax Act* (Canada), the amount specified in respect of each Class A Preferred Share shall be the amount specified by a director or an officer of the Corporation in a certificate that is made: (i) effective concurrently with the issuance of such Class A Preferred Shares; and (ii) pursuant to a resolution of the board duly passed and evidenced in writing authorizing the issuance of such Class A Preferred Share, such amount to be expressed as a dollar amount (and not expressed as a formula) and shall be equal to the fair market value of the consideration for which such Class A Preferred Shares is issued.

4. The rights, privileges, restrictions and conditions attaching to the Preferred Shares are as follows:

(a) The board of directors may at any time and from time to time issue the Preferred Shares in one or more series, each series to consist of such number of shares as may, before the issuance thereof, be determined by the board of directors.

(b) The board of directors of the Corporation may (subject to as hereinafter provided) from time to time fix, before issuance, the designation, rights, privileges, restrictions and conditions attaching to each series of Preferred Shares including, without limiting the generality of the foregoing, the amount, if any, specified as being payable preferentially to such series on a distribution of capital of the Corporation; the extent, if any, of further participation in a distribution of capital; voting rights, if any; and dividend rights (including whether such dividends be preferential, or cumulative or non-cumulative), if any.

(c) In the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the holders of each series of Preferred Shares shall be entitled, in priority to the holders of common shares and any other shares of the Corporation ranking junior to the Preferred Shares on a distribution of capital, to be paid rateably with the holders of each other series of Preferred Shares the amount, if any, specified as being payable preferentially to the holders of such series on a distribution of capital of the Corporation.

(d) The holders of each series of Preferred Shares shall be entitled, in priority to the holders of common shares and any other shares of the Corporation ranking junior to the Preferred Shares with respect to the payment of cumulative dividends, to be paid rateably with the holders of each other series of Preferred Shares, the amount of cumulative dividends, if any, specified as being payable preferentially to the holders of such series.

5. The rights, privileges, restrictions and conditions attaching to the Royalty Preferred Shares are as follows:

(a) Definitions:

(i) "**ABCA**" means the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder;

(ii) "**Additional Royalty Dividend Payment**" has the meaning attributable to such term in subsection 5(c)(iii);

(iii) "**Affiliate**" means any Person, or group of Persons entitled to carry on business in any country, which now or hereafter directly or indirectly controls, is controlled by, or is under common control with, the entity; "control" in an affiliate requires ownership of fifty percent (50%) or more of: (A) voting stock of a Person which has issued voting stock; or (B) ownership interest in any other enterprise;

(iv) "**ApoA-1**" means Apolipoprotein A-1;

(v) "**ApoA-1 Therapeutic Field**" means the prevention, treatment or mitigation of any disease via the administration of a Pharmaceutical Agent that results in therapeutic relevant elevation in the plasma levels of ApoA-1 that in a predictable model of ApoA-1 expression, using either a human or nonhuman primate model, the Pharmaceutical Agent is demonstrated to have at least a seven percent (7%) increase in humans and fifty percent (50%) increase in nonhuman primates in the ApoA-1 plasma level in two consecutive weeks of treatment using less than 30 milligrams – b.i.d. (60 milligrams per day) of the Pharmaceutical Agent per kilogram of the weight of the subject;

(vi) "**Apo Products**" means any product, device, process, substance, composition or service that falls within the ApoA-1 Therapeutic Field and in respect of which the Corporation has an Apo Intellectual Property Right;

(vii) "**Apo Intellectual Property Right**" means any right, whether under a patent, patent application or invention disclosure or otherwise, to use, or to prevent others from using, any product, device, process, substance, composition or service that falls within an ApoA-1 Therapeutic Field;

(viii) "**Liquidation Event**" has the meaning attributable to such term in subsection 5(d);

(ix) "**Licensee**" means any Person that has any right to research, develop, make, manufacture, modify, administer, offer to sell, sell or distribute one or more of the Apo Products, including without limitation, a sublicensee of such Person;

(x) "**Net Apo Revenue**" means the aggregate of the following amounts:

(A) amounts received by the Corporation or its Affiliates from any Person who is not the Corporation or its Affiliate (a "**third party**") in consideration for granting a license or other rights to the third party which entitle the third party to research, develop, make, manufacture,

modify, administer, offer to sell, sell or distribute one or more of the Apo Products and/or Apo Intellectual Property Rights or amounts received under the terms of such license or other right that are granted to the third party;

(B) the gross consideration received from a third party by the Corporation, any Licensee or their respective Affiliates from the sale of any Apo Product (other than consideration received by the Corporation, any Licensee or their respective Affiliates from a Licensee of such Apo Product or its Affiliate); less (1) credits or allowances, if any, actually granted; (2) discounts actually allowed; (3) freight, postage, and insurance charges and additional special packaging charges; and (4) customs duties, and excise sales taxes, duties or other taxes imposed upon and paid with respect to such sales (excluding what is commonly known as income taxes); and

(C) amounts received from a third party by the Corporation or its Affiliates in consideration for the sale of any Apo Intellectual Property Right;

(xi) "**Person**" means any individual, corporation, firm, partnership (including, without limitation, a limited partnership), sole proprietorship, syndicate, joint venture, trustee, trust, any unincorporated organization or association, any government or instrumentality thereof and any tribunal;

(xii) "**Pharmaceutical Agent**" means a compound or composition covered by an Apo Intellectual Property Right;

(xiii) "**Royalty Amount**" means the amount computed on each Royalty Dividend Payment Date using the following formula:

(A X B) ÷ C

where

A is the amount of the Net Apo Revenue for the applicable Royalty Dividend Payment Period

and

B is:

(A) 6% of the aggregate Net Apo Revenue for the applicable Royalty Dividend Payment Period that is less than or equal to US$1 billion;

(B) 8% of the aggregate Net Apo Revenue for the applicable Royalty Dividend Payment Period that is greater than US$1 billion but less than or equal to US$2 billion;

(C) 10% of the aggregate Net Apo Revenue for the applicable Royalty Dividend Payment Period that is greater than US$2 billion but less than or equal to US$5 billion; and

(D) 12% of the aggregate Net Apo Revenue for the applicable Royalty Dividend Payment Period that is greater than US$5 billion

and

C is the number of Royalty Preferred Shares issued on the date of the Plan of Arrangement;

(xiv) "**Royalty Dividend Payment**" means Semi-Annual Royalty Dividend Payment or the Yearly Royalty Dividend Payment, as applicable;

(xv) "**Royalty Dividend Payment Date**" means the Semi-Annual Royalty Dividend Payment Date or the Yearly Royalty Dividend Payment Date, as applicable;

(xvi) "**Royalty Dividend Payment Period**" means the Semi-Annual Royalty Dividend Payment Period or the Yearly Royalty Dividend Payment Period, as applicable;

(xvii) "**Semi-Annual Royalty Dividend Payment**" has the meaning ascribed to such term in subsection 5(c)(i);

(xviii) "**Semi-Annual Royalty Payment Amount**" has the meaning ascribed to such term in subsection 5(c)(i)(A);

(xix) "**Semi-Annual Royalty Dividend Payment Date**" means the date that is three (3) months after the last day of the Semi-Annual Royalty Dividend Payment Period immediately preceding such date;

(xx) "**Semi-Annual Royalty Dividend Payment Period**" means the period from May 1 to October 31 of each fiscal year;

(xxi) "**Tax Factor**" means

A ÷ B

where

A is one; and

B is the aggregate of: (A) one; and (B) one multiplied by the rate of tax under Part VI .1 of the *Income Tax Act* (Canada) applicable to a dividend on the Royalty Preferred Shares;

(xxii) "**Yearly Royalty Dividend Payment**" has the meaning ascribed to such term in subsection 5(c)(i)(B);

(xxiii) "**Yearly Royalty Dividend Payment Date**" means the date that is four (4) months after the last day of the Yearly Royalty Dividend Payment Period immediately preceding such date; and

(xxiv) "**Yearly Royalty Dividend Payment Period"** means the period from May 1 to April 30 of each fiscal year.

(b) Subject to the ABCA, the registered holders of each Royalty Preferred Share shall not be entitled to receive notice of or attend meetings of the shareholders of the Corporation and shall not be entitled to vote at any such meetings other than in respect of separate meetings of the holders of the Royalty Preferred Shares.

(c) Holders of Royalty Preferred Shares shall be entitled to receive and the Corporation shall pay in cash thereon cumulative preferential dividends as follows:

(i) For each Royalty Preferred Share held:

(A) on each Semi-Annual Royalty Dividend Payment Date, an amount equal to:

(1) the Royalty Amount for the Semi-Annual Royalty Dividend Payment Period immediately preceding such date (the "**Semi-Annual Royalty Payment Amount"**); multiplied by

(2) the Tax Factor

(the "**Semi-Annual Royalty Dividend Payment**"); and

(B) on each Yearly Royalty Dividend Payment Date, an amount equal to the Tax Factor multiplied by the difference between:

(1) the Royalty Amount for the Yearly Royalty Dividend Payment Period immediately preceding such date; and

(2) the Semi-Annual Royalty Payment Amount for the Semi-Annual Royalty Dividend Payment Date immediately preceding such date,

(the "**Yearly Royalty Dividend Payment**").

(ii) Payment of each Royalty Dividend Payment shall be accompanied by a report summarizing the amount of the Net Apo Revenue for the applicable Royalty Dividend Payment Period with the supporting calculation.

(iii) In the event that the Corporation does not declare and pay the Royalty Dividend Payment on the applicable Royalty Dividend Payment Date, holders of Royalty Preferred Shares shall be entitled to receive and the Corporation shall pay in cash thereon, additional cumulative preferential dividends in an amount equal to twenty percent (20%) per annum of the Royalty Dividend Payment payable on such Royalty Dividend Payment Date, multiplied by the Tax Factor, calculated daily and compounded monthly (the "**Additional Royalty Dividend Payment**").

(iv) No dividend or distribution with respect to common shares or any class of shares of the Corporation, other than the Class A Preferred Shares, may be paid unless all accrued Royalty Dividend Payment and Additional Royalty Dividend Payments on the Royalty Preferred Shares then issued and outstanding shall have been declared and paid in full in cash.

(v) In the event that the Corporation:

(A) does not have sufficient funds on the applicable Royalty Dividend Payment Date to pay the Royalty Dividend Payment in cash; or

(B) is prohibited under the ABCA from paying the Royalty Dividend Payment in cash,

the amount of the Royalty Dividend Payment and applicable Additional Royalty Dividend Payment shall be added to and form part of the amounts payable under subsection 5(d); provided, however, that the Corporation shall have provided to each holder of the Royalty Preferred Shares a certificate of two qualified directors or senior officers of the Corporation certifying that the Corporation does not have sufficient funds or is prohibited under the ABCA from paying the Royalty Dividend Payment in cash on the applicable Royalty Dividend Payment Date.

(vi) The holders of the Royalty Preferred Shares shall not be entitled to any dividends on the Royalty Preferred Shares other than the Royalty Dividend Payments and Additional Royalty Dividend Payments hereinbefore provided for.

(vii) The Corporation is required to, and will, make an election in respect of the Royalty Preferred Shares under subsection 191.2(1) of the *Income Tax Act* (Canada) by filing the prescribed form with the Minister of National Revenue within the required time period.

(d) In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other return of capital or distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs (a "**Liquidation Event**"), the holders of the Royalty Preferred Shares shall be entitled to receive in respect of each such share, before any distribution of any part of the assets of the Corporation among the holders of Common Shares or other shares of the Corporation ranking junior to the Royalty Preferred Shares, an amount equal to the greater of: (i) $1.00 divided by the number of outstanding Royalty Preferred Shares; and (ii) the amount of any accrued, but unpaid Royalty Dividend Payment and Additional Royalty Dividend Payment. For purposes of computing the accrued but unpaid Royalty Dividend Payment due to the holder of the Royalty Preferred Shares pursuant to this subsection 5(d), the date of such Liquidation Event shall be deemed to be a Royalty Dividend Payment Date and the Royalty Amount and the Royalty Dividend Payment shall be computed on such date, taking into account, for greater certainty, all amounts received by the Corporation, its Affiliates or any Licensee on the Liquidation Event attributable to Apo Products, in computing the Net Apo Revenue to such date. After payment to the holders of the Royalty Preferred Shares of the amount so payable to such holders as herein provided, the holders of the Royalty Preferred Shares shall not be entitled to share in any further distribution of the property or assets of the Corporation.

(e) The holders of Royalty Preferred Shares shall be entitled to vote separately as a class, and shall be entitled to dissent, upon a proposal to amend the constating documents of the Corporation to:

(i) (A) increase or decrease any maximum number of Royalty Preferred Shares in the capital of the Corporation; or (B) issue any Royalty Preferred Shares;

(ii) (A) increase any maximum number of authorized shares of a class;

(B) issue any shares of any class; or

(C) create a new class of shares,

having rights or privileges equal or superior to the Royalty Preferred Shares with respect to rights to dividends or distributions or rights in the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other return of capital or distribution of the Corporation among its shareholders for the purpose of winding up its affairs; or

(iii) effect an exchange, reclassification or cancellation of all or part of the Royalty Preferred Shares.

SCHEDULE B

Share Conditions attaching to Resverlogix New Common Shares, Resverlogix Preferred Shares and Resverlogix Royalty Preferred Shares at the time of the amendment contemplated in subsection 3.1(h) of the Plan of Arrangement

1. The rights, privileges, restrictions and conditions attaching to the Common Shares shall be as follows:

   (a) The holders of Common Shares shall be entitled to receive notice of and to attend and vote at all meetings of shareholders of the Corporation except meetings of the holders of another class of shares. Each Common Share shall entitle the holder thereof to one vote in respect of each Common Share held.

   (b) Subject to the preferences accorded to the holders of any class of preferred shares, the holders of Common Shares shall be entitled to receive such dividends as may be declared thereon by the board of directors of the Corporation from time to time.

   (c) In the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the holders of Common Shares shall be entitled to receive pro rata all of the assets remaining for distribution after the payment to the holders of any class of preferred shares, in accordance with the preference on liquidation, dissolution or winding-up accorded to the holders of any class of preferred shares.

2. The rights, privileges, restrictions and conditions attaching to the Preferred Shares are as follows:

   (a) The board of directors may at any time and from time to time issue the Preferred Shares in one or more series, each series to consist of such number of shares as may, before the issuance thereof, be determined by the board of directors.

   (b) The board of directors of the Corporation may (subject to as hereinafter provided) from time to time fix, before issuance, the designation, rights, privileges, restrictions and conditions attaching to each series of Preferred Shares including, without limiting the generality of the foregoing, the amount, if any, specified as being payable preferentially to such series on a distribution of capital of the Corporation; the extent, if any, of further participation in a distribution of capital; voting rights, if any; and dividend rights (including whether such dividends be preferential, or cumulative or non-cumulative), if any.

   (c) In the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the holders of each series of Preferred Shares shall be entitled, in priority to the holders of Common Shares and any other shares of the Corporation ranking junior to the Preferred Shares on a distribution of capital, to be paid rateably with the holders of each other series of Preferred Shares the amount, if any, specified as being payable preferentially to the holders of such series on a distribution of capital of the Corporation.

   (d) The holders of each series of Preferred Shares shall be entitled, in priority to the holders of Common Shares and any other shares of the Corporation ranking junior to the Preferred Shares with respect to the payment of cumulative dividends, to be paid rateably

with the holders of each other series of Preferred Shares, the amount of cumulative dividends, if any, specified as being payable preferentially to the holders of such series.

3. The rights, privileges, restrictions and conditions attaching to the Royalty Preferred Shares are as follows:

(a) Definitions:

(i) "**ABCA**" means the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder;

(ii) "**Additional Royalty Dividend Payment**" has the meaning attributable to such term in subsection 3(c)(iii);

(iii) "**Affiliate**" means any Person, or group of Persons entitled to carry on business in any country, which now or hereafter directly or indirectly controls, is controlled by, or is under common control with, the entity; "control" in an affiliate requires ownership of fifty percent (50%) or more of: (A) voting stock of a Person which has issued voting stock; or (B) ownership interest in any other enterprise;

(iv) "**ApoA-1**" means Apolipoprotein A-1;

(v) "**ApoA-1 Therapeutic Field**" means the prevention, treatment or mitigation of any disease via the administration of a Pharmaceutical Agent that results in therapeutic relevant elevation in the plasma levels of ApoA-1 that in a predictable model of ApoA-1 expression, using either a human or nonhuman primate model, the Pharmaceutical Agent is demonstrated to have at least a seven percent (7%) increase in humans and fifty percent (50%) increase in nonhuman primates in the ApoA-1 plasma level in two consecutive weeks of treatment using less than 30 milligrams – b.i.d. (60 milligrams per day) of the Pharmaceutical Agent per kilogram of the weight of the subject;

(vi) "**Apo Products**" means any product, device, process, substance, composition or service that falls within the ApoA-1 Therapeutic Field and in respect of which the Corporation has an Apo Intellectual Property Right;

(vii) "**Apo Intellectual Property Right**" means any right, whether under a patent, patent application or invention disclosure or otherwise, to use, or to prevent others from using, any product, device, process, substance, composition or service that falls within an ApoA-1 Therapeutic Field;

(viii) "**Liquidation Event**" has the meaning attributable to such term in subsection 3(d);

(ix) "**Licensee**" means any Person that has any right to research, develop, make, manufacture, modify, administer, offer to sell, sell or distribute one or more of the Apo Products, including without limitation, a sublicensee of such Person;

(x) "**Net Apo Revenue**" means the aggregate of the following amounts:

(A) amounts received by the Corporation or its Affiliates from any Person who is not the Corporation or its Affiliate (a "**third party**") in consideration for granting a license or other rights to the third party which entitle the third party to research, develop, make, manufacture, modify, administer, offer to sell, sell or distribute one or more of the Apo Products and/or Apo Intellectual Property Rights or amounts received under the terms of such license or other right that are granted to the third party;

(B) the gross consideration received from a third party by the Corporation, any Licensee or their respective Affiliates from the sale of any Apo Product (other than consideration received by the Corporation, any Licensee or their respective Affiliates from a Licensee of such Apo Product or its Affiliate); less (1) credits or allowances, if any, actually granted; (2) discounts actually allowed; (3) freight, postage, and insurance charges and additional special packaging charges; and (4) customs duties, and excise sales taxes, duties or other taxes imposed upon and paid with respect to such sales (excluding what is commonly known as income taxes); and

(C) amounts received from a third party by the Corporation or its Affiliates in consideration for the sale of any Apo Intellectual Property Right;

(xi) "**Person**" means any individual, corporation, firm, partnership (including, without limitation, a limited partnership), sole proprietorship, syndicate, joint venture, trustee, trust, any unincorporated organization or association, any government or instrumentality thereof and any tribunal;

(xii) "**Pharmaceutical Agent**" means a compound or composition covered by an Apo Intellectual Property Right;

(xiii) "**Royalty Amount**" means the amount computed on each Royalty Dividend Payment Date using the following formula:

(A X B) ÷ C

where

A is the amount of the Net Apo Revenue for the applicable Royalty Dividend Payment Period

and

B is:

(A) 6% of the aggregate Net Apo Revenue for the applicable Royalty Dividend Payment Period that is less than or equal to US$1 billion;

(B) 8% of the aggregate Net Apo Revenue for the applicable Royalty Dividend Payment Period that is greater than US$1 billion but less than or equal to US$2 billion;

(C) 10% of the aggregate Net Apo Revenue for the applicable Royalty Dividend Payment Period that is greater than US$2 billion but less than or equal to US$5 billion; and

(D) 12% of the aggregate Net Apo Revenue for the applicable Royalty Dividend Payment Period that is greater than US$5 billion

and

C is the number of Royalty Preferred Shares issued on the date of the Plan of Arrangement;

(xiv) "**Royalty Dividend Payment**" means Semi-Annual Royalty Dividend Payment or the Yearly Royalty Dividend Payment, as applicable;

(xv) "**Royalty Dividend Payment Date**" means the Semi-Annual Royalty Dividend Payment Date or the Yearly Royalty Dividend Payment Date, as applicable;

(xvi) "**Royalty Dividend Payment Period**" means the Semi-Annual Royalty Dividend Payment Period or the Yearly Royalty Dividend Payment Period, as applicable;

(xvii) "**Semi-Annual Royalty Dividend Payment**" has the meaning ascribed to such term in subsection 3(c)(i);

(xviii) "**Semi-Annual Royalty Payment Amount**" has the meaning ascribed to such term in subsection 3(c)(i)(A);

(xix) "**Semi-Annual Royalty Dividend Payment Date**" means the date that is three (3) months after the last day of the Semi-Annual Royalty Dividend Payment Period immediately preceding such date;

(xx) "**Semi-Annual Royalty Dividend Payment Period**" means the period from May 1 to October 31 of each fiscal year;

(xxi) "**Tax Factor**" means

A ÷ B

where

A is one; and

B is the aggregate of: (A) one; and (B) one multiplied by the rate of tax under Part VI .1 of the *Income Tax Act* (Canada) applicable to a dividend on the Royalty Preferred Shares;

(xxii) "**Yearly Royalty Dividend Payment**" has the meaning ascribed to such term in subsection 3(c)(i)(B);

(xxiii) "**Yearly Royalty Dividend Payment Date**" means the date that is four (4) months after the last day of the Yearly Royalty Dividend Payment Period immediately preceding such date; and

(xxiv) "**Yearly Royalty Dividend Payment Period"** means the period from May 1 to April 30 of each fiscal year.

(b) Subject to the ABCA, the registered holders of each Royalty Preferred Share shall not be entitled to receive notice of or attend meetings of the shareholders of the Corporation and shall not be entitled to vote at any such meetings other than in respect of separate meetings of the holders of the Royalty Preferred Shares.

(c) Holders of Royalty Preferred Shares shall be entitled to receive and the Corporation shall pay in cash thereon cumulative preferential dividends as follows:

(i) For each Royalty Preferred Share held:

(A) on each Semi-Annual Royalty Dividend Payment Date, an amount equal to:

(1) the Royalty Amount for the Semi-Annual Royalty Dividend Payment Period immediately preceding such date (the "**Semi-Annual Royalty Payment Amount"**); multiplied by

(2) the Tax Factor

(the "**Semi-Annual Royalty Dividend Payment**"); and

(B) on each Yearly Royalty Dividend Payment Date, an amount equal to the Tax Factor multiplied by the difference between:

(1) the Royalty Amount for the Yearly Royalty Dividend Payment Period immediately preceding such date; and

(2) the Semi-Annual Royalty Payment Amount for the Semi-Annual Royalty Dividend Payment Date immediately preceding such date,

(the "**Yearly Royalty Dividend Payment**").

(ii) Payment of each Royalty Dividend Payment shall be accompanied by a report summarizing the amount of the Net Apo Revenue for the applicable Royalty Dividend Payment Period with the supporting calculation.

(iii) In the event that the Corporation does not declare and pay the Royalty Dividend Payment on the applicable Royalty Dividend Payment Date, holders of Royalty Preferred Shares shall be entitled to receive and the Corporation shall pay in cash thereon, additional cumulative preferential dividends in an amount equal to twenty percent (20%) per annum of the Royalty Dividend Payment payable on such Royalty Dividend Payment Date, multiplied by the Tax Factor, calculated daily and compounded monthly (the "**Additional Royalty Dividend Payment**").

(iv) No dividend or distribution with respect to common shares or any class of shares of the Corporation, other than the Class A Preferred Shares, may be paid unless all accrued Royalty Dividend Payment and Additional Royalty Dividend Payments on the Royalty Preferred Shares then issued and outstanding shall have been declared and paid in full in cash.

(v) In the event that the Corporation:

(A) does not have sufficient funds on the applicable Royalty Dividend Payment Date to pay the Royalty Dividend Payment in cash; or

(B) is prohibited under the ABCA from paying the Royalty Dividend Payment in cash,

the amount of the Royalty Dividend Payment and applicable Additional Royalty Dividend Payment shall be added to and form part of the amounts payable under subsection 3(d); provided, however, that the Corporation shall have provided to each holder of the Royalty Preferred Shares a certificate of two qualified directors or senior officers of the Corporation certifying that the Corporation does not have sufficient funds or is prohibited under the ABCA from paying the Royalty Dividend Payment in cash on the applicable Royalty Dividend Payment Date.

(vi) The holders of the Royalty Preferred Shares shall not be entitled to any dividends on the Royalty Preferred Shares other than the Royalty Dividend Payments and Additional Royalty Dividend Payments hereinbefore provided for.

(vii) The Corporation is required to, and will, make an election in respect of the Royalty Preferred Shares under subsection 191.2(1) of the *Income Tax Act* (Canada) by filing the prescribed form with the Minister of National Revenue within the required time period.

(d) In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other return of capital or distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs (a "**Liquidation Event**"), the holders of the Royalty Preferred Shares shall be entitled to receive in respect of each such share, before any distribution of any part of the assets of the Corporation among the holders of Common Shares or other shares of the Corporation ranking junior to the Royalty Preferred Shares, an amount equal to the greater of: (i) $1.00 divided by the number of outstanding Royalty Preferred Shares; and (ii) the amount of any accrued, but unpaid Royalty Dividend Payment and Additional Royalty Dividend Payment. For purposes of computing the accrued but unpaid Royalty Dividend Payment due to the holder of the Royalty Preferred Shares pursuant to this subsection 3(d), the date of such Liquidation Event shall be deemed to be a Royalty Dividend Payment Date and the Royalty Amount and the Royalty Dividend Payment shall be computed on such date, taking into account, for greater certainty, all amounts received by the Corporation, its Affiliates or any Licensee on the Liquidation Event attributable to Apo Products, in computing the Net Apo Revenue to such date. After payment to the holders of the Royalty Preferred Shares of the amount so payable to such holders as herein provided, the holders of the Royalty Preferred Shares shall not be entitled to share in any further distribution of the property or assets of the Corporation.

(e) The holders of Royalty Preferred Shares shall be entitled to vote separately as a class, and shall be entitled to dissent, upon a proposal to amend the constating documents of the Corporation to:

(i) (A) increase or decrease any maximum number of Royalty Preferred Shares in the capital of the Corporation; or (B) issue any Royalty Preferred Shares;

(ii) (A) increase any maximum number of authorized shares of a class;

(B) issue any shares of any class; or

(C) create a new class of shares,

having rights or privileges equal or superior to the Royalty Preferred Shares with respect to rights to dividends or distributions or rights in the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other return of capital or distribution of the Corporation among its shareholders for the purpose of winding up its affairs; or

(iii) effect an exchange, reclassification or cancellation of all or part of the Royalty Preferred Shares.

SCHEDULE C

Calculation of the Therapeutics Cash Amount and Therapeutics Debt Amount

Therapeutics Cash Amount	US$●
Therapeutics Debt Amount	US$●

APPENDIX C

INTERIM ORDER

COURT FILE NUMBER	1301-04666
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	RESVERLOGIX CORP.

Clerk's Stamp

IN THE MATTER OF Section 193 of the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended

AND IN THE MATTER OF a proposed arrangement involving Resverlogix Corp., RVX Therapeutics Inc., 1741273 Alberta Ltd. and the shareholders of Resverlogix Corp.

DOCUMENT **INTERIM ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

BORDEN LADNER GERVAIS LLP
Centennial Place, East Tower
1900, 520 – 3rd Avenue S.W.
Calgary, Alberta T2P 0R3
Telephone: (403) 232-9500
Facsimile: (403) 266-1395

Attention: David T. Madsen

File No. 432505.000035

DATE ON WHICH ORDER WAS PRONOUNCED: **APRIL 29, 2013**

LOCATION WHERE ORDER WAS PRONOUNCED: **EDMONTON, ALBERTA**

NAME OF JUDGE WHO MADE THIS ORDER: **MR. JUSTICE K. D. YAMAUCHI**

UPON the Originating Application (the "**Application**") of Resverlogix Corp. ("**Resverlogix**") pursuant to Section 193 of the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended (the "**ABCA**");

AND UPON reading the Application and the affidavit of A. Brad Cann, Chief Financial Officer of Resverlogix, sworn on April 29, 2013 (the "**Affidavit**") and the documents referred to therein;

AND UPON hearing counsel for Resverlogix;

AND UPON being advised that the Executive Director of the Alberta Securities Commission (the "**Executive Director**") has been served with notice of this Application as required by subsection 193(8) of the ABCA and that the Executive Director neither consents to nor opposes this Application;

FOR THE PURPOSES OF THIS ORDER:

(a) the capitalized terms not defined in this Order shall have the meanings attributed to them in the management information circular and proxy statement of Resverlogix to be dated on or about April 29, 2013 (the "**Information Circular**"), a draft copy of which is attached as Exhibit "A" to the Affidavit; and

(b) all references to the "**Arrangement**" used herein mean the arrangement proposed by Resverlogix, as set forth in the plan of arrangement attached as Exhibit 1 to the arrangement agreement between Resverlogix, RVX Therapeutics Inc. ("**Therapeutics**") and 1741273 Alberta Ltd. ("**Newco**") to be dated April 29, 2013 (the "**Arrangement Agreement**"), which is attached as Appendix B to the Information Circular.

IT IS HEREBY ORDERED AND ADJUDGED THAT:

General

1. The proposed course of action is an "arrangement" within the definition of the ABCA and Resverlogix may proceed with the Arrangement.

2. Resverlogix shall seek approval of the Arrangement by the holders ("**Resverlogix Shareholders**") of common shares of Resverlogix ("**Resverlogix Shares**") in the manner set forth below.

Meeting of Resverlogix Shareholders

3. Resverlogix shall call and conduct a special meeting (the "**Meeting**") of Resverlogix Shareholders to be held on May 28, 2013. At the Meeting, Resverlogix Shareholders will consider and vote upon a special resolution approving the Arrangement (the "**Arrangement Resolution**") and such other business, as applicable, including amendments to the foregoing, as may properly be brought before the Meeting or any adjournment or postponement thereof, all as more particularly described in the Information Circular.

4. The Meeting shall be called, held and conducted in accordance with the applicable provisions of the ABCA, the articles and by-laws of Resverlogix, this Order and any further order of this Court. To the extent that there is any inconsistency or discrepancy between this Order and the applicable provisions of the ABCA, the articles and by-laws of Resverlogix, as applicable, the terms of this Order shall govern.

5. The quorum at the Meeting in respect of Resverlogix Shareholders shall be at least two (2) persons present in person, each being a Resverlogix Shareholder entitled to vote thereat or a duly appointed proxy or

representative for an absent Resverlogix Shareholder so entitled, and representing in the aggregate not less than five percent (5%) of the outstanding Resverlogix Shares.

6. If within thirty (30) minutes of the appointed time of the Meeting a quorum in respect of Resverlogix Shareholders is not present, the Meeting shall stand adjourned to such date, time and place as determined by the Chairman of the Meeting. If the Chairman selects a new Meeting date that is less than thirty (30) days after the original Meeting date, it shall not be necessary to give further notice of the reconvened Meeting. If the Chairman selects a new Meeting date that is more than thirty (30) days after the original Meeting date, notice shall be given to each Resverlogix Shareholder in any manner permitted by this Order. At such adjourned meeting, Resverlogix Shareholders present shall be a quorum for all purposes.

7. The board of directors of Resverlogix (the "**Resverlogix Board**") has fixed a record date for the Meeting of April 25, 2013 (the "**Record Date**"). Only Resverlogix Shareholders whose names have been entered in the applicable register of securities at the close of business on the Record Date will be entitled to receive notice to attend and to vote at the Meeting provided that, to the extent a Resverlogix Shareholder transfers the ownership of any Resverlogix Shares after the Record Date and the transferee of those Resverlogix Shares produces properly endorsed certificates evidencing such Resverlogix Shares or otherwise establishes ownership of such shares and demands, not later than ten (10) days before the Meeting, to be included in the list of Resverlogix Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those Resverlogix Shares at the Meeting.

8. Each Resverlogix Shareholder entitled to vote at the Meeting will be entitled to one vote for each Resverlogix Share held in respect of the Arrangement Resolution.

Conduct of the Meeting

9. The Chairman of the Meeting (the "**Chairman**") shall be any officer or director of Resverlogix.

10. The only persons entitled to attend and speak at the Meeting shall be Resverlogix Shareholders or their authorized representatives, the directors, officers and auditors of Resverlogix, Therapeutics and Newco, professional legal advisors to Resverlogix, Therapeutics and Newco, the scruitineers for the Meeting and their representatives, the Executive Director and such other persons who may be permitted by the Chairman.

11. The requisite votes required to pass the Arrangement Resolution shall be at least 66⅔% of the votes cast by Resverlogix Shareholders present in person or represented by proxy at the Meeting.

12. The scrutineer for the Meeting shall be Valiant Trust Company, acting through its representatives for that purpose, and its duties shall include:

(a) supervising and reporting to the Chairman on the deposit and the validity of the proxies;

(b) reporting to the Chairman on the quorum of the Meeting;

(c) reporting to the Chairman on the polls taken or ballots cast at the Meeting; and

(d) providing to the Resverlogix Board and to the Chairman written reports on matters related to their duties.

Notice of the Meeting

13. The Information Circular, substantially in the form attached as Exhibit "A" to the Affidavit, with amendments thereto as Resverlogix or counsel to Resverlogix may determine to be necessary or desirable (provided that such amendments are not inconsistent with the terms of this Order) and including a Notice of Special Meeting of Resverlogix Shareholders (the "**Notice of Meeting**"), a Notice of Originating Application and this Order, together with any other communications or documents determined by Resverlogix to be necessary or advisable (collectively, the "**Meeting Materials**"), shall be sent to: (i) Resverlogix Shareholders who hold Resverlogix Shares as of the Record Date; and (ii) the directors and auditors of Resverlogix, by one or more of the following methods:

(a) in the case of registered Resverlogix Shareholders, by prepaid first class or ordinary mail, by courier or by delivery in person, addressed to each such holder at the address of Resverlogix Shareholders recorded on the register of Resverlogix Shareholders on the Record Date, at least 21 days prior to the Meeting;

(b) in the case of non-registered Resverlogix Shareholders, by providing sufficient copies of the finalized Meeting Materials, in accordance with National Instrument 54-101 – *Communication With Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators; and

(c) in the case of the directors and auditors of Resverlogix, by email, facsimile, prepaid first class or ordinary mail, by courier or by delivery in person, addressed to the individual directors or firm of auditors, as applicable, at least twenty-one (21) days prior to the Meeting.

In calculating the twenty-one (21) day period referred to in subparagraphs (a) and (c) above, the date of mailing shall be included and the date of the Meeting shall be excluded.

14. Delivery of the Meeting Materials in the manner directed by this Order shall be deemed to be good and sufficient service upon Resverlogix Shareholders and the directors and auditors of Resverlogix of:

(a) this Order;

(b) the Notice of Meeting; and

(c) the Notice of Originating Application and the Application,

all in substantially the forms set forth in the Information Circular. The Meeting Materials will also include an instrument of proxy and a letter of transmittal, and such other material as Resverlogix may consider fit.

15. Notice of any amendments, updates or supplements ("**Amendments**") to any of the Meeting Materials, if necessary to be communicated to Resverlogix Shareholders, may be communicated to Resverlogix Shareholders by press release, newspaper advertisement or by notice to Resverlogix Shareholders using one of the methods specified in paragraph 13 of this Order.

16. The accidental failure or omission on a *de minimis* basis to give notice of the Meeting or Amendments to any one or more Resverlogix Shareholders or any other person, or any failure or omission to give notice as a result of events beyond the reasonable control of Resverlogix (including, without limitation, any inability to utilize postal services), shall not constitute a breach of this Order or a defect in the calling of the Meeting and shall not invalidate any resolution passed or proceedings taken at the Meeting.

Deposit of Proxies and Solicitation of Proxies

17. To be valid, a proxy must be deposited with Resverlogix in the manner described in the Information Circular.

18. Resverlogix is authorized to solicit proxies, directly or through its officers, directors and employees, and through agents that it may retain for that purpose, by mail, telephone or other forms of personal or electronic communication.

Adjournments and Postponements

19. Notwithstanding the provisions of the ABCA, Resverlogix, if it deems it advisable, may adjourn or postpone the Meeting on one or more occasions and for such period(s) of time as Resverlogix deems advisable, without the necessity of first convening the Meeting or first obtaining any vote of Resverlogix Shareholders respecting such adjournment or postponement and without the need for approval of the Court. In the event of any such adjournment or postponement, the Record Date shall not be amended or changed. Notice of any such adjournments or postponements (including, for greater certainty, any adjournment pursuant to paragraphs 6 of this Order) shall be given by such method as Resverlogix may determine is appropriate in the circumstances, including by press release, newspaper advertisement or by notice sent to Resverlogix Shareholders by one of the methods specified in paragraph 13 of this Order (provided that such authorization shall not derogate from the rights of Therapeutics or Newco, as the other parties to the

Arrangement Agreement). If the Meeting is adjourned or postponed in accordance with this Order, the references to the Meeting in this Order shall be deemed to be the Meeting as adjourned or postponed.

Amendments

20. Resverlogix is authorized to make such amendments, revisions or supplements to the Arrangement as it may determine necessary or desirable, provided that such amendments are made in accordance and in the manner contemplated by the Arrangement and the Arrangement Agreement. The Arrangement as so amended, revised or supplemented shall be deemed to be the Arrangement submitted to the Meeting and the subject of the Arrangement Resolution.

Dissent Rights

21. The registered Resverlogix Shareholders are, subject to the provisions of this Order and the Arrangement, accorded the right of dissent under Section 191 of the ABCA.

22. In order for a registered Resverlogix Shareholder to exercise such right of dissent under Section 191 of the ABCA:

    (a) Resverlogix Shareholders shall be entitled to exercise dissent rights ("**Dissent Rights**") with respect to the Resverlogix Common Shares pursuant to and in the manner set forth in Section 191 of the ABCA as modified by the Interim Order and Section 6 of the Plan of Arrangement, but provided that notwithstanding subsection 191(5)(a) of the ABCA, such Dissenting Shareholder delivers to Resverlogix written objection to the Arrangement by 5:00 p.m. (Calgary time) on the second Business Day immediately prior to the date of the Meeting and otherwise complies with Section 191 of the ABCA (the "**Dissent Procedures**").

    (b) If the Arrangement is concluded, a Resverlogix Shareholder who exercises Dissent Rights in strict compliance with the Dissent Procedures shall be entitled to be paid by Resverlogix the fair value of the Resverlogix Common Shares held by such Dissenting Shareholder, determined as provided for in the ABCA, as modified by the Interim Order and Section 6 of the Plan of Arrangement, provided that any such Dissenting Shareholder who exercises such right to dissent and who:

        (i) is ultimately entitled to be paid fair value for its Resverlogix Common Shares shall be deemed to have transferred its Resverlogix Common Shares to Resverlogix in consideration for a debt claim against Resverlogix to be paid fair value of such Resverlogix Common Shares pursuant to the Dissent Procedures, and shall not be entitled to any other payment or consideration, including any payment under the Arrangement had such holders not exercised their Dissent Rights; or

(ii) is for any reason ultimately not entitled to be paid fair value for its Resverlogix Common Shares, shall be deemed to have participated in the Arrangement as of the Effective Time at the same terms and at the same time as a non-dissenting Resverlogix Shareholder and shall be issued only the same consideration which a Resverlogix Shareholder is entitled to receive under the Arrangement as if such Dissenting Shareholder would not have exercised Dissent Rights.

23. For greater certainty, in addition to any other restrictions in Section 191 of the ABCA, no person who has voted in favour of this Plan of Arrangement shall be entitled to dissent with respect to this Plan of Arrangement.

24. Subject to further order of this Court, the rights available to Resverlogix Shareholders under the ABCA and the Arrangement to dissent from the Arrangement Resolution shall constitute full and sufficient rights of dissent for Resverlogix Shareholders with respect to the Arrangement Resolution.

25. Notice to Resverlogix Shareholders of their right of dissent with respect to the Arrangement Resolution and to receive, subject to the provisions of the ABCA and the Arrangement, the fair value of their Resverlogix Shares, shall be sufficiently given by a description of those rights in the Information Circular to be sent to Resverlogix Shareholders in accordance with this Order.

Final Application

26. Subject to further Order of this Court and provided that Resverlogix Shareholders have approved the Arrangement at the Meeting in the manner set forth in this Order, and provided the Resverlogix Board has not revoked its approval, Resverlogix may proceed with an application for the approval of the Arrangement and the Final Order at 1:15 p.m. (Calgary time) on May 30, 2013 or as soon thereafter as counsel may be heard at the Calgary Courts Centre, Calgary, Alberta. Subject to the Final Order, and to the issuance of the proof of the filing of the Articles of the Arrangement, Resverlogix, Therapeutics, Newco, all Resverlogix Shareholders and all other persons will be bound by the Arrangement in accordance with its terms.

27. Any Resverlogix Shareholder or any other interested party desiring to appear and make submissions at the application for the Final Order (an "**Interested Party**"), shall file with this Court and serve upon Resverlogix on or before 12:00 noon (Calgary time) on May 23, 2013, a Notice of Intention to Appear including the Interested Party's address for service in the Province of Alberta and indicating whether such Interested Party intends to support or oppose the application or make submissions thereat, together with a summary of the position such Interested Party intends to advocate before the Court and any evidence or materials which are to be presented to the Court by such Interested Party. Service of such notice on Resverlogix shall be effected by service upon its counsel, Borden Ladner Gervais LLP, at the address set out below:

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 – 3rd Avenue S.W.
Calgary, Alberta T2P 0R3
Attention: David T. Madsen

28. In the event the application for the Final Order is adjourned, only those parties appearing before this Court for the application for the Final Order and those Interested Parties serving a notice of intention to appear in accordance with paragraph 27 of this Order, shall have notice of the adjourned date.

General

29. Service of Notice of the Originating Application is hereby deemed good and sufficient.

30. Resverlogix is entitled at any time to seek leave to vary this Order upon the terms that the Court may direct.

31. The within Order shall be filed by the Clerk notwithstanding the facsimile signature of Justice Yamauchi.

(signed) "*K.D. Yamauchi*"
Justice K.D. Yamauchi

APPENDIX D

INFORMATION CONCERNING NEWCO

TABLE OF CONTENTS

SCHEDULES

NOTICE TO THE READER

As of the date hereof, Newco has not carried on any active business other than in connection with the Arrangement and related matters and as discussed in the Information Circular and this Appendix. The Arrangement provides Resverlogix Shareholders with the opportunity to participate in the business of Newco through the ownership of Newco Shares. Assuming the Arrangement Resolution is approved, immediately following the Effective Time, among other things, Resverlogix Shareholders (excluding Dissenting Shareholders) will ultimately receive, for each Resverlogix Share held, one (1) Newco Share, and Newco will own the Therapeutics Shares. **Unless otherwise noted, the disclosure in this Appendix has been prepared assuming that the Arrangement and the issuance of such Newco Shares has been completed and that Newco is the owner of the Therapeutics Shares.**

All capitalized terms used in this Appendix but not otherwise defined herein have the meanings set forth in the "*Glossary of Terms*" in the Information Circular to which this Appendix is attached.

No securities regulatory authority or stock exchange has expressed an opinion about the Arrangement or the Newco Shares to be issued pursuant to the Arrangement and it is an offence to claim otherwise.

An investment in Newco should be considered highly speculative due to the nature of its activities and the present stage of its development. Newco was incorporated for the purposes of participating in the Arrangement and acquiring the Therapeutics Shares and has not carried on any active business other than in connection with the Arrangement and related matters and as discussed in the Information Circular and this Appendix. See "*Risk Factors*".

The following information is a summary of the business and affairs of Newco and should be read together with the more detailed information regarding the Arrangement contained elsewhere in the Information Circular and the financial statements, *pro forma* financial statements and management's discussion and analysis relating to Newco, in this Appendix or the Schedules attached to this Appendix.

In this Appendix, dollar amounts are expressed in Canadian dollars unless otherwise stated.

ABBREVIATIONS

In this Appendix, the following abbreviations have the meanings set forth below.

"AML"	Acute Myelogenous Leukemia;
"API"	Active Pharmaceutical Ingredient;
"BET"	Bromodomain and Extra Terminal domain, BET proteins are proteins that contain bromodomains, which regulate gene transcription through binding to acetylated lysines within the histones bound to DNA;
"CIA"	Collagen Induced Arthritis;
"Clinical Trial Study"	a research study in human subjects to evaluate a new drug, medical device, biologic or other intervention under a strictly controlled scientific setting;
"DNA"	DeoxyriboNucleic Acid, the material inside the nucleus cells that carries genetic information;
"DMARD"	Disease Modifying Drugs;
"Drug"	any substance that can be used to modify a chemical process or processes in the body to mitigate, treat or prevent, a medical condition;

"FDA"	Food and Drug Administration, the United States governmental agency responsible for the approval, manufacture, usage and sale of food, human diagnostics and therapeutic products in the United States;
"GCP"	Good Clinical Practice, the international ethical and scientific standard for designing, conducting, recording and reporting trials that involve human subjects;
"GLP"	Good Laboratory Practice, the international regulation which embodies a set of principles which provide a framework for laboratory studies, ensuring high quality experimental standards and reliable data;
"IND"	Investigational New Drug, the application submitted to the FDA prior to a drug being tested in humans in clinical trials;
"Medical Device"	a diagnostic or therapeutic article that does not work by chemical action;
"MOAB"	Monoclonal Antibody Technologies;
"NSAID"	Nonsteroidal Anti-inflammatory Drugs;
"Pharmacology"	the study of pharmacological agents and their origin, nature, properties and effects on living organisms;
"Pharmacodynamic"	the response of a mechanism related biomarker to treatment with the drug;
"Pharmaeconomics"	the scientific discipline that compares the value of one pharmaceutical drug or drug therapy to another. It is a sub-discipline of Health economics. A pharmaeconomic study evaluates the cost (expressed in monetary terms) and effects (expressed in terms of monetary value, efficacy or enhanced quality of life) of a pharmaceutical product;
"PTCA"	Percutaneous Transdermal Coronary Angioplasty;
"TPD"	Therapeutic Products Directorate, the Canadian governmental agency that is responsible for the regulation and approval of the sale of drugs and diagnostics in Canada; and
"VCAM"	Vascular Cell Adhesion Molecule.

CORPORATE STRUCTURE OF NEWCO

Name, Address and Incorporation

Newco was incorporated under the ABCA on April 10, 2013 as "1741273 Alberta Ltd."

The head office of Newco is located at Suite 202, 279 Midpark Way S.E., Calgary, Alberta T2X 1M2 and its registered office is located at Suite 600, 815-8th Avenue S.W., Calgary, Alberta T2P 3P2.

Intercorporate Relationships

As of the date hereof, Newco is a wholly-owned subsidiary of Resverlogix. After giving effect to the Arrangement, Newco will be wholly-owned by holders of Resverlogix Shares immediately prior to the Effective Time, other than those Resverlogix Shareholders who exercise the Dissent Rights provided under the terms of the Arrangement.

Upon completion of the Arrangement, Newco will have one wholly-owned subsidiary, being Therapeutics, a company formed under the ABCA.

GENERAL DEVELOPMENT OF THE BUSINESS

General

Newco was incorporated for the purposes of participating in the Arrangement and acquiring the Therapeutics Assets and has not carried on any active business other than in connection with the Arrangement and related matters and as discussed in the Information Circular and this Appendix. Pursuant to the Plan of Arrangement, Resverlogix will transfer the Therapeutics Debt Amount, the Therapeutics Cash Amount and the Therapeutics Shares to Newco on the Effective Date. As at January 31, 2013, the Therapeutics Debt Amount was approximately $15.039 million. It is anticipated that the Therapeutics Cash Amount will be equal to an amount between $5 and 10 million. Newco will also be issued Resverlogix Royalty Preferred Shares, which will provide Newco with dividends based on a percentage of Net Apo Revenue, if any. Following completion of the Arrangement, Newco will be an early stage research company and will, through its wholly-owned subsidiary Therapeutics, have an epigenetic platform technology useful for the discovery of novel treatments for human diseases. Through licenses of patents and patent applications from Resverlogix, Therapeutics will be permitted to develop compounds covered by such licenses and patent applications for applications other than indications involving an increase in ApoA-1. New compounds arising from Therapeutics' epigenetic drug discovery platform function by inhibiting BET bromodomains and have the potential to impact multiple diseases including cancer, autoimmune, neurodegenerative disorders and metabolic abnormalities.

The Arrangement and Other Matters to be Considered at the Meeting

The Arrangement

The following is a summary only of certain of the material terms of the Plan of Arrangement and is subject to, and is qualified in its entirety by, the full text of the Plan of Arrangement attached as Exhibit 1 to the Arrangement Agreement, which is attached as Appendix B to the Information Circular.

Newco entered into the Arrangement Agreement with Resverlogix and Therapeutics on April 29, 2013. The Arrangement Agreement provides for the implementation of the Plan of Arrangement pursuant to which, among other things all of Resverlogix's entire legal and beneficial right, title and interest in and to the Therapeutics Shares will be transferred to Newco and Newco will issue to Resverlogix Shareholders, fully paid and non-assessable Newco Shares on the basis of one (1) Newco Share for each Resverlogix Common Share issued and outstanding immediately prior to the Effective Time.

Upon completion of the Arrangement, Resverlogix Shareholders will own one (1) Resverlogix New Common Share (which will be represented by existing Resverlogix Common Share certificates) and will receive one (1) Newco Share for each Resverlogix Common Share held. A DRS Advice evidencing Newco Shares issued in connection with the Arrangement will be forwarded to each Resverlogix Shareholder. Pursuant to the Arrangement, Therapeutics will become a wholly-owned subsidiary of Newco.

See "*The Arrangement – Summary of the Arrangement*", "*– Arrangement Steps*" and "*– Effects of the Arrangement*" in the Information Circular.

Resverlogix Royalty Preferred Shares

In connection with the Arrangement, Newco will receive one (1) Resverlogix Royalty Preferred Share for each Resverlogix Common Share outstanding immediately prior to the Effective Time. The Resverlogix Royalty Preferred Shares will entitle Newco to cumulative preferential dividends for each Royalty Preferred Share held:

(a) on the date that is three (3) months after the last day of the Semi-Annual Royalty Dividend Payment Period, in an amount equal to the Royalty Amount (as defined below), for such period multiplied by the Tax Factor; and

(b) on the date that is four (4) months after the last day of the Yearly Royalty Dividend Payment Period, in an amount equal the Tax Factor multiplied by the difference between the Royalty Amount for such period and the Royalty Amount for the period described in (a), above.

"**Royalty Amount**" means the amount using the following formula:

(A X B) ÷ C

where

A is the amount of the Net Apo Revenue for the applicable Royalty Dividend Payment Period

and

B is:

(a) 6% of the aggregate Net Apo Revenue for the applicable Royalty Dividend Payment Period that is less than or equal to US$1 billion;

(b) 8% of the aggregate Net Apo Revenue for the applicable Royalty Dividend Payment Period that is greater than US$1 billion but less than or equal to US$2 billion;

(c) 10% of the aggregate Net Apo Revenue for the applicable Royalty Dividend Payment Period that is greater than US$2 billion but less than or equal to US$5 billion; and

(d) 12% of the aggregate Net Apo Revenue for the applicable Royalty Dividend Payment Period that is greater than US$5 billion

and

C is the number of Resverlogix Royalty Preferred Shares issued on the date of the Plan of Arrangement.

In the event that the Corporation does not declare and pay the Royalty Dividend Payment on the applicable payment date, holders of Resverlogix Royalty Preferred Shares shall be entitled to receive and the Corporation shall pay in cash thereon, additional cumulative preferential dividends in an amount equal to twenty percent (20%) per annum of the Royalty Dividend Payment payable on such payment date, multiplied by the Tax Factor, calculated daily and compounded monthly.

See "*The Arrangement – Effects of the Arrangement, Resverlogix Royalty Preferred Shares*".

Other Matters to be Considered at the Meeting

Newco Option Plan

At the Meeting, Resverlogix Shareholders will be asked to consider and, if deemed advisable, to approve an ordinary resolution to adopt the Newco Option Plan, which will authorize the Newco Board to issue Newco Options to employees, officers, directors and certain consultants of Newco and related entities following completion of the Arrangement. To be adopted, the ordinary resolution must be approved by a simple majority of the votes cast at the Meeting by Resverlogix Shareholders. A copy of the Newco Option Plan is set out in Appendix E to the Information Circular. The completion of the Arrangement is not conditional upon approval of the Newco Option Plan by Resverlogix Shareholders.

See "*Other Matters to be Considered at the Meeting – Newco Option Plan*" in the Information Circular and "*Newco Option Plan*" in this Appendix.

Newco LTIP

At the Meeting, Resverlogix Shareholders will be asked to consider and, if deemed advisable, to approve an ordinary resolution to adopt the Newco LTIP, which provides employees, directors, officers and certain consultants of Newco and its subsidiaries with the opportunity to acquire Newco Shares through an award of Newco RSUs and Newco Restricted Stock following completion of the Arrangement. To be adopted, the ordinary resolution must be approved by a simple majority of the votes cast at the Meeting by Resverlogix Shareholders. A copy of the Newco LTIP is set out in Appendix F to the Information Circular. The completion of the Arrangement is not conditional upon approval of the Newco LTIP by Resverlogix Shareholders.

See "*Other Matters to be Considered at the Meeting – Newco LTIP*" in the Information Circular and "*Newco LTIP*" in this Appendix.

Listing and Securities Law Matters

The Newco Shares are not currently traded or quoted on a Canadian marketplace. It is not anticipated that the Newco Shares will be listed on any stock exchange upon completion of the Arrangement. See "*Risk Factors – Risks Relating to an Investment in the Newco Shares – No Public Market for Newco Shares*" in this Appendix.

Upon completion of the Arrangement, Newco will become a reporting issuer or the equivalent thereof in each of the provinces of Canada and will become subject to the informational reporting requirements under applicable securities laws. Newco Shares to be issued to Resverlogix Shareholders pursuant to the Arrangement will, subject to certain trading restrictions under applicable securities laws in Canada and the United States, generally not be subject to any resale or transfer restrictions. See "*Principal Legal Matters – Canadian Securities Laws Matters – Resale of Newco Shares Received in the Arrangement*" and "*Principal Legal Matters – United States Securities Laws Matters*" in the Information Circular.

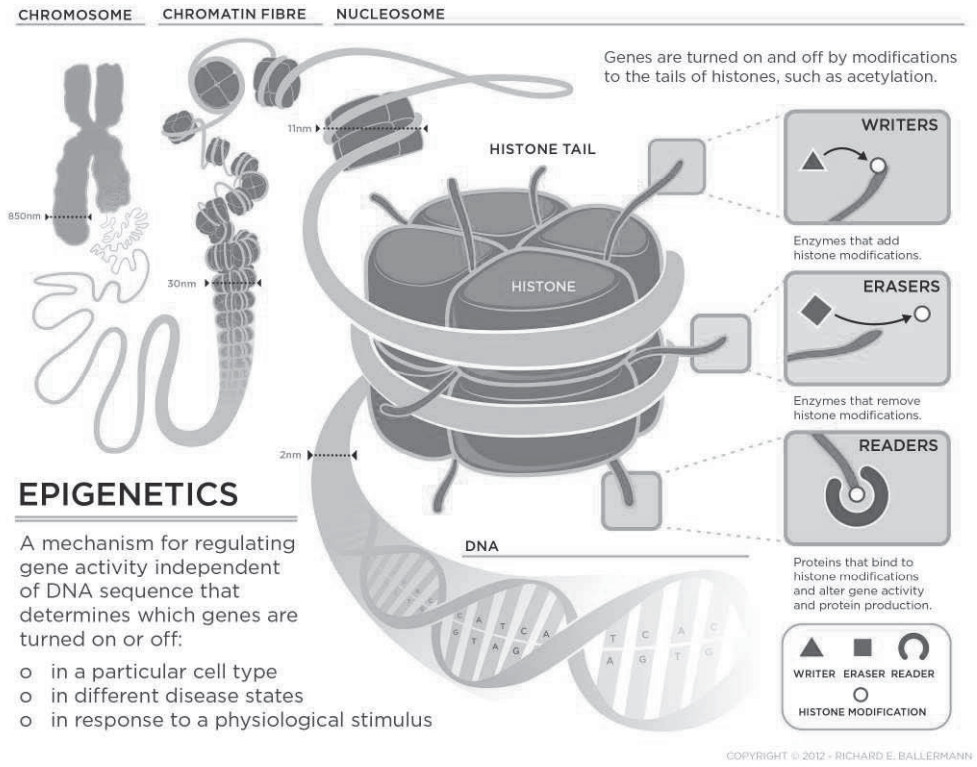
DESCRIPTION OF THE BUSINESS

General Description of the Business

As of the date hereof, Newco has not carried on any active business other than in connection with the Arrangement and related matters and as discussed in the Information Circular and this Appendix. Following completion of the Arrangement, Newco will be an early stage research company and will, through its wholly-owned subsidiary Therapeutics, have an epigenetic platform technology useful for the discovery of novel treatments for human diseases. New compounds arising from Newco's epigenetic drug discovery platform function by inhibiting BET bromodomains and have the potential to impact multiple diseases including cancer, autoimmune, neurodegenerative disorders and metabolic abnormalities.

Epigenetics

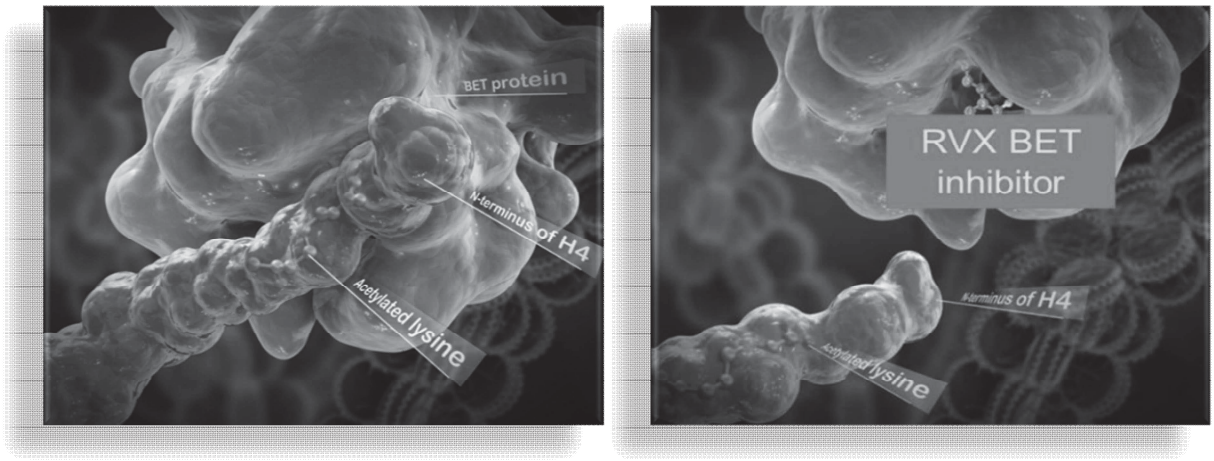
The selective production of the proteins encoded by human genes is what leads to differences between cells, and the alteration of their levels can contribute to disease. Epigenetics, a mechanism for regulating gene activity to affect protein production, has recently emerged as a promising new field in biotechnology research and drug development. It encompasses mechanisms for regulating the production of proteins from genes without altering the genetic code. In cells, DNA is surrounded by proteins to form chromatin and ultimately human chromosomes. As illustrated below, epigenetics is the study of secondary modifications to DNA (without affecting the sequence) or its associated proteins which alters their relative disposition, resulting in changes in gene transcription, the first step in producing the proteins that each gene encodes. An understanding of this system will allow for the discovery and development of targeted medicines that may treat specific diseases affecting individuals.



Epigenetics – BET Protein Inhibition Drug Discovery Platform

Newco, through its wholly owned subsidiary Therapeutics, will possess an epigenetic drug discovery platform with the potential to impact multiple diseases including cancer, autoimmune, cardiovascular, neurodegenerative and others. This platform targets BET proteins that play a critical role in the epigenetic regulation of transcription of particular genes. BET proteins are often called “readers” of the histone/chromatin structure because they recognize a particular modification of proteins, associated with the DNA, where they can bind and recruit other proteins essential to the regulation of gene transcription. All BET proteins contain highly conserved bromodomains that play a key role in their epigenetic control of gene expression. Therapeutics’ small molecules function via inhibition of BET bromodomains and therefore specifically modulate transcription of particular target genes.

Therapeutics compounds inhibit BET protein association with Chromatin:



This results in:

- Dissociation of BET from Gene Promoter (e.g. IL-6, c-myc)
- Dissociation of BET associated Transcription factors
- Altered Transcription (e.g. decreased IL-6, c-myc)

Target Indications

Autoimmune

BET proteins are a family of proteins which play a critical role in the expression of inflammatory genes which are activated in response to pathogens. Expression of these inflammatory genes results in production of inflammatory mediators such as the cytokines Interleukin 6 ("**IL-6**"), Interleukin 17 ("**IL-17**") and the chemokine monocyte chemotactic protein-1 ("**MCP-1**"). While this is part of the host's normal response to pathogens, an exaggerated, uncontrolled response can be detrimental to the host, and this represents the medical basis for many serious autoimmune diseases such as rheumatoid arthritis, multiple sclerosis, among others, as well as sepsis.

Therapeutics has a research and drug discovery program to develop novel, orally administered, small-molecule drugs which can suppress these aberrant inflammatory responses by inhibiting BET proteins. Both in terms of chemical structure and mechanism, Therapeutics' molecules are distinct from those traditionally used to treat autoimmune diseases, including NSAID's, corticosteroids, and older line DMARD's such as methotrexate. Newer DMARD's, such as the cytokine receptor antagonist Enbrel, work through related immunomodulatory mechanisms, by blocking the action of immune mediators. However, as biological agents, these drugs have the disadvantage that they must be administered by injection. In contrast, the pharmaceutical properties of Therapeutics' novel compounds are being optimized so that they will be well absorbed after oral administration as a solid dose form.

Therapeutics' compounds are efficacious in well-established in vivo animal models for rheumatoid arthritis and multiple sclerosis, including the well-known CIA and murine experimental autoimmune encephalomyelitis. Therapeutics has several different chemical approaches to achieve effective inhibition of BET proteins, and is in the process of optimizing one of these chemical series for clinical development. Lead molecules of this chemical series are characterized by a favorable immunomodulatory profile, including in vitro and in vivo suppression of IL-6, IL-17, and MCP-1 production. Therapeutics believes that molecules of this new drug class, which will be administered orally, can provide an attractive alternative to protein-based DMARD therapeutics such as Enbrel which are now widely used.

Oncology

Therapeutics' oncology program will build upon the recent discovery that BET inhibitors may have therapeutic potential in certain human cancers, and might lead to a class of more effective oncology drugs. Based on previous work by both Resverlogix and Therapeutics and published work, these inhibitors can inhibit several known drivers of tumor cell growth. These include c-myc and bcl-2. C-myc is a well-known oncogene that drives the growth of multiple hematological cancers and solid tumors, a role which has been studied for more than 30 years. Despite the critical function this oncogene has in the development of cancer, treatments that target its activity have eluded discovery. Bcl-2 is a gene known to enhance survival of other cancer cells. Recent research has shown that BET inhibition can result in the suppression of transcription of the c-myc and bcl-2 genes in certain cancer cell types and the resulting loss of c-myc and bcl-2 protein leads to inhibition of tumor cell proliferation and cell death.

It has been demonstrated that several of Therapeutics' compounds inhibit the proliferation of tumor cells derived from Acute Myelogenous Leukemia ("**AML**") and Multiple Myeloma, and also inhibit the growth of an AML derived tumor in a mouse xenograft model. Therapeutics has an active drug discovery program to find new, orally active compounds that work through inhibition of BET proteins using biochemical assays, cell based screens and in vivo pharmacodynamic and efficacy models. Therapeutics has identified some very robust chemical scaffolds, and is currently in the process of optimizing two of these to identify an IND candidate. Therapeutics will also be exploring approaches to identify the best cancer patients to target based on analyses of tumor cell sensitivity and the ability to combine BET inhibitors with standard of care.

GENERAL DEVELOPMENT OF THERAPEUTICS

During the past several years, Resverlogix has established an epigenetics drug discovery platform. New compounds arising from Resverlogix's epigenetic platform also function by inhibiting BET bromodomains and have the potential to impact multiple diseases including cancer, autoimmune and neurodegenerative disorders.

On August 1, 2005, Resverlogix transferred certain intellectual property rights to Therapeutics pursuant to an asset purchase agreement. In connection therewith, Therapeutics and Resverlogix also entered into a License Agreement as amended and restated pursuant to the Amended and Restated License Agreement whereby Resverlogix granted Therapeutics the worldwide license to develop, make, administer, sell or otherwise distribute Licensed Products that implements one or more Residual Field and is encompassed within the scope of a Valid Claim (as such terms are defined herein).

In May 2009, Resverlogix announced that two new patent applications for novel compounds and their use in regulating inflammatory markers had been filed. Inflammatory markers are proteins generated by the body during periods of inflammation. These patents were filed based on successful results demonstrated in numerous preclinical studies across several disease areas, in particular CIA rat model, wherein Resverlogix's proprietary molecules markedly reduced inflammation while improving mobility of arthritic animals.

Effective May 1, 2012, Resverlogix transferred all of the remaining Spin-Off Assets not otherwise owned by Therapeutics to Therapeutics, pursuant an assignment and services agreement between Resverlogix and Therapeutics (the "**Assignment and Services Agreement**"). Pursuant to the Assignment and Services Agreement, Resverlogix also agreed to provide further research and administrative services to Therapeutics.

Clinical Research

To date, Therapeutics has not conducted any human clinical trials.

Regulatory Matters

Product development activities will be subject to extensive regulation by various government authorities, including FDA and comparable regulatory authorities in other countries, which regulate the design, research, clinical and non-clinical development, testing, manufacturing, storage, distribution, import, export, labeling, advertising and marketing of pharmaceutical products and devices.

Intellectual Property

Therapeutics' intellectual property portfolio covers composition of matters for inhibition of BET proteins and methods and treatment of diseases related to inhibition of BET proteins, including autoimmune diseases, cancers, and cardiovascular disease. In addition to Therapeutics' owned intellectual property, Therapeutics also has rights to numerous patent families, comprising issued patents and pending patent applications in the United States and the rest of the world. The patent applications are largely interrelated and assert rights to substantially similar inventions in different jurisdictions.

Patent Applications Owned by Therapeutics

Treatment of Diseases by Epigenetic Regulation

These provisional patent applications cover use of compounds to treat diseases through epigenetic regulation.

Biaryl Derivatives as Bromodomain Inhibitors

This provisional patent application covers novel compounds (biaryl derivatives) and their use to treat diseases through epigenetic regulation.

Cyclic Amines as Bromodomain Inhibitors

This provisional patent application covers novel compounds (cyclic amines) and their use to treat diseases through epigenetic regulation.

Novel Heterocyclic Compounds as Bromodomain Inhibitors

This provisional patent application covers novel compounds (heterocyclic compounds) and their use to treat diseases through epigenetic regulation.

In addition to Therapeutics' owned intellectual property, Therapeutics licenses certain intellectual property from Resverlogix as described below.

Licenses

Therapeutics licenses patents and patent applications from Resverlogix. The licenses permit Therapeutics to develop compounds covered by the licensed patents and patent applications, for applications other than indicators involving an increase in ApoA-1. Examples of indicators include autoimmune diseases, psoriasis, arthritis, asthma, Alzheimer's diseases, obesity, diabetes, cancers, proliferative diseases and pulmonary disorders. Capitalized terms used herein and not otherwise defined in the "*Glossary*" in the Information Circular, shall have the meanings ascribed thereto below.

Pursuant to the Amended and Restated License Agreement, Resverlogix granted Therapeutics under the Licensed Patents and Licensed Know-How, the worldwide license to develop, make, administer, sell, distribute or otherwise commercialize the Licensed Products in a Residual Field and is encompassed within the scope of a Valid Claim.

Upon Resverlogix notifying Therapeutics in good faith that it is about to initiate IND-Enabling Studies for a particular Pharmaceutical Agent in an ApoA-1 Therapeutic Field, the license to Therapeutics covering that particular Pharmaceutical Agent shall terminate.

"**ApoA-1 Therapeutic Field**" means the prevention, treatment or mitigation of any disease via the administration of a Pharmaceutical Agent that results in therapeutic relevant elevation in the plasma levels of ApoA-1 to the levels described in Section 5.3(a) of the Amended and Restated License Agreement.

"**IND-Enabling Studies**" means a toxicology package, including general acute and repeated-dose toxicity and genotoxicity studies, and safety pharmacology studies, conducted under GLP and in accordance with the International Conference of Harmonization guideline (M3(R1)) to support the filing of an IND application (21.CFR.312). Initiation of the toxicology package will occur when protocols have been written and a contract laboratory has been contracted to conduct the studies.

"**Licensed Know-How**" means any and all proprietary technology and copyrights owned or controlled by Resverlogix relating to the Licensed Patents, including without limitation, manufacturing processes or protocols, know-how, trade secrets, writings, documentation, data, technical information, techniques, results of experimentation and testing, diagnostic and prognostic assays, specifications, databases, any and all laboratory, research, pharmacological, toxicological, analytical, quality control, pre-clinical and clinical data, and other information and materials, whether or not patentable.

"**Licensed Patents**" means: (i) any and all patents, patent applications or invention disclosures listed in Schedule A to the Amended and Restated License Agreement; (ii) any and all reissues, continuations, divisionals, continuations-in-part, re-examinations, renewals, substitutes, extensions (including Supplementary Protection Certificate) or foreign counterparts of the patents or patent applications listed in Schedule A to the Amended and Restated License Agreement but solely to the extent the subject matter in any such reissue, continuation, divisional, continuation-in-part, re-examination, renewal, substitute, extension or foreign counterpart embodies Licensed Know-How or has been disclosed in the patents or patent applications described in (i); and (iii) any and all patents and patent applications that claim priority under any international treaty or convention or otherwise from the patents or patent applications described in (i) or (ii).

"**Licensed Product**" means any product, device, process, substance, composition or service in a Residual Field and which is encompassed within the scope of a Valid Claim.

"**Method**" means any method covered by a Valid Claim or, for the purpose of Section 15.2 of the Amended and Restated License Agreement a Valid Licensee Claim.

"**Pharmaceutical Agent**" means a compound or composition covered by a Valid Claim or, for the purpose of Section 15.2 of the Amended and Restated License Agreement a Valid Licensee Claim.

"**Residual Field**" means any field other than the ApoA-1 Therapeutic Field.

"**Valid Claim**" means a patent claim in a Licensed Patent (as extended by a Supplementary Protection Certificate, where applicable) that has not expired, where the claim has not been disclaimed or cancelled from the Licensed Patent.

Licensed Patent Applications

Flavonoids and Isoflavonoids for the Prevention and Treatment of Cardiovascular Diseases

This patent family covers issued patents and patent applications for compounds (non-naturally occurring polyphenols, mainly flavonoids and their analogs) that upregulate ApoA-1, and their use to treat cardiovascular disease and related disease states, including cholesterol and lipid disorders.

Stilbenes and Chalcones for the Prevention and Treatment of Cardiovascular Diseases

This patent family covers issued patents and patent applications for compounds (non-naturally occurring polyphenols, mainly stilbenes and their analogs) that upregulate ApoA-1, and their use to treat cardiovascular disease and related disease states, including cholesterol and lipid disorders.

Pharmaceutical Compositions for the Prevention and Treatment of Complex Diseases and Their Delivery by Insertable Medical Devices

The patent family covers issued patents and patent application for compounds (mainly polyphenol-like) and their use for treatment of inflammatory diseases by inhibiting certain markers of inflammatory conditions, including vascular inflammation, and the treatment of inflammatory and cardiovascular disease states.

Compounds for the Prevention and Treatment of Cardiovascular Disease

This patent family covers patent applications for novel non-natural compounds (mainly Quinazolinones), which are useful for regulating the expression of ApoA-1, and their use for the treatment and prevention of cardiovascular disease and related disease states, including cholesterol or lipid related disorders, such as, for example, atherosclerosis.

Compounds for the Prevention and Treatment of Cardiovascular Disease

This patent family covers patent applications for novel non-natural compounds (mainly Quinazolinones) and their use for treatment of inflammatory diseases by inhibiting certain markers of inflammatory conditions, including vascular inflammation, and the treatment of inflammatory and cardiovascular disease states.

Novel Anti-Inflammatory Agents

This patent family covers patent applications for novel non-natural compounds (mainly Quinazolinones) and their use for the regulation of inflammatory markers such as IL-6 and/or VCAM-1, and their use in the treatment and/or prevention of cardiovascular and inflammatory diseases and related disease states, such as, for example, atherosclerosis, asthma, arthritis, cancer, multiple sclerosis, psoriasis, and autoimmune diseases.

Novel Compounds Useful for the Synthesis of Benzamide Compounds

This provisional patent application covers novel compounds useful for the synthesis of benzamide analogs and their use for the synthesis of more advanced compounds.

Royalties

The following table illustrates the royalties payable by Therapeutics to Resverlogix pursuant to the Amended and Restated License Agreement:

Percentage	Net Licensee Revenue
1.0%	$0 - $200 million
2.0%	$200 - $400 million
3.0%	$400 - $600 million
4.0%	$600 - $800 million
5.0%	$800 million and over

"**Net Licensee Revenue**" means gross amounts received by Therapeutics, its affiliates and sublicensees, and any other party generating related revenue through any of them, from: (i) sales of Licensed Products and/or fixed amounts paid on account of the grant of sublicenses or other rights to distribute or modify or engage in any activity that relates to the Licensed Products, without duplication; and (ii) sales between or among a party to the Amended and Restated License Agreement and its respective affiliates, sublicensees, distributors trading on their account, or joint ventures or other associated companies shall be included within Net Licensee Revenue only if such purchaser is an end-user of the Licensed Product. Otherwise, Net Licensee Revenue shall only include the subsequent, final sales to third parties.

Assignment and Services Agreement

Pursuant to the Assignment and Services Agreement, Resverlogix sold, assigned and transferred to Therapeutics all of its right, title and interest in and to the Transferred IP Rights and the Transferred Technology (as such terms are defined below). Resverlogix also agreed, on a non-exclusive basis, to perform research services for Therapeutics, as well as related administrative and legal support services requested by Therapeutics from time to time or as set forth in any statement of work executed by the parties, for an initial term of three (3) years and which will automatically renew for successive one (1) year periods unless a party provides the other party with written notice of non-renewal at lease sixty (60) days prior to the expiration of the then-current term.

"**Transferred IP Rights**" means any intellectual property rights that protect or otherwise cover the Transferred Technology, and without limitation includes the rights to the inventions covered by the patent applications listed in Schedule A of the Assignment and Services Agreement and all divisionals, continuations, continuations-in-part or foreign counterparts of such patent applications and all patents issuing from such applications, divisionals, continuations, continuations-in-part or foreign counterparts, and all reissues, renewals, re-examination certificates and extensions of such patents or patent applications.

"**Transferred Technology**" means any technology conceived, invented or developed to the date of the Assignment and Services Agreement that relates to pharmaceutical agents and methods for treating diseases and health conditions with a therapeutic agent that acts as a BET inhibitor (excluding compound RVX000222 ("**RVX-208**") which increase the production ApoA-1 protein used for the treatment of atherosclerosis), including without limitation, manufacturing processes or protocols, know-how, trade secrets, writings, documentation, data, technical information, techniques, results of experimentation and testing, diagnostic and prognostic assays, specifications, databases, any and all laboratory research, pharmacological, toxicological, analytical, quality control, pre-clinical and clinical data, and other information and materials, whether or not patentable.

See "*Intellectual Property – Patent Applications Owned by Therapeutics – Treatment of Diseases by Epigenetic Regulation*".

Competitive Environment

Competition in the pharmaceutical industry generally revolves around overall product performance, including efficacy and safety, patient adaptability and compliance, cost, physician's willingness to prescribe to patients, manufacturing, marketing, and distribution. Barriers to entry into the market include patent protection and governmental approval at all stages of drug development and reimbursement of such products in health organizations such as managed care, pharmacy benefit, and government based drug plans.

The technological competition faced by Newco from new and established pharmaceutical companies, biopharmaceutical companies and universities is rapidly increasing. Competitors may develop products more quickly and obtain regulatory approval for such products more rapidly, or develop products which are more effective than those which Newco intends to develop. Newco's commercial opportunity will be reduced or eliminated if Newco's competitors develop and commercialize products that are safer, more effective, have fewer side effects or are less expensive than any future products that Newco may develop and commercialize. In addition, significant delays in the development of products by Newco could allow its competitors to bring products to market before Newco and impair Newco's ability to commercialize products. Research and development by others may render Newco's technology or products obsolete or non-competitive or produce treatments or cures superior to any therapy developed or to be developed by Newco.

Notwithstanding the foregoing risk factors, Newco anticipates that: (i) if approved for autoimmune disorders, its small molecules would potentially compete with novel autoimmune agents currently in preclinical development; (ii) if approved for oncology, its small molecules may be used in conjunction with standard of care oncology therapies to improve on therapeutic outcomes for patients; and (iii) if approved for neurodegenerative disorders, its small molecules would potentially be used in conjunction with standard of care therapies such as Aricept to improve therapeutic outcomes and/or compete with other agents and novel approaches to this disease such as small molecules, Namenda and PBT2, and MOABs such as Bapineuzumab.

Specialized Skill and Knowledge

Newco believes its success will be dependent on management services provided under the Management and Services Agreement and research services provided under the Assignment and Services Agreement and on the performance of management and key employees provided under such agreements, many of whom have specialized knowledge and skills relating to the pharmaceutical industry. Newco believes that it will have adequate personnel with the specialized skills required to carry out its operations.

Employees

Upon giving effect to the Arrangement, it is expected that management services will be provided by Resverlogix pursuant to the Management Services Agreement and research services will be provided to Therapeutics by Resverlogix pursuant to the Assignment and Services Agreement.

Bankruptcy and Similar Procedures

There has been no bankruptcy, receivership or similar proceedings against Newco, or any voluntary bankruptcy, receivership or similar proceedings by Newco.

Reorganizations

Other than the Arrangement, there have been no material restructuring transactions of Newco. Pursuant to the Plan of Arrangement, the Resverlogix Shareholders (other than Dissenting Shareholders) will receive Newco Shares. See "*The Arrangement*" in the Information Circular and "*General Development of the Business – The Arrangement and Other Matters to be Considered at the Meeting – The Arrangement*" in this Appendix.

Social and Environmental Policies

As Newco was recently incorporated and has not carried on any active business other than as discussed in the Information Circular and this Appendix, Newco has not yet implemented any social or environmental policies.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Statements

Included as Schedule A to this Appendix are the following financial statements of Newco (the "**Newco Financial Statements**"):

(a) audited statement of financial position of Newco as at April 20, 2013; and

(b) audited statements of changes in shareholders' equity and cash flows for the period from the date of incorporation of Newco on April 10, 2013 to April 20, 2013.

Included as Schedule B to this Appendix are the following financial statements of Therapeutics (the "**Therapeutics Financial Statements**"):

(a) audited statement of financial position of Therapeutics as at January 31, 2013, April 30, 2012, April 30, 2011 and May 1, 2010;

(b) audited statements of comprehensive loss, changes in shareholders' deficit and cash flows for the nine months ended January 31, 2013, and the years ended April 30, 2012 and 2011;

Included as Schedule C to this Appendix are the following *pro forma* financial statements in respect of Newco after giving effect to the Arrangement:

(a) unaudited *pro forma* statement of financial position as at January 31, 2013; and

(b) unaudited *pro forma* consolidated statement of comprehensive loss for the nine months ended January 31, 2013 and the year ended April 30, 2012.

Management's Discussion and Analysis

Included as Schedule D to this Appendix is the management's discussion and analysis of the financial condition and results of operations of Therapeutics as at and for the period ended January 31, 2013 and as at and for the years ended April 30, 2012 and 2011.

Selected *Pro Forma* Financial Information

Certain selected unaudited *pro forma* financial information following completion of the Arrangement is set forth in the following table. Such information should be read in conjunction with the unaudited *pro forma* financial statements as at and for the nine month period ended January 31, 2013 and for the year ended April 30, 2012, included as Schedule C to this Appendix.

***Pro Forma* Consolidated Statements of Comprehensive Loss (thousands of dollars, except as otherwise stated)**	**Nine Month Period Ended January 31, 2013**	**Year Ended April 30, 2012**
Revenue	-	-
Expenses	8,566	2,376
Net (Loss)	(8,566)	(2,376)
(Loss) Per Share – basic ($)	(0.11)	(0.03)

***Pro Forma* Consolidated Statement of Financial Position (thousands of dollars)**	**As at January 31, 2013**
Assets	10,406
Liabilities	2,043
Shareholder's Equity	8,363

The *pro forma* adjustments are based upon the assumptions described in the notes to the unaudited *pro forma* financial statements. The unaudited *pro forma* financial statements are presented for illustrative purposes only and are not necessarily indicative of the operating or financial results that would have occurred had the Arrangement actually occurred at the times contemplated by the notes to the unaudited *pro forma* financial statements or of the results expected in future periods.

DIVIDENDS

Since incorporation, Newco has not paid a dividend on the Newco Shares and nor are there any restrictions in Newco's articles or ABCA in respect of the declaration or payment of any such dividends. Any decision to declare and pay dividends on any shares of Newco in the future will be made by the Newco Board on the basis of the terms and conditions attaching to such shares, Newco's earnings, financial conditions and requirements, and other conditions and factors existing at the time and which the Newco Board may consider appropriate in the circumstances.

DESCRIPTION OF SHARE CAPITAL OF NEWCO

The authorized capital of Newco consists of an unlimited number of Newco Shares and an unlimited number of preferred shares issuable in series. As of the date of this Appendix, one Newco Share is issued and outstanding and no preferred shares are issued and outstanding. Assuming: (a) no Resverlogix Options or Resverlogix Warrants are exercised and no Resverlogix RSUs or Resverlogix Restricted Stock become vested prior to the Effective Date; and

(b) approximately 300,000 Resverlogix Shares are issued pursuant to the ATM Distribution, it is expected that an aggregate of 74,865,583 Newco Shares will be issued to Resverlogix Shareholders pursuant to the Arrangement (except that Resverlogix will indirectly hold Newco Shares that would otherwise have been received by Resverlogix Shareholders who exercise Dissent Rights).

The following is a summary of the rights, privileges, restrictions and conditions attached to the Newco Shares and the preferred shares.

Newco Shares

The holders of Newco Shares are entitled, subject to the rights of holders of preferred shares, to dividends declared by the Newco Board, to one (1) vote per share at meetings of the shareholders and, upon liquidation, dissolution or winding up, to receive pro rata the remaining assets of Newco, subject to the rights of the preferred shares.

Preferred Shares

The preferred shares may be issued from time to time in one or more series. The terms of each series of preferred shares, including the number of shares, the designation, rights, preferences, privileges, priorities, restrictions and conditions, will be determined at the time of creation of each such series by the Newco Board. The preferred shares shall rank senior to the Newco Shares and the shares of any other class ranking junior to the preferred shares with respect to the payment of dividends or distribution of capital of Newco in the event of a dissolution, liquidation or winding up of Newco.

CAPITALIZATION OF NEWCO

The following table sets forth the authorized capital of Newco before and after giving effect to the Arrangement:

Designation	Authorized	Outstanding as at April 20, 2013[(1)]	Outstanding as at April 20, 2013 after giving effect to the Arrangement
Newco Shares	Unlimited	$1.00 (1 Newco Share)	$24,872,000 (74,865,583 Newco Shares)[(2)]
Preferred Shares	Unlimited	Nil	Nil

Notes:

(1) Newco was incorporated on April 10, 2013. One (1) Newco Share and no preferred shares of Newco have been issued since incorporation, which Newco Share will be cancelled pursuant to the terms of the Arrangement.

(2) The information assumes: (i) no Resverlogix Options or Resverlogix Warrants are exercised and no Resverlogix RSUs or Resverlogix Restricted Stock become vested prior to the Effective Date; and (ii) approximately 300,000 Resverlogix Shares are issued pursuant to the ATM Distribution.

NEWCO CONVERTIBLE SECURITIES

Newco Replacement Option

As at the date hereof, there are 4,667,500 Resverlogix Options outstanding. It is anticipated that approximately 670,000 additional Resverlogix Options will be issued prior to the Effective Time. Concurrently with subsection 3.1(c) of the Plan of Arrangement, all of the outstanding Resverlogix Options shall be cancelled and the former holder of such Resverlogix Options shall instead be granted one (1) Resverlogix Replacement Option and one (1) Newco Replacement Option for each Resverlogix Option held. Each Newco Replacement Option entitles the holder of such Newco Replacement Option to acquire one (1) Newco Share for each Newco Replacement Option. It is anticipated that, upon completion of the Arrangement, there will be 5,337,500 Newco Replacement Options outstanding.

Newco Replacement Warrant

As at the date hereof, there are 11,706,032 Resverlogix Warrants outstanding. Concurrently with subsection 3.1(c) of the Plan of Arrangement, all of the outstanding Resverlogix Warrants shall be cancelled and the former holder of such Resverlogix Warrants shall instead be granted one (1) Resverlogix Replacement Warrant and one (1) Newco Replacement Warrant for each Resverlogix Warrant held. Each Newco Replacement Warrant entitles the holder of such Newco Replacement Warrant to acquire one (1) Newco Share for each Newco Replacement Warrant. It is anticipated that, upon completion of the Arrangement, there will be 11,706,032 Newco Replacement Warrants outstanding.

Newco Replacement RSU and Newco Replacement Restricted Stock

As at the date hereof, there are 573,900 Resverlogix RSUs and Resverlogix Restricted Stock outstanding. It is anticipated that approximately 350,000 additional RSUS and/or Restricted Stock will be issued prior to the Effective Time. Concurrently with subsection 3.1(c) of the Plan of Arrangement: (i) all of the outstanding Resverlogix RSUs shall be cancelled and the former holders of such Resverlogix RSUs shall instead be granted one (1) Resverlogix Replacement RSU and one (1) Newco Replacement RSU for each Resverlogix RSU held; and (i) all of the outstanding Resverlogix Restricted Stock shall be cancelled and the former holders of such Resverlogix Restricted Stock shall instead be granted one (1) Resverlogix Replacement Restricted Stock and one (1) Newco Replacement Restricted Stock for each Resverlogix Restricted Stock held. Each Newco Replacement RSU and each Newco Replacement Restricted Stock entitles the holder of such Newco Replacement RSUs and Newco Replacement Restricted Stock to acquire one (1) Newco Share for each Newco Replacement RSU and Newco Replacement Restricted Stock respectively. It is anticipated that, upon completion of the Arrangement, there will be 923,900 Newco Replacement RSUs and Newco Replacement Restricted Stock outstanding.

NEWCO OPTION PLAN

The following is a summary only of the material terms of the Newco Option Plan and is subject to, and qualified in its entirety by, the full text of the Newco Option Plan. Resverlogix Shareholders are urged to read the Newco Option Plan, which will be substantially in the form attached as Appendix E to the Information Circular.

The Newco Board has adopted the Newco Option Plan, which must be approved by Resverlogix Shareholders at the Meeting. See the Information Circular under the heading "*Other Matters to be Considered at the Meeting – Newco Option Plan*".

The purpose of the Newco Option Plan is to provide an incentive to the employees, officers, directors and certain consultants of Newco and related entities to achieve the longer term objectives of Newco, to attract, retain and give suitable recognition to the ability and industry of such persons who contribute materially to the success of Newco, by providing them with the opportunity to acquire an increased proprietary interest in Newco.

Under the Newco Option Plan the Newco Board may, from time to time, grant options to purchase Newco Shares to directors, officers, employees, consultants and other eligible service providers of Newco and its subsidiaries and affiliates, if any. The Newco Option Plan is a "10% rolling plan" in that it continuously provides for the reservation of a number of Newco Shares under the Newco Option Plan, including other securities based compensation arrangements, equal to 10% of Newco's issued and outstanding Newco Shares on an undiluted basis. Thus, the maximum number of Newco Shares that may be reserved under the Newco Option Plan and other securities based compensation plans will, from time to time, vary proportionately to the issued and outstanding share capital of Newco. Further, the Newco Option Plan is a "reloading plan", meaning that when options under the Newco Option Plan expire, are cancelled or are exercised, the number of Newco Shares reserved for issuance under such expired, cancelled or exercised options automatically become eligible to be reallocated pursuant to new stock options under the Newco Option Plan.

Restrictions on the participation of insiders are included in the Newco Option Plan, such that the aggregate number of Newco Shares issuable under the Newco Option Plan, combined with all Newco Shares issuable under all other security based compensation arrangements, to insiders cannot exceed 10% of the issued and outstanding Newco

Shares at any time; and the number of Newco Shares issued to insiders in aggregate, within any one (1) year period under the Newco Option Plan and any other securities based compensation arrangement cannot exceed 10% of the issued and outstanding Newco Shares. The number of Newco Shares issuable under stock options granted to any eligible individual, within any one (1) year period, under the Newco Option Plan and any other securities based compensation arrangement, cannot exceed 5% of the issued and outstanding Newco Shares, with the exception of a consultant, who may not receive options exercisable into a number of Newco Shares in excess of 2% of the issued and outstanding Newco Shares at the time of grant.

The exercise price of Newco Shares subject to each option shall be determined by the Newco Board at the time the option is granted, being not less than the value conclusively determined by the Newco Board on the date of grant, where the Newco Shares are not listed or posted for trading on a stock exchange.

Subject to earlier termination as described below, each option and all rights thereunder granted pursuant to the Newco Option Plan shall expire on the date determined by the Newco Board, provided that the duration of an option shall not exceed ten (10) years. The Newco Option Plan also incorporates a provision such that where the option would otherwise expire during, or within ten (10) business days following the last day of, a trading black out period implemented by Newco, the expiry date for such option will then become the tenth (10^{th}) business day following such black-out period.

The Newco Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restrictions shall exist. Vested options may be exercised no later than thirty (30) days following the date the optionee ceases to be a director, officer, employee or consultant of Newco, provided that if the cessation of office, directorship, employment or consulting arrangement is by reason of death, vested options may be exercised by the personal representatives of the deceased within a maximum period of one (1) year following such death, subject to the expiry date of such option. Notwithstanding the foregoing, the Newco Board may in its discretion permit the exercise of options in such manner and on such terms as may be authorized by the Newco Board, provided that an option may not be exercised after its expiry date.

Options may be transferred to certain permitted assigns of the optionee, including the optionee's spouse, an administrator acting on behalf or for the benefit of the optionee or his/her spouse, a holding entity of the optionee or his/her spouse and a RRSP or RRIF of the optionee or his/her spouse.

Terms of the Newco Option Plan may be amended by the Newco Board without approval of Newco Shareholders as follows:

(a) The Newco Board may, at any time and from time to time, suspend or terminate the Newco Option Plan or amend any of its provisions, provided that no such suspension, termination or amendment may be made without:

  (i) obtaining any required approval of any regulatory authority or stock exchange; and

  (ii) obtaining the consent or deemed consent of the relevant optionholder in the event that such amendment materially prejudices the rights of any optionholder under any option previously granted to the optionholder.

(b) Without limiting the generality of paragraph (a) above, the Newco Board may, without approval of Newco Shareholders, make amendments to the Newco Option Plan for any of the following purposes:

  (i) changing the eligibility for and limitations on participation in the Newco Option Plan;

  (ii) changing the terms on which options may be granted and exercised including, without limitation, the provisions relating to exercise price, vesting, expiry, assignment and the adjustments to be made pursuant to certain events, as further described in the Newco Option Plan;

(iii) making any addition to or deletion or alteration of the provisions of the Newco Option Plan that are necessary to comply with applicable law or the requirements of any regulatory authority or stock exchange or that are reasonably necessary to allow optionholders to receive fair and favourable tax treatment under relevant tax legislation;

(iv) correcting or rectifying any ambiguity, defective provision, error or omission in the Newco Option Plan; and

(v) changing the provisions relating to the administration of the Newco Option Plan; provided that if any such amendment would lead to a significant or unreasonable dilution of the outstanding Newco Shares or provide additional material benefits to insiders, approval of the holders of the outstanding Newco Shares must be obtained.

The Newco Board's discretion and authority to amend the Newco Option Plan is wide in scope and the foregoing paragraph (i)-(v) are merely non-exhaustive examples of situations in which the Newco Board may amend the Newco Option Plan.

(c) Under the Newco Option Plan, the Newco Board may, at any time and from time to time, without the approval of Newco Shareholders, amend any term of any outstanding option (including, without limitation, the exercise price, vesting and expiry date of the option), provided that:

(i) any required approval of any regulatory authority or stock exchange is obtained;

(ii) the Newco Board would have had the authority to initially grant the option under the terms as so amended; and

(iii) the consent or deemed consent of the optionholder is obtained if the amendment would materially prejudice the rights of the optionholder under the option.

Notwithstanding the foregoing, approval of Newco Shareholders must be obtained for an amendment to the Newco Option Plan that would increase the maximum number of Newco Shares issuable under the Newco Option Plan, and disinterested Newco Shareholder approval must be obtained for an amendment to any stock option agreement that would reduce the exercise price or extend the expiry date of options granted to an insider.

As of the date of the Information Circular, no Newco Options have been granted pursuant to the Newco Option Plan and other than the Newco Replacement Options, management has not yet determined the Newco Options that will be granted to the directors, officers, employees and other eligible service providers of Newco following completion of the Arrangement. Such grants, if any, will depend upon the performance of Newco upon completion of the Arrangement.

NEWCO LTIP

The following is a summary only of the material terms of the Newco LTIP and is subject to, and qualified in its entirety by, the full text of the Newco LTIP. Resverlogix Shareholders are urged to read the Newco LTIP, which will be substantially in the form attached as Appendix F to the Information Circular.

The Newco Board has adopted the Newco LTIP, which must be approved by Resverlogix Shareholders at the Meeting. See the Information Circular under the heading "*Other Matters to be Considered at the Meeting – Newco LTIP*".

The purpose of the Newco LTIP is to assist Newco in attracting, retaining and motivating key employees, directors, officers and consultants of Newco and its subsidiaries and to more closely align the personal interests of such persons with Newco Shareholders, thereby advancing the interests of Newco and its Shareholders and increasing the long-term value of Newco. The LTIP is available to: (i) current full-time or part-time employees or officers of the Newco or an affiliate ("**Employee Participants**"); (ii) directors who are not officers or employees of Newco or an

affiliate ("**Director Participants**"); and (iii) an individual or consultant company providing services to Newco or an affiliate under written agreement ("**Consultant Participant**"). For the purposes of the LTIP and this Appendix, a "**Participant**" shall mean an Employee Participant, Director Participant or a Consultant Participant.

The LTIP is administered by Newco Board or, upon delegation by the Newco Board, by a committee of the Newco Board (the "**Committee**"). The Committee determines the Participants to whom awards are to be made, determines the type, size, terms and conditions of awards, determines the prices (if any) to be paid for awards, interprets the LTIP, adopts, amends and rescinds administrative guidelines and other rules and regulations relating to the LTIP, and makes all other determinations and takes all other actions it believes are necessary or advisable for the implementation and administration of the LTIP. The day-to-day administration of the LTIP may be delegated to a trustee appointed to administer the LTIP or to such officers and employees of Newco as the Committee determines.

The LTIP provides that the Committee may, from time to time and in its sole discretion, grant awards of restricted share units ("**RSUs**") to any Participant. RSUs are not Newco Shares, but rather represent a right to receive at a future date Newco Shares. All grants of RSUs are evidenced by an award agreement. The award agreement contains such provisions as are required by the LTIP and any other provisions the Committee may direct.

The Committee has the authority to make receipt of Newco Shares under the RSUs conditional upon the expiry of a time-based vesting period, the attainment of specified performance goals or such other factors as the Committee may determine in its discretion. The duration of the vesting period and other vesting terms applicable to a grant of RSUs shall be determined at the time of the grant by the Committee provided that such vesting period shall be a minimum of one (1) year and a maximum of three (3) years in duration. Upon expiry of the applicable vesting period or at such later date as may be otherwise specified in the award agreement, the RSUs shall be redeemed and a share certificate representing the Newco Shares deliverable pursuant to the RSUs shall be registered in the name of the Participant or as the Participant may direct, subject to applicable securities laws. Actual issuance of Newco Shares underlying the RSUs shall occur as soon as practicable following the applicable vesting date(s) specified in the award agreement and the Participant's satisfaction of any required tax withholding obligations, but in no event later than: (i) sixty (60) days following the vesting date for a Participant resident in the United States; or (ii) the earlier of: (a) sixty (60) days following the applicable vesting date; and (b) December 15 of the third (3^{rd}) calendar year following the year of service for which the RSU was granted for a Participant resident in Canada. RSU Awards shall be settled in Newco Shares, unless Newco offers the Participant the right to receive cash in lieu of Newco Shares and the Participant, in its discretion, so elects. In this case, the cash value of the Newco Shares would be determined based on the fair market value of a Newco Share on the day immediately preceding the vesting date as determined by the Newco Board, where the Newco Shares are not listed on a stock exchange. Except as otherwise determined by the Committee, upon a Termination Date (as defined in the LTIP) during the applicable vesting period, all applicable RSUs at such time not yet vested shall be forfeited and reacquired by Newco.

The Committee may, from time to time, grant Participants resident in the United States, subject to the terms and conditions of the LTIP and any additional terms and conditions determined by the Committee, awards of Newco Shares subject to certain restrictions imposed by the Committee ("**Restricted Stock**" and together with RSUs, an "**Award**"). All grants of Restricted Stock are evidenced by an award agreement. The award agreement contains such provisions as are required by the LTIP and any other provisions the Committee may direct. The Committee has the authority to make the lapse of restrictions applicable to Restricted Stock conditional upon the expiry of a time-based vesting period, the attainment of specified performance goals or such other factors as the Committee may determine in its discretion. The duration of the vesting period and other vesting terms applicable to a grant of Restricted Stock shall be determined at the time of the grant by the Committee provided that such vesting period shall be a minimum of one year in duration. Newco Shares of Restricted Stock shall be subject to such restrictions as the Committee may impose (including, without limitation, forfeiture conditions, transfer restrictions or a restriction on, or prohibition against, the right to receive any dividend or other right or property with respect thereto), which restrictions may lapse separately or in combination at such time or times, in such instalments or otherwise as the Committee may deem appropriate. A trustee appointed by Newco shall hold share certificates registered in the name of each Participant granted Restricted Stock under the LTIP. The share certificates shall bear a legend referring to the award agreement and the possible forfeiture of such shares of Restricted Stock. Except as otherwise determined by the Committee, upon a Termination Date during the applicable vesting period, all applicable Newco Shares of Restricted Stock at such time not yet vested shall be forfeited and reacquired by Newco.

Newco may fulfill its obligations to deliver Newco Shares under the LTIP by, at its option, either: (i) issuing Newco Shares from treasury to the Participant; or (ii) directing the Plan Trustee (which is an independent trust company selected by Newco to acquire Newco Shares in the market at the direction of Newco for the purpose of the LTIP) to deliver Newco Shares to the Participant. The aggregate number of Newco Shares which may be issued from treasury under the LTIP, together with shares reserved for issuance under all of Newco's other security-based compensation arrangements, which includes the Newco Option Plan, shall not exceed 10% of the issued and outstanding Newco Shares on a non-diluted basis. The maximum number of Newco Shares that may be reserved under the LTIP will, from time to time, vary proportionately to the issued and outstanding share capital of Newco. Further, when Awards under the LTIP vest and are redeemed, expire or are forfeited, surrendered, cancelled or terminated, the number of Newco Shares under such Awards automatically become available to be made the subject of new Awards under the LTIP. The LTIP is an unfunded plan and any obligations of Newco under the LTIP are unsecured. The total number of Newco Shares issuable from treasury to insiders of Newco at any time and issued from treasury to insiders of Newco within any one (1) year period under the LTIP, together with any other security-based compensation arrangements of Newco, shall not exceed 10% of the issued and outstanding Newco Shares on a non-diluted basis.

Except as otherwise determined by the Committee, where a Participant's employment or term of office or engagement with Newco or an affiliate terminates by reason of the Participant's death, disability, retirement, voluntary resignation, termination without cause or termination for cause then any Awards that are not yet vested will be immediately forfeited to Newco at the Termination Date and such Participant shall cease to be eligible under the LTIP. In the case where a Participant has died, any Awards held by the Participant that have vested as of the Termination Date will enure to the benefit of the Participant's heirs, executors and administrators.

Except as otherwise determined by the Committee, where a Director Participant's term of office terminates for any reason other than death or disability of the Director Participant, the Committee or the Newco Board may, in its discretion, at any time prior to or within thirty (30) days following the Termination Date, provide for the vesting of any or all Awards held by a Director Participant on the Termination Date.

Unless the Committee, in its discretion, otherwise determines, at any time and from time to time, Awards are not affected by a change of employment arrangement within or among Newco or an affiliate for so long as the individual continues to be an eligible Participant.

The Committee may, in its discretion, at any time prior to or following the retirement, death, disability or termination of employment of a Participant, permit the acceleration of vesting of any or all Awards, all in the manner and on the terms authorized by the Committee, provided that the Committee's discretion to accelerate vesting where there has been a change of control is limited to only those circumstances described below.

Unless otherwise determined by the Committee or the Newco Board at or after the date of grant, if a Participant ceases to be a director, officer, employee or consultant of Newco or its subsidiaries within twelve (12) months following a Change in Control (as defined in the LTIP) for any reason other than for cause, voluntary resignation, retirement, death, or disability, each Award held by that Participant that is not fully vested on the date at which such person ceases to be a director, officer, employee or consultant shall become free of all restrictions, conditions and limitations and become fully vested.

The Newco Board shall have the discretion to authorize such steps to be taken as it may consider to be equitable and appropriate in the event of any Share Reorganization, Corporate Reorganization or Special Distribution (all as defined in the LTIP), including the acceleration of vesting in order to preserve proportionately the rights, value and obligations of the Participants holding Awards in the circumstances or the Newco Board otherwise determines that it is appropriate.

The Committee may, without notice or shareholder approval, at any time or from time to time, make amendments to the LTIP or a specific Award that it may deem necessary, including without limitation, amendments for the purposes of: (i) altering, extending or accelerating the terms of vesting applicable to any Award or group of Awards; (ii) making any amendments to the general vesting provisions of an Award; (iii) accelerating the expiry date of conditions applicable to an Award; (iv) making any amendments to the provisions of the LTIP that relate to termination, (v) making any amendment to provide covenants of Newco in order to protect Participants; (vi) making any amendments not inconsistent with the LTIP as may be necessary or desirable with respect to matters or

questions which, in the good faith opinion of the Newco Board, having in mind the best interests of the Participants, it may be expedient to make, including amendments that are desirable as a result of changes in law; (vii) making any amendments for the purposes of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error in the LTIP; (viii) making any amendments to any definitions in the LTIP; (ix) effecting amendments respecting administration of the LTIP; and (x) making amendments of a "housekeeping" or ministerial nature.

Certain amendments under the LTIP may not be made without shareholder approval, and these include: (i) amendments to the LTIP that would increase the number of the Newco Shares issuable from treasury under the LTIP in general, or the number of the Newco Shares issuable from treasury to insiders under the LTIP, (ii) amendments to any amending provision in the LTIP; (iii) amendments to the LTIP to include a form of financial assistance to Participants; and (iv) amendments required to be approved by shareholders under applicable law.

In addition, certain amendments under the LTIP may not be made without disinterested shareholder approval, and these include but are not limited to: (i) amendments that could result at any time in the number of Newco Shares reserved for issuance from treasury to an insider under the LTIP exceeding 10% of the issued and outstanding Newco Shares; (ii) amendments resulting in any extension of the term of any award under the LTIP to an insider other than the extension of awards expiring during a black-out period or during a black-out expiration term; and (iii) amendments required to be approved by disinterested shareholders under applicable law.

Awards of RSUs and Restricted Stock under the LTIP may be made subject to the attainment of certain performance goals as may be set by the Committee at the time of grant.

Unless the Committee otherwise determines, awards granted under the LTIP may only be redeemed during the lifetime of the Participant by such Participant personally, provided that any Awards held by a Participant that have vested at the Termination Date will enure to the benefit of the Participant's heirs, executors and administrators. No assignment or transfer of Awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Awards whatsoever in any assignee or transferee. Immediately upon any assignment or transfer, or any attempt to make the same, such Awards will terminate and be of no further force or effect.

As of the date of the Information Circular, no Newco RSUs or Newco Restricted Stock have been granted pursuant to the Newco LTIP and other than the Newco Replacement RSUs and Newco Replacement Restricted Stock, management has not yet determined the number of Newco RSUs or Restricted Stock that will be granted to the directors, officers, employees and other eligible service providers of Newco following completion of the Arrangement. Such grants, if any, will depend upon the performance of Newco upon completion of the Arrangement.

PRINCIPAL SHAREHOLDERS OF NEWCO

As of the date hereof, Resverlogix is the sole shareholder of Newco, holding one Newco Share. Pursuant to the Arrangement, the one (1) Newco Share held by Resverlogix will be cancelled for no consideration. To the knowledge of the Newco Board, except as set forth below, upon completion of the Arrangement, it is expected that no persons will beneficially own, or control or direct, directly or indirectly, more than 10% of the outstanding Newco Shares:

Beneficial Owner	Number of Newco Shares	Percentage of Outstanding Newco Shares
Eastern Capital Limited Cayman Islands	13,200,000	17.70%

PRIOR SALES

One Newco Share at a price of $1.00 has been issued since incorporation.

MARKET FOR SECURITIES

The Newco Shares are not currently traded or quoted on a Canadian marketplace. It is not anticipated that the Newco Shares will be listed on any stock exchange upon completion of the Arrangement. See "*Risk Factors – Risks Relating to an Investment in the Newco Shares – No Public Market for Newco Shares*" in this Appendix.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

As of the date hereof, no securities of any class of Newco are held in escrow or are subject to a contractual restriction on transfer. To the knowledge of Newco, no securities of Newco are anticipated to be held in escrow or subject to a contractual restriction on transfer following completion of the Arrangement.

DIRECTORS AND EXECUTIVE OFFICERS OF NEWCO

The following table sets forth the name, province and country of residence, positions held with Newco and principal occupation during the preceding five (5) years of each of the current directors and executive officers of Newco, together with their *pro forma* holdings of Newco Shares upon completion of the Arrangement. Each of the directors and officers of Newco currently holds a similar position with Resverlogix.

Name, Province and Country of Residence[2]	**Offices Held and Time as Director or Officer**	**Principal Occupation During the Past 5 Years**	***Pro Forma* Holdings of Newco Shares**[1]
Dr. Peter Johann[4][5] Heidelberg, Germany	Director and Chairman since April 2013	Managing General Partner of NGN Capital, a venture capital firm since 2004.	6,794,339 (9.11%)
Donald J. McCaffrey Alberta, Canada	Director, President, Chief Executive Officer and Secretary since April 2013	President, Chief Executive Officer and Secretary of Resverlogix since 2003.	3,359,071 (4.50%)
Kenneth Zuerblis[3] Alberta, Canada	Director since April 2013	Currently a director of the Corporation and Stemline Therapeutics. From 2011 to 2012, Executive Vice President and Chief Financial Officer of Savient Pharmaceuticals, Inc., a specialty biopharmaceutical company. From 2008 to 2009, Mr. Zuerblis served as Chief Financial Officer and Senior Vice President of ImClone Systems, a biopharmaceutical company developing biologic medicines in the area of oncology.	Nil
Dr. Eldon Smith[3] Alberta, Canada	Director since April 2013	President of Eldon R. Smith & Associates Ltd. (a private health care consulting company) since 2001, and is Emeritus Professor of Medicine and Former Dean, Faculty of Medicine, University of Calgary. From 1997 until 2010, Dr. Smith served as Editor-in-Chief of the Canadian Journal of Cardiology.	6,000 (0.008%)
Kelly McNeill, CA[3][4][5] Manitoba, Canada	Director since April 2013	Executive Vice President, Finance and Administration, Chief Financial Officer and Secretary of IMRIS Inc., a provider of fully integrated image guided therapy solutions, since 2009. From 2006 to 2009, Mr. McNeill was Resverlogix's Chief Financial Officer.	10,000 (0.013%)

Name, Province and Country of Residence[2]	Offices Held and Time as Director or Officer	Principal Occupation During the Past 5 Years	*Pro Forma* Holdings of Newco Shares[1]
Arthur J. Higgins[4][5] Illinois, U.S.A Director	Director since April 2013	Appointed to Blackstone Group's healthcare unit in 2011. Mr. Higgins was previously the Chief Executive Officer of Bayer HealthCare and Chairman of the Bayer HealthCare Executive Committee. Mr. Higgins joined Bayer in 2004 as Chairman of the Bayer HealthCare Executive Committee and in 2006 was named Chairman of the Board of Management of Bayer HealthCare.	Nil
A. Brad Cann, CA, CBV Alberta, Canada	Chief Financial Officer since April 2013	Chief Financial Officer of Resverlogix since 2009. Prior to joining Resverlogix, Executive Vice President and Chief Financial Officer of Royal Host Real Estate Investment Trust, a diversified hospitality trust engaged in hotel ownership, investment, management and franchising, and Canada's second largest hotel REIT. Mr. Cann joined Royal Host in 2004 and held a number of senior positions and was appointed Chief Financial Officer in 2007 and Executive Vice President in 2008.	6,000 (0.008%)
Kenneth Lebioda, BA Alberta, Canada	Senior VP business & Corporate Development since April 2013	Senior Vice President Business and Corporate Development of Resverlogix since 2005.	63,600 (0.085%)
Dr. Norman Wong, BSc, MSc, MD, FRCP(C) Alberta, Canada	Co-Founder, Chief Scientific Officer and Chairman of the Scientific Advisory Board since April 2013	Acted in capacity of Chief Scientific Officer of Resverlogix since 2003; Professor, Departments of Medicine and Biochemistry and Molecular Biology within the Faculty of Medicine the University of Calgary since 1987; Associate Dean, Research since 1987.	3,104,959 (4.16%)
Dr. Jan Johansson, MD, PhD California, U.S.A.	Senior Vice President Medical Affairs since April 2013	Senior Vice President Medical Affairs of Resverlogix since 2004.	41,500 (0.056%)
Dr. Gregory Wagner, PhD, DABT California, U.S.A.	Senior Vice President Research and Development since April 2013	Senior Vice President Research and Development of Resverlogix since 2006; Vice President, Preclinical Development of Galileo Pharmaceuticals, Inc. from 2005 to 2006.	Nil
Dr. Allan Gordon, MD, PhD California, U.S.A.	Senior Vice President Clinical Development since April 2013	Senior Vice President Clinical Development of Resverlogix since 2008; Chief Executive Officer of Nile Therapeutics Inc., an early-stage bio-pharmaceutical in cardiovascular in 2007; Senior Director Clinical Research of Scios Inc. (a Johnson & Johnson company) from 2004 to 2007.	Nil

Notes:

(1) Assumes: (i) no Resverlogix Options or Resverlogix Warrants are exercised and no Resverlogix RSUs or Resverlogix Restricted Stock become vested prior to the Effective Date; and (ii) approximately 300,000 Resverlogix Shares are issued pursuant to the ATM Distribution. The information as to Newco Shares to be beneficially owned, directly or indirectly, or on which control or direction is exercised, is based upon information furnished to Newco by its proposed respective directors and officers as at the date hereof.

(2) The term of office of all proposed directors will expire on the termination of the next annual meeting of Newco Shareholders or when their successors are elected or appointed pursuant to the ABCA.

(3) Proposed member of the Audit and Finance Committee.

(4) Proposed member of the Corporate Governance and Nominating Committee.

(5) Proposed member of the Compensation and HR Committee.

(6) Includes 6,769,339 Newco Shares that are anticipated to be registered in the name of NGN BioMed Opportunities II LP, which are under the control or direction of Dr. Johann as Managing General Partner of NGN Capital LLC, the general partner of such fund.

As at the date hereof, the current directors and executive officers of Newco, as a group, do not beneficially own, directly or indirectly, or exercise control or direction over any Newco Shares. Following completion of the Arrangement, it is expected that the directors and executive officers of Newco listed above shall beneficially own or control or direct, directly or indirectly, approximately 13,385,469 Newco Shares, being approximately 17.95% of the issued and outstanding Newco Shares, assuming that no Resverlogix Options or Resverlogix Warrants are exercised and no Resverlogix RSUs or Resverlogix Restricted Stock become vested prior to the Effective Date.

Backgrounds and Management of Newco

The following is a description of the background and experience of each proposed member of management of Newco.

Donald J. McCaffrey – President, Chief Executive Officer, Secretary and Director

Mr. McCaffrey has thirty-five (35) years of experience in senior positions with private and publicly traded companies. Mr. McCaffrey co-founded Resverlogix Corp. and has served as President, Chief Executive Officer, Secretary and Director from February 2001 to present. Prior to co-founding Resverlogix, Mr. McCaffrey founded and served as Chief Executive Officer of a major tradeshow and conference company for twenty-four (24) years.

Following completion of the Arrangement, Mr. McCaffrey will devote the appropriate time, in his reasonable business judgment, to the business and operations of Newco, assuming that he will have other employment and business commitments.

A. Brad Cann, CA, CBV – Chief Financial Officer

Mr. Cann has over twelve (12) years of experience in senior positions with private and publicly traded companies and five (5) years of experience with a chartered accounting firm. Prior to becoming the Chief Financial Officer of Resverlogix in 2009, Mr. Cann was the Executive Vice President and Chief Financial Officer of Royal Host Real Estate Investment Trust, a diversified hospitality trust. Mr. Cann joined Royal Host in January 2004, held a number of senior positions, and was appointed Chief Financial Officer in May 2007 and Executive Vice President in January 2008. Brad also acted as Co-Chief Executive Officer of Royal Host between January 2008 and September 2009. Prior to joining Royal Host, Mr. Cann was a business consultant and held senior management positions with several companies including Chief Financial Officer of a sulphur export development company and Chief Financial Officer of an oilfield waste water treatment company. Prior thereto, Brad held various positions with a chartered accounting firm. Mr. Cann became a Chartered Accountant in 1998 and a Chartered Business Valuator in 2008.

Following completion of the Arrangement, Mr. Cann will devote the appropriate time, in his reasonable business judgment, to the business and operations of Newco, assuming that he will have other employment and business commitments.

Kenneth Lebioda, BA – Vice President of Business & Corporate Development

Mr. Lebioda has over twenty-seven (27) years of experience in senior positions with private and publicly traded companies in the life sciences industry. Mr. Lebioda is the Senior Vice President Business & Corporate Development of Resverlogix. Mr. Lebioda is a graduate of the University of Saskatchewan and received his Bachelor of Arts in Economics and Planning.

Following completion of the Arrangement, Mr. Lebioda will devote the appropriate time, in his reasonable business judgment, to the business and operations of Newco, assuming that he will have other employment and business commitments.

Dr. Norman Wong, BSc, MSc, MD, FRCP(C) – Co-Founder, Chief Scientific Officer and Chairman of the Scientific Advisory Board

Dr. Wong is the Chief Scientific Officer of Resverlogix and is also a Professor in the Departments of Medicine and Biochemistry & Molecular Biology (1987-present) within the Faculty of Medicine at the University of Calgary. Dr. Wong's prior positions included; the director of the Libin Cell and Gene Therapy unit, Assistant Dean of Research for the Faculty of Medicine, and Associate Vice-President of Research & International. Dr. Wong received his Bachelors of Arts and Science (1975), Masters of Science (1977) and Doctorate in Medicine (1980) from the University of Calgary prior to receiving fellowship training at the University of Minnesota (1987). Dr. Wong is a Fellow of the Royal College of Physicians (FRCPC, Canada) and a member of the American Society for Clinical Investigation (ASCI, USA).

Following completion of the Arrangement, Dr. Wong will devote the appropriate time, in his reasonable business judgment, to the business and operations of Newco, assuming that he will have other employment and business commitments.

Dr. Jan Johansson, MD, PhD – Senior Vice President Medical Affairs

Dr. Johansson has served as the Senior Vice President Medical Affairs of Resverlogix since 2004. Dr. Johansson received his Doctorate of Medicine from Karolinska Institute in Stockholm, Sweden, 1982, is a specialist in internal medicine, and received his PhD from the Karolinska Institute in 1991.

Dr. Johansson was global head of the cardiovascular group of Pharmacia from 1995 to 1997, co-founded Esperion Therapeutics in 1998, was head of research and development at Lipid Sciences, Inc. from 2003 to 2004, and Interim Chief Scientific Officer and Head of Clinical at Nuvelo from 2003 to 2004. Dr. Johansson also controls a preclinical company engaged in peptide technologies licensed from Lawrence Berkeley National Laboratory in California.

Following completion of the Arrangement, Dr. Johansson will devote the appropriate time, in his reasonable business judgment, to the business and operations of Newco, assuming that he will have other employment and business commitments.

Dr. Gregory Wagner, PhD, DABT – Senior Vice President Research and Development

Dr. Gregory Wagner, Ph.D., D.A.B.T. is Senior Vice President of Research and Development at Resverlogix. He joined Resverlogix in 2006 to lead Resverlogix's drug discovery and pharmaceutical development. In this capacity he led the internal Resverlogix team which discovered RVX-208 and moved it into clinical development. Prior to joining Resverlogix, Dr. Wagner's experience included three decades involved with drug discovery, preclinical development and late stage pharmaceutical development. He has worked for both large pharmaceutical companies, as well as several leading biotechnology companies, including Rigel Inc., Kosan Biosciences, and SUGEN (a subsidiary of Pharmacia eventually acquired by Pfizer Inc.). He has extensive experience in building drug development teams, as well as managing IND-enabling programs and later stage pharmaceutical development. Dr. Wagner earned a Bachelor of Science, Biochemistry with Distinction from the University of Illinois, a PhD in Pharmacology and Toxicology from the University of Iowa, and is a Diplomate of the American Board of Toxicology.

Following completion of the Arrangement, Dr. Wagner will devote the appropriate time, in his reasonable business judgment, to the business and operations of Newco, assuming that he will have other employment and business commitments.

Dr. Allan Gordon, MD, PhD – Senior Vice President Clinical Development

Dr. Gordon is the Senior Vice President Clinical Development of Resverlogix. Prior thereto, Dr. Gordon was the Chief Executive Officer of Nile Therapeutic Inc. in 2007 and Senior Director Clinical Research of Scios Inc., a Johnson & Johnson company, from 2004 to 2007 Dr. Gordon has worked with several large pharmaceutical companies in leading positions on the clinical development programs for cardiovascular disease including

Astra-Zeneca in 2004, Bristol-Myers Squibb from 2000 to 2003 and Novartis from 1998 to 2000. Dr. Gordon received his Doctor of Medicine from the Karolinska Institute in Sweden in 1986 and his PhD from the Karolinska Institute in 1996.

Following completion of the Arrangement, Dr. Gordon will devote the appropriate time, in his reasonable business judgment, to the business and operations of Newco, assuming that he will have other employment and business commitments.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as set out below, no proposed director or executive officer of Newco is, as at the date of this Information Circular, or was within ten (10) years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any Company (including Newco), that was:

(d) subject to a cease trade or similar order or an order that denied the relevant Company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(e) was subject to a cease trade or similar order or an order that denied the relevant Company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as set out below, no proposed director or executive officer of Newco, or a shareholder holding a sufficient number of securities of Newco to affect materially the control of Newco:

(a) is, as at the date of this Information Circular, or has been within the ten (10) years before the date of this Information Circular, a director or executive officer of any Company (including Newco) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the ten (10) years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Mr. Cann was a director of Banff Rocky Mountain Resort Ltd., General Partner for the Banff Rocky Mountain Resort Limited Partnership, which was subject to cease trade orders between May and November 2008 from the Alberta and Ontario Securities Commissions for a delay in filing audited annual financial statements of the Partnership.

No proposed director or executive officer of Newco, or a shareholder holding a sufficient number of securities of Newco to affect materially the control of Newco, has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

There are potential conflicts of interest to which the proposed directors and officers of Newco are subject with respect to the operations of Newco. Certain of the proposed directors and/or officers serve as directors and/or officers of other companies or have significant shareholdings in other companies. Situations may arise where the proposed directors and officers of Newco will be engaged in direct competition with Newco. Any conflicts of interest will be subject to and governed by laws applicable to directors' and officers' conflicts of interest, including the procedures prescribed under the ABCA. The ABCA requires that directors and officers of Newco, who are also directors or officers of a party which enters into a material contract with Newco or who otherwise have a material interest in a material contract entered into by Newco, must disclose their interest and, in certain instances, refrain from voting on any resolution of Newco's directors to approve the contract.

EXECUTIVE COMPENSATION

Compensation of Executive Officers and Directors of Newco

To date, Newco has not carried on any active business and has not completed a fiscal year of operations. No compensation has been paid by Newco to its proposed executive officers or directors and none will be paid until after the Arrangement is completed. Following the completion of the Arrangement, it is anticipated that management functions of Newco will be substantially performed by Resverlogix, which will be a company with common directors and management, in consideration for a fee for services rendered pursuant to the Management Services Agreement anticipated to be entered into upon closing of the Arrangement between Newco and Resverlogix. Accordingly, it is anticipated that the executive officers of Newco will not be paid base salaries, to the extent that they are executive officers of Resverlogix. It is anticipated that any executive officers that are not also executive officers of Resverlogix will be paid salaries comparable to other companies' of similar size and character; however, no definitive determinations with respect to executive compensation have been made as of the date hereof.

As at the date hereof, there are no employment contracts in place between Newco and any of its proposed executive officers and there are no provisions for the compensation of executive officers in the event of termination of employment or change of responsibilities following a change of control. The Newco Board will consider whether employment contracts should be entered into with each of the executive officers of Newco following the completion of the Arrangement.

It is not anticipated that the directors of Newco will be paid an annual retainer fee or a fee for each Newco Board and committee meeting attended but will be entitled to be reimbursed for all reasonable expenses incurred in order to attend such meetings.

AUDIT COMMITTEE

Audit Committee Charter

The proposed Audit and Finance Committee charter of Newco is attached hereto as Schedule E.

Composition of the Audit Committee

The Audit and Finance Committee of Newco is anticipated to consist of Kenneth Zuerblis (Chair), Kelly McNeill and Dr. Eldon Smith. All of the proposed members of the Audit and Finance Committee are independent and are financially literate in that each has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the accounting issues that can reasonably be expected to be raised by Newco's financial statements.

Relevant Education and Experience

The relevant education and experience of each of the proposed members of the Audit and Finance Committee is as follows:

Member	Independent [1]	Financially Literate[1]	Relevant Education and Experience
Kenneth Zuerblis (Chair)	Yes	Yes	Mr. Zuerblis received a BS in Accounting and is a Certified Public Accountant with nearly thirty (30) years of experience, has held senior financial positions with three publicly-traded companies and has held directorships with numerous organizations.
Kelly McNeill	Yes	Yes	Mr. McNeill is the Executive Vice President, Finance and Administration, Chief Financial Officer and Secretary of IMRIS Inc., a provider of fully integrated image guided therapy solutions, since 2009. Prior thereto, Mr. McNeill was Resverlogix's Chief Financial Officer and is a Chartered Accountant.
Dr. Eldon Smith	Yes	Yes	Dr. Smith has held directorships, and been a member of the audit committees, of several publicly-traded companies and held directorships with numerous organizations.

Note:
(1) As defined by National Instrument 52-110 – *Audit Committees* ("**NI 52-110**").

Pre-Approval Policies and Procedures

Newco will not engage external auditors to carry out any Prohibited Service as defined in the CICA revised Rules of Professional Conduct.

The Newco Board, upon recommendation from the Audit and Finance Committee, will consider the pre-approval of permitted services to be performed by the external auditors in each of the following broad categories:

- Audit Services
- Audit Related Services
- Tax Services

Engagements of external auditors will only commence subsequent to Newco Board pre-approval of audit services, and only a member of the Audit and Finance Committee, or the President and Chief Executive Officer or Chief Financial Officer shall be authorized to request services of external auditors.

External Auditor Service Fees (By Category)

The approximate aggregate fees paid by Newco to the external auditors of Newco since incorporation are described below:

Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
$2,500	Nil	Nil	Nil

Exemption

This disclosure regarding the Audit and Finance Committee is being provided in reliance on the exemption provided in Section 6.1 of NI 52-110.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

This Appendix sets out the following disclosure with respect to Newco's proposed corporate governance practices.

Board of Directors

The Newco Board will be comprised of six (6) directors, of which five (5) will be independent within the meaning of independent in section 1.4 of NI 52-110. In order to facilitate independent judgment, members of the Newco Board will recuse themselves from the discussion of and voting on any matters of Newco which may be perceived to place them in a conflict of interest. The independent directors will be Dr. Peter Johann, Kenneth Zuerblis, Dr. Eldon Smith, Kelly McNeill and Arthur J. Higgins. The proposed President and Chief Executive Officer of Newco, Donald J. McCaffrey, will not be independent by virtue of being an executive officer of Newco. All of Newco's proposed directors serve as directors of other reporting issuers as indicated in the table below.

Name of Director	Directorships Held	Market
Dr. Peter Johann	Resverlogix Corp.	TSX
Donald J. McCaffrey	Resverlogix Corp.	TSX
Kenneth Zuerblis	Resverlogix Corp.	TSX
	Immunomedics, Inc.	NASDAQ
Dr. Eldon Smith	Resverlogix Corp.	TSX
	Canadian Natural Resources Ltd.	TSX/NYSE
	Aston Hill Financial Inc.	TSX
	Intellipharmaceutical International Inc.	TSX/NASDAQ
Kelly McNeill	Resverlogix Corp.	TSX
Arthur J. Higgins	Resverlogix Corp.	TSX
	Zimmer Inc.	NYSE
	Ecolab Inc.	NYSE

It is expected that following completion of the Arrangement, in order to facilitate the exercise of the independent directors' judgement, the independent members of the Newco Board will hold meetings at which the non-independent director and members of management are not in attendance. In addition, it is expected that the Newco Board will hold "in camera" sessions for independent directors during each Newco Board meeting to facilitate open and candid discussion amongst the independent directors. The independent directors may also schedule meetings as they see fit without members of management and non-independent directors present.

Orientation and Continuing Education

Each new director on the Newco Board will be provided with a director's manual, which will be updated on a regular basis. New members are expected to review and become familiar with its contents. The director's manual will contains key corporate policies and other relevant corporate and Newco Board information.

Newco will also provide directors with opportunities to increase their knowledge and understanding of Newco's business. Briefings on strategic issues will be conducted regularly, and typically will include reviews of the competitive environment, Newco's performance relative to its peers, and any other developments that could materially affect Newco's business. In addition, the Newco Board will be briefed on a regular basis on corporate governance developments and emerging best practices in corporate governance.

Ethical Business Conduct

It is anticipated that the Newco Board will adopt a Code of Business Conduct and Ethics ("**Code**") which will set out in detail the purpose, scope and application of the Code and outlines general principles by which Newco is governed. The Code and the method of administering the Code, handling inquiries and complaints, investigating violations, and reporting to the Newco Board on matters related to the Code will be communicated to directors, officers and employees.

The Newco Board and the Audit and Finance Committee will also establish a Whistleblower Policy to encourage employees, officers and directors to raise concerns regarding any matters, including accounting, internal controls or auditing matters, on a confidential basis free from discrimination, retaliation or harassment. A report on the status of any matters arising from the Whistleblower Policy will be provided at each meeting of the Audit and Finance Committee.

In addition, in order to ensure independent judgment in considering transactions/agreements in which a director/officer has a material interest, all related party transactions are approved by the independent directors and all payments under related party transactions are approved by the Audit and Finance Committee.

Nomination of Directors

The responsibility for identifying new candidates for Newco Board nomination will be delegated to the Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee will be comprised of Mr. Higgins, Dr. Johann and Mr. McNeill, all of whom are independent directors. If a vacancy occurs on the Newco Board, or if additional members are deemed necessary, the Corporate Governance and Nominating Committee will, in consultation with the President and Chief Executive Officer, identify candidates who satisfy the skills and characteristics criteria and the long-term plan for the Newco Board composition established by such committee. The Corporate Governance and Nominating Committee will recommend such candidates to the Newco Board for appointment.

Compensation

Newco anticipates that it will form a Compensation and HR Committee following the completion of the Arrangement which will be comprised of Mr. Higgins, Dr. Johann and Mr. McNeill, all of whom will be independent directors within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*. The Compensation and HR Committee will determine the salary and benefits of the executive officers of Newco, and determine Newco's general compensation structure, policies and programs.

Other Board Committees

It is anticipated that immediately following the completion of the Arrangement, Newco will have no committees other than the Audit and Finance Committee, the Compensation and HR Committee and the Corporate Governance and Nominating Committee.

Assessments

Given its stage of development, it is not anticipated that the Newco Board will have a formal process in place to assess the effectiveness of the Newco Board, its committees and individual members. However, through the regular interaction between Newco Board members, the Newco Board will satisfy itself that the Newco Board, its committees and individual members are performing effectively.

RISK FACTORS

An investment in Newco should be considered highly speculative due to the nature of its activities and the stage of its development upon completion of the Arrangement. Newco was incorporated for the purposes of participating in the Arrangement and acquiring the Therapeutics Shares and has not carried on any active business other than in connection with the Arrangement and related matters. Following completion of the Arrangement, Newco will be an early stage biotechnology research company. The biotechnology industry generally may be regarded as uncertain given the nature of the industry. Accordingly, investments in biotechnology companies should be regarded as speculative. Biotechnology research and development involves a significant degree of risk. The risks and uncertainties set forth below are not the only ones Newco will face. Additional risks and uncertainties not presently known to Newco or that Newco currently considers immaterial may also impair the business and operations of Newco and cause the price of the Newco Shares to decline. If any of the following risks actually occur, Newco's business may be harmed and its financial condition and results of operations may suffer significantly. In that event,

the value of the Newco Shares could decline and purchasers of the Newco Shares may lose all or part of their investment. Readers should carefully consider the following risk factors in addition to the other information contained in this Appendix and the Information Circular before investing in Newco Shares. See "*Risk Factors*" in the Information Circular.

At this time, Newco does not intend to participate in the manufacturing, clinical testing (other than phase 1 clinical trials) or regulatory submissions prior to commercialization of any of its products but instead anticipates entering into partnerships and/or licensing agreements. As such, references to Newco's risk factors below may also apply to potential partners of Newco and/or licensees of Newco's products, which in turn will affect the value of Newco's products and ultimately Newco's financial condition and results of operation.

Risks Relating to Newco

Newco will be an early stage research company. If Newco does not develop commercially successful products, it may be forced to cease operations.

Newco will be in early stage development, which may require significant additional investment for research and development. Investors must evaluate Newco's business in light of the uncertainties and complexities affecting a development stage pharmaceutical company. Newco will not have completed clinical development for any of its products and there can be no assurance that any such products will actually be developed. Each of Newco's products will be unsuccessful if it:

- does not demonstrate acceptable safety and efficacy in preclinical studies and clinical trials or otherwise does not meet applicable regulatory standards for approval;
- does not offer therapeutic or other improvements over existing drugs used to treat the same or similar conditions;
- is not capable of being produced in commercial quantities at an acceptable cost, or at all; or
- is not accepted by patients, the medical community or third party payors.

A commitment of substantial time and resources is required to conduct research and clinical trials if Newco is to complete the development of any product. Newco has not proven its ability to develop and commercialize products. It is not known whether any of Newco's products will meet applicable health regulatory standards and obtain required regulatory approvals, or: (i) whether such products can be produced in commercial quantities at reasonable costs and be successfully marketed; (ii) whether its products will achieve market acceptance; or (iii) if Newco's investment in any such products will be recovered through sales or royalties. Problems frequently encountered in connection with the development and utilization of new and unproven technologies and the competitive environment in which Newco will operate might limit its ability to develop commercially successful products.

Results of early research may not be indicative of the results that will be obtained in later stages of research. If regulatory authorities do not approve the products or if regulatory compliance is not maintained, Newco would have limited ability to commercialize its products, and its business and results of operations would be harmed. Newco may fail to develop any products, to obtain regulatory approvals, to enter clinical trials, or to commercialize any products. If Newco is unable to make its product candidates commercially available, Newco will not generate product revenues, and it may be forced to cease operations.

Newco expects to incur substantial net losses for the foreseeable future, and Newco may never achieve or maintain profitability.

Newco will not have recorded any revenues from the sale of biopharmaceutical products, and consolidated net losses totaling approximately $17.6 million will have been incurred by Newco, on a pro forma basis, upon completion of the Arrangement. Newco expects to incur substantial net losses and negative cash flow for the foreseeable future. Such losses will have an adverse effect on its working capital.

The process of developing and commercializing Newco's products will require significant pre-clinical testing and clinical trials as well as regulatory approvals for commercialization and marketing before Newco could begin product sales. In addition, commercialization of its products would require Newco to establish a sales and marketing organization or contractual relationships to enable product manufacturing and other related activities. Because of the numerous risks and uncertainties associated with pharmaceutical product development and commercialization, Newco is unable to accurately predict the timing or amount of future expenses or when, or if, it will be able to achieve or maintain profitability. Newco will not have any products approved for commercial sale, and will not have generated any product revenue. The size of Newco's future net losses will depend, in part, on the rate of growth or contraction of its expenses and the level and rate of growth, if any, of its revenues. Newco expects to incur losses unless and until such time as payments, if any, from corporate collaborations, product sales and/or royalty payments generate sufficient revenues to fund its continuing operations. Quarter to quarter fluctuations in revenues, expenses and losses are also expected. Even if Newco does achieve profitability, it may not be able to sustain or increase profitability on an ongoing basis.

Newco will need to raise additional capital in the future to fund its operations. If Newco cannot raise additional capital, it will have to delay, reduce or cease operations.

Newco will need to raise additional capital to fund its operations and to develop its products. Newco expects to attempt to raise additional funds through public or private equity or debt financing and/or from other sources. Newco's future capital requirements will be substantial and will depend on many factors, such as the following:

- the scope, rate of progress, results and costs of its preclinical studies and clinical programs;
- timing, costs and outcomes of regulatory proceedings;
- the cost and timing of developing sales and marketing operations or partnerships;
- payments received under any future partnerships;
- prosecution or defense of patent claims;
- the cost and timing of developing manufacturing capacity;
- the rate of progress in its research, drug discovery and developmental programs;
- costs associated with commercialization of its products; and
- competing technological and market developments, including the introduction by others of new therapies in its market.

Newco's expected cash and cash equivalents, together with funds contributed by Resverlogix pursuant to the Arrangement, will not be sufficient to maintain its currently planned operations over the next year. Newco intends to raise additional capital and believes that together with additional capital that it expects to be able to raise, it will be able to maintain its planned operations over the next year. If Newco is not able to raise additional capital, it will not have sufficient capital to fund its currently planned operations over the next year. Newco would have to reduce its cash requirements by eliminating or deferring discretionary spending on research, development and corporate activities, and it may be forced to cease operations.

Further, changing circumstances may cause Newco to consume capital significantly faster or slower than it currently anticipates. Newco has based these estimates on assumptions that may prove to be wrong, and it could utilize its available financial resources sooner than it currently expects.

There can be no guarantee that Newco will be able to access capital markets in the future to fund its ongoing operations. If it cannot access capital markets in the future, Newco may be forced to cease operations. Any financing transaction may contain unfavorable terms. If Newco raises additional funds by issuing equity securities, its

stockholders' equity will be diluted. If it raises additional funds through strategic partnerships, it may be required to relinquish rights to its products, or to grant licenses on terms that are not favorable to Newco.

If Newco's clinical trials fail to establish the safety and efficacy of its products, it will not be able to commercialize its products.

Drug discovery and development has inherent risk and the historical failure rate is high. To obtain regulatory approval to market and sell any of Newco's products, it must satisfy the FDA, TPD, and other regulatory authorities, through extensive clinical trials and preclinical studies, that its products are safe. If Newco cannot demonstrate that its drugs are safe and effective for human use, it may need to abandon one or more of its drug development programs.

Newco may not have conducted or may not conduct in the future the types of testing ultimately required by regulatory authorities, or future tests may indicate that its products are not safe for use in humans. Preclinical testing and clinical trials are expensive, can take many years and have an uncertain outcome. In addition, success in initial preclinical testing does not ensure that later preclinical testing or clinical trials will be successful. There are a number of factors that could cause a clinical trial to fail or be delayed including:

- the clinical trials may produce negative or inconclusive results, which may require Newco to conduct additional preclinical testing or to abandon product candidates that it believed to be promising;
- the regulators may require that Newco hold, suspend or terminate clinical research for noncompliance with regulatory requirements;
- Newco, its potential partners, the FDA, the TPD or foreign regulatory authorities could suspend or terminate a clinical trial due to adverse side effect of a drug on subjects or patients in the trial;
- Newco may decide, or regulators may require it, to conduct additional preclinical testing or clinical trials;
- enrollment in Newco's clinical trials may be slower than anticipated;
- the cost of Newco's clinical trials may be greater than anticipated;
- Newco's products may have unfavorable pharmacology, toxicology or carcinogenicity;
- Newco's product candidates may cause undesirable side effects; and
- the supply or quality of Newco's drugs or other materials necessary to conduct clinical trials may be insufficient, inadequate or delayed.

If any of Newco's drugs in clinical studies do not show sufficient efficacy in patients with the targeted indication, it could negatively impact Newco's development and commercialization or goals for this and other drugs and, as result, materially adversely affect its business, financial condition and results of operations.

If Newco's testing assumptions are incorrect its products may not be approved for marketing.

The design of Newco's clinical trials will be based on many assumptions about the expected effect of its product candidates. If those assumptions prove incorrect, the clinical trials may not produce statistically significant results. Newco cannot provide any assurance that the design of, or data collected from, the clinical trials of its product candidates will be sufficient to support the FDA and foreign regulatory approvals.

Reliance on Resverlogix for research and administrative services

Therapeutics is dependent on Resverlogix to provide research and administrative services required by Therapeutics to carry on its research and development activities. Research and administrative services are provided by

Resverlogix to Therapeutics pursuant to an agreement that may be terminated by Resverlogix upon six months prior notice. In addition, the employees of Resverlogix who will be primarily responsible for the provision of research and administrative services to Therapeutics have extensive specialized knowledge and experience and there is no certainty that such individuals will continue to be employees of Resverlogix.

Newco will be dependent on third parties to conduct its clinical trials and to provide services for certain important aspects of its business. If these third parties do not perform as contractually required or expected, Newco may not be able to obtain regulatory approval for its products, or it may be delayed in doing so.

Newco will rely on third parties, such as contract research organizations, medical institutions, academic institutions, independent clinical investigators and contract laboratories, to conduct its preclinical studies and clinical trials. Newco will rely heavily on these parties for successful execution of its clinical trials, but will not control many aspects of their activities. As a result, many important aspects of its product development will be outside Newco's direct control. Newco will be responsible for confirming that its preclinical studies are conducted in accordance with applicable regulations and that each of its clinical trials is conducted in accordance with its general investigational plan and protocol. The FDA requires it to comply with regulations and standards, commonly referred to as GLP, for conducting and recording the results of its preclinical studies and GCP for conducting, monitoring, recording and reporting the results of clinical trials, to assure that data and reported results are accurate and that the clinical trial participants are adequately protected. Its reliance on third parties will not relieve Newco of these responsibilities. If the third parties conducting its clinical trials do not perform their contractual duties or obligations, do not meet expected recruitment or other deadlines, fail to comply with the FDA's GCP regulations, do not adhere to its clinical trial protocols or otherwise fail to generate reliable clinical data, development, approval and commercialization of its products may be extended, delayed or terminated or may need to be repeated, and it may not be able to obtain regulatory approval.

Newco does not currently own or operate manufacturing facilities for clinical or commercial production of API, used in its product candidates. As a result, it will rely on third parties to supply the API for product candidates it develops. An API manufacturer must meet high precision and quality standards for that API to meet regulatory specifications and comply with regulatory requirements. A contract manufacturer's failure to comply with applicable regulations and requirements could result in refusal to approve or a delay in approval of product candidates. Newco is ultimately responsible for confirming that the APIs used in its product candidates are manufactured in accordance with applicable regulations. Furthermore, if its third party drug suppliers fail to achieve and maintain high manufacturing standards in compliance with applicable regulations, it could be subject to certain product liability claims in the event such failure to comply resulted in defective products that caused injury or harm.

Newco will rely on partnerships and strategic relationships for its success. The failure to successfully collaborate with third parties may delay, prevent or otherwise impair the development or commercialization of its products or revenue expectations.

As a result of the costs and risks associated with commercializing a product candidate, Newco will seek strategic partnerships with corporate and academic collaborators, licensors, licensees and others for the research, development, clinical testing, manufacturing, marketing and commercialization of its products, and it intends to attract corporate partners and enter into additional research collaborations. There can be no assurance, however, that such collaborations will be established on favourable terms, if at all, or that future collaborations will be successful. Failure to attract commercial partners for its products may result in Newco incurring substantial clinical testing, manufacturing and commercialization costs prior to realizing any revenue from product sales or result in delays or program discontinuance if funds are not available in sufficient quantities, and this may materially adversely affect its business, financial condition and results of operations.

Should a collaborative partner fail to develop, manufacture, or commercialize successfully any product to which Newco has rights, or any partner's product to which Newco has rights, the business may be adversely affected. Failure of a collaborative partner to continue to participate in any particular program could delay or halt the development or commercialization of products generated from such program. In addition, there can be no assurance that the collaborative partners will not pursue other technologies or develop alternative products either alone or in collaboration with others, including its competitors, as a means for developing treatments for the diseases targeted by its programs.

Furthermore, Newco, through Therapeutics, will hold licenses for certain technologies and there can be no assurance that these licenses will not be terminated, or that they will be renewed on conditions acceptable to Newco. Newco may negotiate additional licenses in respect of technologies developed by other companies and academic institutions. Terms of license agreements to be negotiated may include, inter alia, a requirement to make milestone payments, which may be substantial. Newco may also be obligated to make royalty payments on the sales, if any, of products resulting from licensed technology and, in some instances, is responsible for the costs of filing and prosecuting patent applications.

Newco faces significant competition in seeking appropriate strategic partners, and these strategic partnerships can be intricate and time consuming to negotiate and document. It may not be able to negotiate strategic partnerships on acceptable terms, or at all. Newco is unable to predict when or if it will enter into any strategic partnerships because of the numerous risks and uncertainties associated with establishing strategic partnerships. If it is unable to negotiate strategic partnerships for its products, Newco may be forced to delay or terminate development or commercialization of one or more of its products. If Newco elects to increase its expenditures to fund development or commercialization activities on its own, it may need to obtain additional capital, which may not be available to Newco.

If Newco enters into partnerships or other strategic relationships, it may lose important rights to and control over the development of its products.

As a result of the costs and risks associated with commercializing a product Newco will seek strategic partnerships in order to continue to develop and, if approved, market its products. Such strategic partnerships may require it to relinquish control over the timing and manner of clinical trials and commercialization of its products. Strategic partners may experience financial difficulties or choose to terminate the arrangement or independently work on a competing product resulting in the delay or discontinuation of development or commercialization of its product candidates. Furthermore, disputes may arise between Newco and its strategic partners that result in the delay or termination of the research, development or commercialization of its product candidates or that result in costly litigation or arbitration that diverts management's attention and consumes resources. Strategic partners may not properly maintain or defend its intellectual property rights or may use its proprietary information in a manner that could jeopardize or invalidate its proprietary information or expose Newco to potential litigation.

If Newco's products fail to achieve market acceptance for any reason, such failure may materially adversely affect its business, financial condition and results of operations.

There can be no assurance that any of Newco's products, if approved for marketing, will achieve market acceptance. If its products, once approved, do not receive market acceptance for any reason, it will adversely affect its business, financial condition and results of operations. The degree of market acceptance of any products it develops will depend on a number of factors, including:

- the clinical efficacy and safety of Newco's products;
- Newco's products' potential advantages over existing and future treatment methods;
- the price of Newco's products; and
- reimbursement policies of government and third-party payers, including hospitals and insurance companies.

If after Newco obtains regulatory approval to sell its products, physicians, and healthcare payors fail to adopt its products or conclude that its products are not safe and effective, physicians could choose not to use them to treat patients. Newco's competitors may also develop new technologies or products which are more effective or less costly, or that seem more cost-effective than Newco's products.

In addition, regulations affecting the pricing of pharmaceutical products may change in ways adverse to Newco. While it cannot predict the likelihood of any regulatory proposals, if a government agency were to adopt proposals

limiting market or third-party payor pricing for pharmaceutical products, it could materially adversely affect Newco's business, financial condition and results of operations.

Newco cannot be certain that it will ever obtain regulatory approvals in Canada, the United States, or other countries. The failure to obtain such approvals may materially adversely affect its business, financial condition and results of operations.

Biotechnology, medical device and pharmaceutical companies operate in a high-risk regulatory environment. The study, manufacture and sale of products are governed by numerous statutes and regulations in the United States, Canada and other countries. Newco will be required to obtain various regulatory approvals prior to being able to study, commercialize and distribute its products. The regulatory review and approval process required to perform a clinical study in Canada, the United States and other countries includes evaluation of preclinical studies and clinical studies, as well as the evaluation of its manufacturing process. This process is complex, lengthy, expensive, resource intensive and uncertain. Securing regulatory approval to market Newco's products also requires the submission of extensive preclinical and clinical data, manufacturing information regarding the process and facility, scientific data characterizing its product and other supporting data to the regulatory authorities in order to establish its safety and effectiveness. Newco, or its collaborators, may fail to obtain the necessary approvals to commence or continue preclinical or clinical testing of its product candidates or to manufacture or market its products in reasonable time frames, if at all.

Governmental authorities in Canada, the United States, or other countries may enact regulatory reforms or restrictions on the development of new therapies that could adversely affect Newco's ability to develop its products. Many of the products and processes that are being currently developed by it require significant development, testing and the investment of significant funds prior to their commercialization. There can be no assurance that any drug Newco attempts to develop will actually be developed to a commercial level. Completing clinical testing through late stage trials and obtaining required approvals is expected to take several years and to require the expenditure of substantial resources. There can be no assurance that clinical trials will be completed successfully within any specified period of time, if at all. Furthermore, clinical trials may be delayed or suspended at any time by Newco or by the FDA, the TPD or foreign regulatory authorities if it is determined that the subjects or patients are being exposed to unacceptable risks. Newco may encounter delays or rejections based on varying regulatory interpretations or changes in regulatory agency policies, during the period in which it develops a product.

No assurance can be given that any of Newco's product candidates will prove to be safe and effective in clinical trials or that Newco will receive the requisite regulatory approval. Moreover, any regulatory approval of a drug which is eventually obtained may be granted with specific limitations on the indicated uses for which that drug may be marketed or may be withdrawn if problems occur following initial marketing or if compliance with regulatory standards is not maintained. Newco has limited experience in filing and pursuing applications necessary to gain these regulatory approvals.

The approval procedures vary among countries and can involve additional product testing and administrative review periods. The time required to obtain approval in various countries vary from one another. Approval in one country does not ensure approval by the regulatory authorities of other countries. The failure to obtain such approvals may materially adversely affect Newco's business, financial condition and results of operations.

Regulatory authorities may not approve Newco's products even if they meet safety and efficacy endpoints in clinical trials.

The FDA, the TPD and other foreign regulatory agencies can delay, limit or deny marketing approval for many reasons, including finding a product may not be considered safe and effective; the manufacturing processes or facilities may not meet applicable requirements; or changes in approval policies or regulations. Newco's product candidates may not be approved even if they achieve their endpoints in clinical trials. Regulatory agencies, including the FDA, or their advisors may disagree with Newco's trial design and its interpretations of data from preclinical studies and clinical trials. Regulatory agencies may change requirements for approval even after a clinical trial design has been approved. Regulatory agencies also may approve a product candidate for fewer or more limited indications than requested or may grant approval subject to the performance of post-marketing studies. In addition,

regulatory agencies may not approve the labeling claims that are necessary or desirable for the successful commercialization of its product candidates.

Newco's products will remain subject to ongoing regulatory review even if they receive marketing approval. If it fails to comply with continuing regulations, it could lose these approvals, and the sale of any future products could be suspended.

In the event Newco receives regulatory approval to market a particular product candidate, United States, Canadian or other foreign regulatory authority could condition approval on conducting additional costly post-approval studies or could limit the scope of approved uses. In addition, the product may later cause adverse effects that limit or prevent its widespread use, force Newco to withdraw it from the market or prevent or delay its ability to obtain regulatory approvals in additional countries. In addition, Newco will continue to be subject to regulatory review and periodic inspections to ensure adherence to applicable regulations. After receiving marketing approval, the FDA imposes extensive regulatory requirements on the manufacturing, labeling, packaging, adverse event reporting, storage, advertising, promotion and record keeping related to the product. Failure to comply with the regulatory requirements could result in:

- civil or criminal penalties or fines;
- injunctions;
- product seizures, detentions or import bans;
- voluntary or mandatory product recalls and publicity requirements;
- suspension or withdrawal of regulatory approvals; and
- refusal to approve pending applications for marketing approval of new drugs or supplements to approved applications.

Newco may be subject to product liability claims if its products harm people, and it does not have product liability insurance.

The manufacture and sale of pharmaceutical products involve an inherent risk of product liability claims and associated adverse publicity. Newco may enter into human clinical trials that involve inherent risks in the testing of unproven products. Newco will only have clinical trial liability insurance for its products at such time as it conducts a clinical trial; it will not have product liability insurance. Newco does not know if it will be able to obtain clinical trial liability insurance or obtain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. This type of insurance is expensive and may not be available on acceptable terms. If Newco is unable to obtain or maintain sufficient insurance coverage on reasonable terms or to otherwise protect against potential clinical trial and product liability claims, it may be unable to commercialize its products. A successful clinical trial liability or product liability claim brought against it in excess of its insurance coverage, if any, may require it to pay substantial amounts. This could have a material adverse effect on Newco's business, financial condition and results of operations.

The pharmaceutical industry is extremely competitive. If Newco's competitors develop and market products that are more effective, safer or less costly than any future products that it may develop, its commercial opportunity will be reduced or eliminated.

The technological competition Newco will face from new and established pharmaceutical companies, biopharmaceutical companies and universities is intense and is expected to increase. Competitors may develop products more quickly and obtain regulatory approval for such products more rapidly, or develop products which are more effective than those which Newco intends to develop. Newco's commercial opportunity will be reduced or eliminated if its competitors develop and commercialize products that are safer, more effective, have fewer side effects or are less expensive than any future products that Newco may develop and commercialize. In addition,

significant delays in the development of its product candidates could allow Newco's competitors to bring products to market before Newco and impair its ability to commercialize its product candidates. Research and development by others may render its technology or products obsolete or noncompetitive or produce treatments or cures superior to any therapy to be developed by Newco.

Many of Newco's competitors will have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved products than it does. Established pharmaceutical companies may invest heavily to discover quickly and develop novel compounds or drug delivery technology that could make Newco's product candidates obsolete. Smaller or early stage companies may also prove to be significant competitors, particularly through strategic partnerships with large and established companies. In addition, these third parties compete with Newco in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies and technology licenses complementary to its programs or advantageous to its business. Accordingly, its competitors may succeed in obtaining patent protection, receiving FDA approval or discovering, developing and commercializing products before Newco does. If Newco is not able to compete effectively against its current and future competitors, its business will not grow and its financial condition will suffer.

Newco's products may not be eligible for reimbursement from government or private third-party payors, or may be eligible for reimbursement at lower prices than it currently anticipates, which could materially adversely affect its business, financial condition and results of operations.

Newco's ability to successfully market therapeutic products will depend in part on the extent to which reimbursement for the cost of such products and related treatments will be available from government health administration authorities, private health insurers and other healthcare organizations. Significant uncertainty exists as to whether newly-approved pharmaceutical products will qualify for reimbursement from these organizations. Furthermore, challenges to the price of medical products continue to grow in frequency due to increased focus on cost containment and pharmacoeconomic issues. Health authorities will continue to increase their scrutiny and pharmacoeconomic diligence on new products in all disease areas. These rapid changes in the healthcare reimbursement marketplace will potentially have a significant impact on the future marketability of new drugs in development and could materially adversely affect Newco's business, financial condition and results of operations. It is expected that new drug entrants will not only have to be effective and safe but also have to provide a clear value proposal to health systems over the current standard of care therapy.

In light of these market changes in drug development, pricing of drug therapies has come under significant pressure with government authorities and private health insurers around the world. The top current leading reimbursed markets; USA, Japan, Germany, UK, France, Spain, Italy, and Canada, have implemented healthcare reforms that focus specifically on value and reimbursement. Reforms such as reference based pricing, pharmacoeconomics, and numbers needed to treat are a few of the many instruments that healthcare organizations utilize to ensure maximum value for reimbursed therapeutics. Healthcare reform is underway in these top global markets and there is additional uncertainty about the viability of current pricing methodologies for reimbursement. There can be no assurance that adequate third-party coverage will be available to establish price levels which would allow Newco to realize an acceptable return on its investment in product development. If it cannot realize an acceptable return on its investment in product development, Newco may need to delay or cease its product development.

It may be difficult or impossible for U.S. investors to enforce judgments against Newco, its directors or its officers in Canada.

Newco was formed under the laws of the Province of Alberta. Some of the members of its board of directors and its officers are residents of countries other than the United States. As a result, it may be impossible for U.S. investors to affect service of process within the U.S. upon Newco or these persons or to enforce against it or these persons any judgments in civil and commercial matters, including judgments under U.S. federal or state securities laws. In addition, a Canadian court may not permit U.S. investors to bring an original action in Canada or to enforce in Canada, a judgment of a state or federal court in the United States.

Risks Relating to Newco's Intellectual Property

Technology is based on intellectual property licensed from Resverlogix

Certain intellectual property utilized by Therapeutics has been obtained under licenses from Resverlogix and Therapeutics expects to rely on these licenses for the development of its own product candidates. Licenses have been granted by Resverlogix to Therapeutics pursuant to an Amended and Restated License Agreement dated January 31, 2013, whereby Resverlogix permits Therapeutics to develop compounds covered by the licensed patents and patent applications for applications other than indicators involving an increase in ApoA-1. Newco cannot assure that these licenses will remain in good standing or that the technology Therapeutics has licensed under these agreements has been adequately protected or is free from claims of infringement of the intellectual property rights of third parties. Therapeutics may in the future be obligated, to make royalty payments on the sales, if any, of product candidates resulting from licensed technology and, in some instances, may be responsible for the costs of filing and prosecuting patent applications. Any breach or termination of the Amended and Restated License Agreement could have a material adverse effect on Newco's business, financial condition, and results of operations.

Newco may not accurately predict the protection afforded by its patents and proprietary technology and if its predictions are wrong, this may materially adversely affect Newco's business, financial condition and results of operations.

Newco's success will depend in part on its ability to obtain, maintain, and enforce patent rights, maintain trade secret protection and operate without infringing the proprietary rights of third parties, both domestically and internationally.

Newco's patent positions may be highly uncertain, and any future patents it receives for its potential products will be subject to this uncertainty, which may adversely affect its business, financial condition and results of operations. There can be no assurance that pending patent applications will be allowed and that it will develop additional proprietary products that are patentable, that issued patents will provide any competitive advantage or will not be challenged by any third parties, or that patents of others will not have an adverse effect on the ability to do business. Furthermore, there can be no assurance that others will not independently develop similar products, duplicate any of the products, or design around the products patented by Newco. In addition, Newco may be required to obtain licenses under patents or other proprietary rights of third parties. No assurance can be given that any licenses required under such patents or proprietary rights will be available on terms acceptable to Newco. If such licenses are not obtained, Newco could encounter delays in introducing one or more of its products to the market, while Newco attempts to design around such patents, or Newco could find that the development, manufacturing or sale of products requiring such licenses could be foreclosed. In addition, Newco could incur substantial costs in defending suits brought against it on such patents or in suits in which it attempts to enforce its own patents against other parties. Such disputes could involve arbitration, litigation or proceedings declared by the United States Patent and Trademark Office or International Trade Commission or other foreign patent authorities. Intellectual property litigation can be extremely expensive, and this expense, as well as other consequences should Newco not prevail, could seriously harm its business. With respect to any infringement claim asserted by a third party, Newco can give no assurances that it will be successful in the litigation or that such litigation would not have a material adverse effect on its business, financial condition and results of operation.

Until such time, if ever, that patent applications are filed and or approved, Newco's ability to maintain the confidentiality of the described technology may be crucial to its ultimate possible commercial success. While procedures have been adopted to protect the confidentiality of Newco's technology through signed invention and service agreements, no assurance can be given that such arrangements will be effective, that third parties will not gain access to trade secrets or disclose the technology, or that Newco can meaningfully protect its rights to its trade secrets.

Even if valid and enforceable patents cover Newco's products and technologies, such patents will provide protection only for a limited amount of time.

Even if patents are issued regarding Newco's product candidates or methods of using them, those patents can be challenged by its competitors who can argue that its patents are invalid and/or unenforceable. Third parties may

challenge its rights to, or the scope or validity of, Newco's patents. Patents also may not protect its products if competitors devise ways of making these or similar product candidates without legally infringing Newco's patents. The Federal Food, Drug and Cosmetic Act and the FDA regulations and policies provide incentives to manufacturers to challenge patent validity or create modified, non-infringing versions of a drug or device in order to facilitate the approval of generic substitutes. These same types of incentives encourage manufacturers to submit new drug applications that rely on literature and clinical data not prepared for or by the drug sponsor.

Newco also relies on trade secrets to protect its technology, especially where it does not believe that patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. The employees, consultants, contractors, outside scientific collaborators and other advisors of Newco and its strategic partners may unintentionally or willfully disclose its confidential information to competitors. Enforcing a claim that a third party illegally obtained and is using Newco's trade secrets is expensive and time consuming and the outcome is unpredictable. Failure to protect or maintain trade secret protection could adversely affect its competitive business position.

Newco's research and development collaborators may have rights to publish data and other information in which Newco has rights. In addition, Newco sometimes engages individuals or entities to conduct research that may be relevant to its business. The ability of these individuals or entities to publish or otherwise publicly disclose data and other information generated during the course of their research is subject to certain contractual limitations. These contractual provisions may be insufficient or inadequate to protect Newco's trade secrets and may impair its patent rights. If Newco does not apply for patent protection prior to such publication or if it cannot otherwise maintain the confidentiality of its technology and other confidential information, then its ability to receive patent protection or protect its proprietary information may be jeopardized.

Litigation or other proceedings or third party claims of intellectual property infringement could require Newco to spend time and money and could shut down some of its operations.

Newco's commercial success depends in part on not infringing patents and proprietary rights of third parties. Others have filed, and in the future are likely to file, patent applications covering products that are similar to Newco's product candidates, as well as methods of making or using similar or identical products. If these patent applications result in issued patents and it wishes to use the claimed technology, it would need to obtain a license from the third party. Newco may not be able to obtain these licenses at a reasonable cost, if at all.

In addition, administrative proceedings, such as interferences and re-examinations before the U.S. Patent and Trademark Office, could limit the scope of Newco's patent rights. Newco may incur substantial costs and diversion of management and technical personnel as a result of its involvement in such proceedings. In particular, its patents and patent applications may be subject to interferences in which the priority of invention may be awarded to a third party. Newco does not know whether its patents and patent applications would be entitled to priority over patents or patent applications held by such a third party. Newco's issued patents may also be subject to re-examination proceedings. Newco does not know whether its patents would survive re-examination in light of new questions of patentability that may be raised following their issuance.

Newco may be subject to claims for intellectual property infringement from former employers of its key employees, which could result in loss of intellectual property, its key employees or both.

Many of Newco's employees were previously employed at universities or other biotechnology or pharmaceutical companies, including competitors or potential competitors. Newco could be subject to claims that these employees or it has inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers. In many cases, litigation may be necessary to defend against these claims.

Even if Newco is successful in defending against these claims, litigation could result in substantial costs and be a distraction to management. If Newco fails in defending such claims, in addition to paying money claims, it may lose valuable intellectual property rights or personnel. A loss of key research personnel or their work product could hamper or prevent the ability to commercialize certain product candidates, which could severely harm its business, financial condition and results of operations.

Risks Relating to the Management of Newco

Newco will be dependent upon retaining and attracting key personnel and others, the loss of which could materially adversely affect its business, financial condition and results of operations.

Newco depends on certain members of Resverlogix's management and scientific staff, the loss of whose services might significantly delay or prevent the achievement of research, development or business objectives and would materially adversely affect its business, financial condition and results of operations. Newco will not have employment agreements with any of its senior management that would prevent them from leaving Resverlogix. In addition, its success depends, in large part, on its ability to improve its management systems and attract and retain qualified management, scientific and medical personnel, and on its ability to develop and maintain important relationships with commercial partners, leading research institutions and key distributors. Newco faces intense competition for such personnel and relationships. Newco cannot assure that it will attract and retain such persons or maintain such relationships. In addition, failure to succeed in clinical trials may make it more challenging for it to recruit and retain qualified scientific personnel.

Newco may not be able to attract, train and retain a sufficient number of qualified employees to maintain and grow its business.

Newco expects that its potential expansion into areas and activities requiring additional expertise, such as clinical trials, governmental approvals, manufacturing, sales, marketing and distribution will place additional requirements on its management, operational and financial resources. Newco expects these demands will require an increase in management and scientific personnel and the development of additional expertise by existing management personnel. There is currently aggressive competition for employees who have experience in technology and engineering. The failure to attract and retain such personnel or to develop such expertise could materially adversely affect Newco's business, financial condition and results of operations.

Confidentiality agreements with employees and others may not adequately prevent disclosure of trade secrets and other proprietary information. Disclosure of this information may materially adversely affect Newco's business, financial condition and results of operations.

Newco relies on trade secrets, which it seeks to protect, in part, through confidentiality and non-disclosure agreements with its employees, collaborators, suppliers, and other parties. There can be no assurance that these agreements will not be breached, that it would have adequate remedies for any such breach or that its trade secrets will not otherwise become known to or independently developed by its competitors. Newco might be involved from time to time in litigation to determine the enforceability, scope and validity of its proprietary rights. Any such litigation could result in substantial cost and divert management's attention from its operations.

Potential Conflicts of Interest

There may be circumstances in which the interests of Newco and its affiliates will conflict with those of its shareholders. Newco and its affiliates may acquire biotechnology opportunities on their own behalf or on behalf of persons other than the shareholders. Newco's management may not devote their full-time activities on behalf of shareholders and, when acting on their own behalf or on behalf of others, may at times act in competition with the interests of shareholders.

In the event of such conflicts, decisions will be made on a basis consistent with the provisions of any relevant contractual arrangements and objectives and financial resources of each group of interested parties. Newco will use all reasonable efforts to resolve such conflicts of interest in a manner which will treat Newco, and the other interested party, fairly taking into account all of the circumstances of Newco and such interested party and to act honestly and in good faith in resolving such matters.

Circumstances may arise where members of the Newco Board are directors or officers of corporations which are in competition to the interests of Newco. No assurances can be given that opportunities identified by such board members will be provided to Newco.

The directors of Newco are also directors of Resverlogix and certain directors of Newco are also directors of other biotechnology companies and as such may, in certain circumstances, have a conflict of interest requiring them to abstain from certain decisions. Conflicts, if any, will be subject to the procedures and remedies of the ABCA. See "*Directors and Executive Officers of Newco – Conflicts of Interest*" in this Appendix.

Internal Controls

Effective internal controls are necessary for Newco to provide reliable financial reports and to help prevent fraud. Although Newco will undertake a number of procedures in order to help ensure the reliability of its financial reports, including those imposed on it under Canadian securities laws, Newco cannot be certain that such measures will ensure that Newco will maintain adequate control over financial processes and reporting.

Newco may need to implement additional finance and accounting systems, procedures and controls in the future as it grows and to satisfy new reporting requirements.

As Newco grows it may access capital markets more broadly which could require it to implement additional finance and accounting systems along with enhanced internal control systems. This will result in increased costs to Newco as it continues to undertake efforts to comply with best practices and applicable rules and requirements applicable to reporting issuers. These rules may make it more difficult and costly for Newco to obtain certain types of insurance, including director and officer liability insurance, and it may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage as compared to the polices previously available to reporting issuers. The impact of these events could also make it more difficult for it to attract and retain qualified persons to serve on its board of directors or its board committees or as executive officers. In addition, it may need to hire additional legal and accounting staff with appropriate experience and technical knowledge, and it cannot assure that if additional staffing is necessary that it will be able to do so in a timely fashion.

Risks Relating to an Investment in the Newco Shares

No Public Market for Newco Shares

There is currently no public market through which Newco Shares may be sold and it is not anticipated that the Newco Shares will be listed on any stock exchange upon completion of the Arrangement. Failure to make the required elections under the Tax Act in respect of Newco or list the Newco Shares on a designated stock exchange could result in a determination that the Newco Shares are not qualified investments under the Tax Act for Deferred Plans for purposes of the Tax Act. There can be no assurance as to the liquidity of the trading market for the Newco Shares or that a trading market for any of the Newco Shares will develop. Even if a trading market develops for the Newco Shares, there is no guarantee at what prices such Newco Shares will trade. The value for the Newco Shares may also be affected by Newco's results of operations and financial position, changes in general market conditions, fluctuations in the market for equity or debt securities and numerous other factors beyond the control of Newco.

In addition, the trading prices of life science and biotechnology company stocks in general have experienced extreme price fluctuations in recent years. The valuations of many life science companies without consistent product revenues and earnings are high based on conventional valuation standards, such as price to revenue ratios. These trading prices and valuations may not be sustained. Any negative change in the public's perception of the prospects of life science or biotechnology companies could depress Newco's stock price regardless of its results of operations. In addition, the value of the Newco Shares may vary based on a variety of factors, including actual or anticipated regulatory approvals or disapprovals of its products or competing products, actual or anticipated results and timing of its clinical trials, changes in the expected or actual timing of its development programs, changes in its operating results, conditions or trends in the life science and biotechnology industries, announcements by Newco or its competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments, additions or departures of key personnel, sales and distributions of Newco Shares by Newco or its shareholders, changes in general conditions in the economy or other developments affecting us, Newco, its clients, or its competitors, some of which may be unrelated to Newco's performance.

Unstable market conditions may have serious adverse consequences on Newco's business.

The economic downturn and market instability has made the business climate more volatile and more costly. Newco's business strategy may be adversely affected by unpredictable and unstable market conditions. If the current equity and credit markets deteriorate, it may make any necessary equity or debt financing more difficult, more costly, and more dilutive. Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on Newco's growth strategy, financial performance and stock price and could require it to delay or abandon clinical development plans. There is a risk that one or more of its current or future strategic partners may encounter difficulties during challenging economic times, which would directly affect its ability to attain its operating goals on schedule and on budget.

Dilution

Newco may make future acquisitions or enter into financings or other transactions involving the issuance of securities of Newco which may be dilutive.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or officer of Newco, nor any associate or affiliate of any of them is or was indebted to Newco at any time since incorporation.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as described elsewhere herein, Newco is not aware of any material interest, direct or indirect, of any directors or executive officers of Newco, any person or company which beneficially owns or controls or directs, directly or indirectly, more than 10% of any class or series of Newco's outstanding voting securities, or any known associate or affiliate of such persons, in any transaction within the three (3) years before the date of this Appendix (other than through their interests as securityholders of Resverlogix) that has materially affected or is reasonably expected to materially affect Newco since incorporation.

EXPERTS

KPMG LLP are the auditors of Newco and are independent of Newco within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

Certain legal matters relating to the Arrangement are to be passed upon by Borden Ladner Gervais LLP on behalf of Newco insofar as Canadian legal matters are concerned and by Dorsey & Whitney LLP in so far as U.S. legal matters are concerned. Certain Canadian tax matters relating to the Arrangement are to be passed upon by Felesky Flynn LLP on behalf of Newco. Based on securityholdings as of the date of the Information Circular and the assumptions set forth under the heading "*Directors and Executive Officers of Newco*" in this Appendix, the partners and associates of each of Borden Ladner Gervais LLP, Dorsey & Whitney LLP and Felesky Flynn LLP will beneficially own, directly or indirectly, less than one percent of the outstanding Newco Shares after giving effect to the Arrangement.

In addition, none of the aforementioned persons or companies, nor any director, officer or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of Newco or of any associate or affiliate of Newco.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no outstanding legal proceedings to which Newco is a party or in respect of which any of its assets or properties are subject, nor are there any such proceedings known to be contemplated.

Since the date of incorporation of Newco, there have been no: (i) no penalties or sanctions imposed against Newco or by a court relating to securities legislation or by a securities regulatory authority; (ii) no other penalties or sanctions imposed by a court or regulatory body against Newco that would likely be considered important to a

reasonable investor in making an investment decision; and (iii) no settlement agreements Newco entered into before a court relating to a securities legislation or with a securities regulatory authority.

MATERIAL CONTRACTS

Except for contracts entered into by Newco in the ordinary course of business, the only material contract entered into by Newco since the beginning of the most recently completed financial year or that are still in effect, is the Arrangement Agreement, a copy of which is available on SEDAR under Resverlogix's profile. The Arrangement Agreement contains obligations of Newco that will survive the Arrangement.

AUDITORS, REGISTRAR AND TRANSFER AGENT

The auditors of Newco are KPMG LLP at its offices located in Calgary, Alberta.

Valiant Trust Company, at its principal offices in Calgary, Alberta and Toronto, Ontario, is expected to be the transfer agent and registrar of the Newco Shares.

SCHEDULE A

Audited Financial Statement of Newco

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of 1741273 Alberta Ltd.

We have audited the accompanying financial statements of 1741273 Alberta Ltd., which comprise the statement of financial position as at April 20, 2013, and the statements of changes in shareholders' equity and cash flows for the period from incorporation on April 10, 2013 to April 20, 2013, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of 1741273 Alberta Ltd. as at April 20, 2013 in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Accountants

April 29, 2013
Calgary, Canada

1741273 Alberta Ltd.
Statement of Financial Position
As at April 20, 2013

In US dollars	Notes		April 20, 2013
Assets			
Current assets:			
Cash		$	1
Total current assets			1
Total assets		$	1
Shareholders' equity:			
Share capital	4	$	1
Total shareholders' equity			1
Total liabilities and shareholders' equity		$	1

Signed on behalf of the Board:

Signed: "Dr. Peter Johann" Director

Signed: "Kenneth Zuerblis" Director

The accompanying notes are an integral part of these financial statements

1741273 Alberta Ltd.
Statement of Changes in Shareholders' Equity
For the period from incorporation on April 10, 2013 to April 20, 2013

In US dollars	Share Capital	Retained Earnings	Total Shareholders' Equity
Issuance of common shares on incorporation	1	-	1
Balance, April 20, 2013	**$ 1**	**$ -**	**$ 1**

The accompanying notes are an integral part of these financial statements

1741273 Alberta Ltd.
Statement of Cash Flows
For the period from incorporation on April 10, 2013 to April 20, 2013

In US dollars		Period ended April 20, 2013
Cash used in:		
Cash flows generated from financing activities:		
Issuance of common shares	$	1
Net cash from financing activities		1
Increase in cash for the period		1
Balance at April 10, 2013		-
Balance at April 20, 2013	$	1

The accompanying notes are an integral part of these financial statements

1. Business and structure of 1741273 Alberta Ltd.

1741273 Alberta Ltd. (the "Company") is a company domiciled in Canada and was incorporated under the *Business Corporations Act* (Alberta) on April 10, 2013. The Company is a wholly owned subsidiary of Resverlogix Corp. ("Resverlogix"). The Company's head office is located at Suite 202, 279 Midpark Way S.E., Calgary, Alberta, T2X 1M2. The registered and records office is located at Suite 600, 815 - 8th Avenue S.W., Calgary, Alberta, T2P 3P2.

The Company has not yet commenced operations. The Company was incorporated for the purposes of participating in an arrangement under the *Business Corporations Act* (Alberta) (the "Arrangement") between Resverlogix, RVX Therapeutics Inc. and the Company. On April 10, 2013, the Company, Resverlogix, and RVX Therapeutics Inc. entered into an arrangement agreement which involves the spin-off of all of the issued and outstanding shares of RVX Therapeutics Inc. to the Company. Upon completion of the Arrangement, Resverlogix shareholders will own one new common share of Resverlogix and will receive one common share of the Company for each Resverlogix share held.

2. Basis of presentation

(a) Statement of compliance

These financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as prescribed by the International Accounting Standards Board ("IASB"). These are the Company's first financial statements prepared in accordance with IFRSs and IFRS 1, "First-time adoption of IFRS" has been applied.

These financial statements were approved and authorized for issue by the Board of Directors on April 29, 2013.

(b) Functional and presentation currency

The functional currency of the Company is the US dollar, which is also the presentation currency.

3. Significant accounting policies

The accounting policies set out below have been applied to the period presented in these financial statements, and have been applied consistently by the Company.

Cash

Cash consists of cash on hand.

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

(amounts in US dollars)

4. Shareholders' equity

(a) Common shares

(i) Authorized:

Unlimited number of common shares

Unlimited number of preferred shares issuable in series with rights as determined by the Board of Directors at the time of issue.

(ii) Issued and outstanding:

Common shares	Number of shares		Amount
Issuance of common shares on incorporation	1		1
Balance, April 20, 2013	1	$	1

Issuance of Common Shares

On April 10, 2013, the Company issued 1 common share at CAD$1.00 per common share to Resverlogix.

5. Subsequent events

Plan of Arrangement

On April 8, 2013, Resverlogix announced that its Board of Directors had approved a proposal to spin-out RVX Therapeutics Inc. by way of the Arrangement. Under the terms of the Arrangement, Resverlogix's shareholders will receive shares of the Company, and the Company will own all of the shares of RVX Therapeutics Inc. and all outstanding Resverlogix preferred shares. Every Resverlogix shareholder will receive one share in the Company for every share held in Resverlogix at the effective date.

Every Resverlogix warrant holder at the effective date of the Arrangement will receive one warrant in the Company for every warrant held in Resverlogix The exercise price of Resverlogix warrants would be reduced in accordance with the terms of the applicable warrant by an amount on a per share basis to reflect the fair market value of the Company and the reduction would be allocated to the exercise price of the Company's warrants.

Under the terms of the Arrangement, Resverlogix will advance an additional CAD$5 to $10 million to RVX Therapeutics Inc. to provide working capital. The promissory notes and aggregate advances from Resverlogix immediately prior to the Arrangement becoming effective will be transferred from Resverlogix to the Company such that, subsequent to the Arrangement, RVX Therapeutics Inc. will be indebted to the Company in respect of these liabilities.

Pursuant to the Arrangement, the Company will also be issued royalty preferred shares in the capital of Resverlogix which will provide the Company with dividends payable on a percentage of revenue, if any, received by Resverlogix for compounds that result in a therapeutic relevant elevation in the plasma levels of Apo A-1.

The implementation of the Arrangement will be subject to, among other things, board, shareholders, court and regulatory approvals, including TSX acceptance of the Arrangement. Resverlogix must hold a special meeting of shareholders to approve the Arrangement. The record and meeting dates have been set for April 25, 2013 and May 28, 2013, respectively.

SCHEDULE B

Audited Financial Statements of Therapeutics

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Resverlogix Corp.

We have audited the accompanying financial statements of RVX Therapeutics Inc., which comprise the statements of financial position as at January 31, 2013, April 30, 2012, April 30, 2011 and May 1, 2010, the statements of comprehensive loss, changes in shareholders' deficit and cash flows for the nine months ended January 31, 2013 and the years ended April 30, 2012 and 2011, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of RVX Therapeutics Inc. as at January 31, 2013, April 30, 2012, April 30, 2011 and May 1, 2010, and its financial performance and its cash flows for the nine months ended January 31, 2013 and the years ended April 30, 2012 and 2011 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 3 in the financial statements, which indicates that RVX Therapeutics Inc. has insufficient cash to fund contractual commitments due in the next 12 months. This condition, along with the negative cash flows from operations of $7,239,000 for the nine month period ended January 31, 2013 and the working capital deficiency of $15,108,000 as at January 31, 2013, and along with other matters as set forth in Note 3 in the financial statements, indicates the existence of a material uncertainty that may cast significant doubt about RVX Therapeutics Inc.'s ability to continue as a going concern.

KPMG LLP

Chartered Accountants

April 29, 2013
Calgary, Canada

Statements of Financial Position

In thousands of US dollars	Notes	January 31, 2013	April 30, 2012	April 30, 2011	May 1, 2010
Assets					
Current assets:					
Cash		**$ 66**	$ 40	$ -	$ -
Prepaid expenses and deposits		**38**	-	-	-
Investment tax credit receivable		**305**	-	-	-
Total current assets		**409**	40	-	-
Non-current assets:					
Property and equipment	7	**101**	3	16	19
Intangible assets	8	**63**	40	170	181
Total non-current assets		**164**	43	186	200
Total assets		**$ 573**	$ 83	$ 186	$ 200
Liabilities					
Current liabilities:					
Trade and other payables	9	**$ 478**	$ -	$ -	$ -
Promissory notes payable to Resverlogix Corp.	10	**7,646**	120	120	120
Due to Resverlogix Corp.	11	**7,393**	7,526	4,953	3,847
Total liabilities		**15,517**	7,646	5,073	3,967
Shareholders' deficit:					
Share capital	12	**982**	982	982	982
Deficit		**(15,926)**	(8,545)	(5,869)	(4,749)
Total shareholders' deficit		**(14,944)**	(7,563)	(4,887)	(3,767)
Total liabilities and shareholders' deficit		**$ 573**	$ 83	$ 186	$ 200

Commitments (note 14)
Subsequent events (note 17)

Signed on behalf of the Board:

Signed: "Dr. Peter Johann" Director

Signed: "Kenneth Zuerblis" Director

The accompanying notes are an integral part of these financial statements

Statements of Comprehensive Loss

For the nine months ended January 31, 2013 and the years ended April 30, 2012 and April 30, 2011

In thousands of US dollars	Notes	**Nine months ended January 31, 2013**	Year ended April 30, 2012	Year ended April 30, 2011
Expenses:				
Research and development	13	**$ 7,100**	$ 2,788	$ 1,182
Investment tax credits		**(305)**	(134)	(72)
Net research and development		**6,795**	2,654	1,110
General and administrative	13	**586**	22	10
Net and total comprehensive loss		**7,381**	2,676	1,120
Net loss per share ***(note 12(b))***				
Basic and diluted		**$ 2.01**	$ 0.73	$ 0.30

The accompanying notes are an integral part of these financial statements

Statements of Changes in Shareholders' Deficit

For the nine months ended January 31, 2013 and the years ended April 30, 2012 and April 30, 2011

In thousands of US dollars	Share Capital	Deficit	Total Shareholders' Deficit
Balance, May 1, 2010	$ 982	$ (4,749)	$ (3,767)
Net and total comprehensive loss	-	(1,120)	(1,120)
Balance, April 30, 2011	$ 982	$ (5,869)	$ (4,887)
Net and total comprehensive loss	-	(2,676)	(2,676)
Balance, April 30, 2012	$ 982	$ (8,545)	$ (7,563)
Net and total comprehensive loss	**-**	**(7,381)**	**(7,381)**
Balance, January 31, 2013	**$ 982**	**$ (15,926)**	**$ (14,944)**

The accompanying notes are an integral part of these financial statements

Statements of Cash Flows

For the nine months ended January 31, 2013 and the years ended April 30, 2012 and April 30, 2011

In thousands of US dollars	**Nine months ended January 31, 2013**	Year ended April 30, 2012	Year ended April 30, 2011
Cash used in:			
Cash flows used in operating activities:			
Net loss	**$ (7,381)**	$ (2,676)	$ (1,120)
Items not involving cash:			
Depreciation and amortization	**9**	25	19
Impairment	**-**	163	-
	(7,372)	(2,488)	(1,101)
Changes in non-cash working capital:			
Prepaid expenses and deposits	**(38)**	-	-
Investment tax credit receivable	**(305)**	-	-
Trade and other payables	**476**	-	-
Net cash used in operating activities	**(7,239)**	(2,488)	(1,101)
Cash flows generated from financing activities:			
Advances from Resverlogix Corp.	**7,393**	2,573	1,106
Cash flows used in investing activities:			
Property and equipment expenditures	**(105)**	-	-
Intangible asset expenditures	**(23)**	(45)	(5)
Net cash used in investing activities	**(128)**	(45)	(5)
Increase in cash	**26**	40	-
Cash, beginning of period	**40**	-	-
Cash, end of period	**$ 66**	$ 40	$ -

The accompanying notes are an integral part of these financial statements

1. General information

RVX Therapeutics Inc. (the "Company") is a company domiciled in Canada and is incorporated under the laws of Alberta. The Company's head office is located at Suite 202, 279 Midpark Way S.E., Calgary, Alberta, T2X 1M2. The registered and records office is located at Suite 600, 815 - 8th Avenue S.W., Calgary, Alberta, T2P 3P2.

RVX Therapeutics Inc. is a discovery-stage company that has an epigenetic platform technology that modulates protein production. New compounds arising from the Company's' epigenetic drug discovery platform function by inhibiting BET bromodomains and have the potential to impact multiple diseases including cancer, autoimmune and neurodegenerative disorders.

2. Background, basis of preparation and adoption of International Financial Reporting Standards ("IFRS")

(a) Background

On April 29, 2013, the Company, Resverlogix Corp. ("Resverlogix"), the Company's parent, and 1741273 Alberta Ltd., a newly incorporated company, entered into an arrangement agreement which involves the spin-off of all of the issued and outstanding shares of the Company to 1741273 Alberta Ltd., a newly formed company. Upon completion of the arrangement, Resverlogix shareholders will own one new common share of Resverlogix and will receive one common share of 1741273 Alberta Ltd. for each Resverlogix share held; and 1741273 Alberta Ltd. will own all of the shares of the Company and all outstanding Resverlogix preferred shares.

These financial statements have been prepared for inclusion in the Information Circular of Resverlogix in connection with the plan of arrangement. These are the first financial statements issued by the Company and each period presented were subject to an audit. As such, these are not considered interim financial statements.

As described further in Note 5 "Significant judgments, estimates and assumptions", as Resverlogix incurred certain of the Company's costs and performed certain of the Company's activities, it was necessary to make allocations of these costs reported in these financial statements. The costs are primarily employee related or associated with research performed by external research organizations. As described further in Note 8 "Intangible assets", the Company has licensed or acquired intellectual property from Resverlogix and has developed intellectual property, and conducts research related to epigenetics, autoimmune diseases and cancer. These financial statements include the Company's assets and liabilities and costs related to its programs.

As described further in Note 16 "Income taxes", substantially all of the net operating losses in fiscal years prior to fiscal 2013 were reported for tax purposes by Resverlogix and as such, have not been reflected in these financial statements.

(b) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The Board of Directors approved these financial statements on April 29, 2013. These are the Company's first financial statements prepared in accordance with IFRSs and IFRS 1, "First-time Adoption of IFRS" has been applied.

(c) Basis of measurement

The financial statements have been prepared on the historical cost basis. Historical cost is based on the fair value of the consideration given in exchange for assets recorded on the date of the transaction. The financial statements have been prepared on a going concern basis (refer to Note 3).

(d) Functional and presentation currency

The functional currency of the Company is the US dollar, which is also the presentation currency. All financial information presented in dollars has been rounded to the nearest thousand except for per share amounts.

2. Background, basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (continued)

(e) Transition to IFRS

The Company adopted IFRS on May 1, 2011 with effect from May 1, 2010. The Company has applied the same accounting policies in preparing the financial statements for the nine months ended January 31, 2013 and the years ended April 30, 2012 and 2011. IFRS 1 requires all first-time adopters to retrospectively apply all effective IFRS standards as of the transition date. However, it also provides certain optional exemptions and certain mandatory exceptions for first time IFRS adopters. There were no IFRS 1 optional exemptions that were applicable to the Company. The Company did not issue any financial statements under Canadian GAAP. As these are the Company's first financial statements being presented, the IFRS 1 requirement to disclosure reconciliations of financial position, equity, net earnings, comprehensive income and cash flows for prior periods is not applicable to the Company. An explanation of how the transition from Canadian GAAP to IFRS has affected the Company's financial position, financial performance and cash flows is set out below.

Upon the adoption of IAS 21 "The Effects of Changes in Foreign Exchange Rates", the Company had a change in functional currency from the Canadian dollar to the US dollar as at May 1, 2008, which was applied prospectively from that date. In management's judgment, as at May 1, 2008 the majority of expenses incurred and cash outflows (a primary indicator of functional currency) were denominated in US dollars. This application of change in functional currency required translating each of the financial statement balances at the spot rate on May 1, 2008 to derive a US dollar functional 'opening balance' at the date of functional currency change. Transactions occurring over the period of May 1, 2008 to May 1, 2010 (date of IFRS transition) were translated to the US dollar functional currency to derive the opening balance sheet for IFRS transition at May 1, 2010.

3. Future operations

The success of the Company is dependent on the continuation of its research and development activities and its ability to finance its cash requirements. It is not possible to predict the outcome of future research and development programs, or the Company's ability to fund these programs in the future.

The accompanying financial statements have been prepared pursuant to International Financing Reporting Standards applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. The Company has incurred significant losses to date, and with no assumption of revenues, is dependent on its ability to raise additional financial capital by continuing to demonstrate the successful progression of its research and development activities if it is to remain as a going concern.

At January 31, 2013, the Company had $66 of cash. The Company is committed to pay $1.6 million for research and development over the next twelve months, as described further in Note 14 "Commitments". As described in Note 17 "Subsequent events", under the terms of the plan of arrangement, Resverlogix will advance additional funds to the Company to provide working capital. However, the Company's cash is not sufficient to fund the Company's contractual commitments over the next year, nor the planned business operations over the next year. In order to fund the Company's contractual commitments and planned business operations over the next year, the Company will have to raise additional capital. If the Company is not able to raise capital, the Company would have to reduce its cash requirements by eliminating or deferring spending on research, development and corporate activities and may be forced to cease operations. These conditions result in a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. Management has assessed the Company's ability to raise additional capital and continue as a going concern, and has concluded that the going concern basis of accounting is appropriate.

The Company will also require additional capital to fund its planned research, development and corporate activities beyond the next year. The Company will continue to explore alternatives to generate positive cash flow including raising additional equity and product licensing; however, there is no assurance that these initiatives will be successful.

3. Future operations (continued)

The Company is economically dependent on and has historically relied entirely on Resverlogix Corp., its parent company, for funding to support its operations. The Company intends to raise capital from other sources of capital in the future. The Company's ability to continue as a going concern is dependent on continued funding.

These financial statements do not include any adjustments to the amounts and classifications of assets and liabilities, and the reported revenues and expenses that might be necessary should the Company be unable to continue as a going concern.

4. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening IFRS statement of financial position as at May 1, 2010 for the purpose of the transition to IFRS, unless otherwise indicated.

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognized in profit or loss.

Financial instruments

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets

Financial assets are comprised of cash and cash equivalents and investment tax credit receivable. Financial assets are classified as follows:

Cash

Cash consists of cash on hand and interest bearing deposits with the Company's banks and have been designated as held for trading. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

4. Significant accounting policies (continued)

Financial instruments (continued)

Investment Tax Credit Receivable

Investment Tax Credit Receivable has been classified as loans and receivables initially recognized at fair value. Subsequent to initial recognition it is measured at amortized cost, using the effective interest rate method, less any impairment losses.

Financial liabilities

Financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Trade and other payables

Trade and other payables are non-interest-bearing and are initially recorded at fair market value less any directly attributable transaction costs. They are classified as other financial liabilities and are subsequently measured at amortized cost using the effective interest rate method.

Promissory notes payable to Resverlogix

Promissory notes payable to Resverlogix are non-interest-bearing and are initially recorded at fair value. They are classified as other financial liabilities and are subsequently measured at amortized cost using the effective interest rate method.

Due to Resverlogix

Due to Resverlogix are non-interest-bearing and are initially recorded at fair value. They are classified as other financial liabilities and are subsequently measured at amortized cost using the effective interest rate method.

Transaction Costs

Transaction costs are expensed as incurred for financial instruments designated as held for trading. Transaction costs for other financial instruments are recognized as part of the financial instrument's carrying value.

Property and equipment

Property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Purchased software that is integral to the functionality of the related computer hardware is capitalized as part of that computer hardware. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are expensed as incurred.

The major categories of property and equipment are depreciated as follows:

Asset	Method	Rate
Laboratory equipment	Straight line	8-10 years
Office furniture and equipment	Straight line	5 years
Computer hardware and software	Straight line	3 years

4. Significant accounting policies (continued)

Property and equipment (continued)

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Residual values, method of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate. Items of property and equipment are depreciated on a straight line basis in profit or loss over the estimated useful lives of each component, and are depreciated from the date they are installed and ready for use.

Gains and losses on disposals of property and equipment are determined by comparing the proceeds with the carrying amount of the asset and are included as part of other gains and losses in the statement of comprehensive loss.

Intangible assets

(i) Research and development

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are charged as an expense in the period in which they are incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset.

(ii) Other intangible assets, subsequent expenditure, and amortization

Separately acquired patents and non-integrated software have a finite useful life and are measured at cost less accumulated amortization and accumulated impairment losses.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The major categories of intangibles assets are depreciated as follows:

Asset	Method	Rate
Patents and intellectual property	Straight line	20 years
Non-integrated software	Straight line	3 years

Impairment

Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against loans and receivables.

4. Significant accounting policies (continued)

Impairment (continued)

Impairment of long lived assets

Property and equipment and finite-lived intangible assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Long-lived assets that are not amortized are subject to an annual impairment test. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels (cash-generating units or "CGU") for which there are separately identifiable cash flows that are largely independent of the cash flows of other assets or CGUs. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant assets or CGU). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The Company re-evaluates impairment losses for potential reversals when events or circumstances warrant such consideration. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term incentive plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reasonably.

Government grants

Grants resulting from government assistance programs, including investment tax credits for research and development expenditures, are reflected as reductions of the cost of the assets or expenditures to which they relate at the time the assistance becomes receivable.

Income tax

Income tax comprises current and deferred tax. Income tax is recognized in the statement of income except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantially enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the future taxable profits will be available against which they can be utilized.

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

4. Significant accounting policies (continued)

Earnings per share

Basic earnings (loss) per share ("EPS") is calculated by dividing the net earnings (loss) for the period attributable to equity owners of the Company by the weighted average number of common shares outstanding during the period.

Diluted EPS is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Recent accounting pronouncements

All accounting standards effective for periods on or after January 1, 2011 have been adopted as part of the transition to IFRS. The following are new IFRS pronouncements that have been issued, that are not yet effective, that have not been early adopted, and that may have an impact on the Company in the future, as discussed below.

The amendment to IAS 1 "Presentation of Financial Instruments" improves the consistency and clarity of the presentation of items of other comprehensive income by requiring items to be grouped on the basis of whether they may be reclassified subsequently in profit or loss.

As of January 1, 2015, the Company will be required to adopt IFRS 9 "Financial Instruments", which is the result of the first phase of the International Accounting Standards Board ("IASB") project to replace IAS 39 "Financial Instruments: Recognition and Measurement". The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. Portions of the standard remain in development and the full impact of the standard on the Company's financial statements will not be known until the project is complete.

In May 2011, the IASB released the following new standards: IFRS 10, "Consolidated Financial Statements", IFRS 11, "Joint Arrangements", IFRS 12, "Disclosures of interests in other entities" and IFRS 13, "Fair Value Measurement". Each of these standards is to be adopted for fiscal years beginning on or after January 1, 2013 with earlier adoption permitted. A brief description of each new standard follows below:

(i) Consolidated Financial Statements

IFRS 10, "Consolidated Financial Statements" supersedes IAS 27 "Consolidation and Separate Financial Statements" and SIC-12 "Consolidation – Special Purpose Entities". This standard provides a single model to be applied in control analysis for all investees including special purpose entities.

(ii) Joint Arrangements

IFRS 11, "Joint Arrangements" divides joint arrangements into two types, joint operations and joint ventures, each with their own accounting model. All joint arrangements are required to be reassessed on transition to IFRS 11 to determine their type to apply the appropriate accounting.

4. Significant accounting policies (continued)

Recent accounting pronouncements (continued)

(iii) Disclosure of Interests in Other Entities

IFRS 12, "Disclosure of Interests in Other Entities" combines in a single standard the disclosure requirements for subsidiaries, associates and joint arrangements as well as unconsolidated structured entities.

(iv) Fair Value Measurement

IFRS 13, "Fair Value Measurement" defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. This standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company has not yet assessed the impact of the new standards.

5. Significant judgments, estimates and assumptions

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts reported in these financial statements and notes. Accordingly, actual results may differ from estimated amounts as future confirming events occur.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant estimates made by management affecting the financial statements include:

Expenses

Resverlogix paid certain costs for the Company and performed certain activities on behalf of the Company. As a result, it was necessary to make allocations of certain costs reported in these financial statements. The costs are primarily employee related or associated with research performed by external research organizations. Research fees and compensation related costs have been allocated to the Company using methodologies primarily based on proportionate time spent on the Company's and Resverlogix's respective activities. These cost allocations have been determined on a basis considered by the Company and Resverlogix to be a reasonable reflection of the utilization of services provided to the Company.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Currently, the Company is accumulating tax loss carry forward balances, creating a deferred tax asset. Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

To date the Company has determined that none of the deferred tax assets should be recognized other than the provincial portion of the Investment tax credit receivable. The deferred tax assets are mainly comprised of the net operating losses from prior years, prior year research and development expenses, and investment tax credits. These tax pools have varying expiry dates. There are no taxable temporary differences or any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets.

5. Significant judgments, estimates and assumptions (continued)

Functional Currency

As described in Note 3(d), based on management's judgment, the Company had a change in functional currency from the Canadian dollar to the US dollar as at May 1, 2008.

6. Financial risk management

Overview

The Company has exposure to the following risks from its use of financial instruments:

- liquidity risk; and
- market risk.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework, including the development and monitoring of the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

(a) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's objective in managing liquidity is to ensure, to the greatest extent possible, that it will have sufficient liquidity to meet its liabilities when due.

The future cash requirements of the Company are estimated by preparing a budget annually which is reviewed and approved by the Company's Board of Directors. The budget establishes the approved activities for the upcoming year and estimates the costs associated with these activities. Actual spending relative to budgeted expenditures is monitored regularly by management and reviewed by the Company's Board of Directors quarterly.

The Company's exposure to liquidity risk is dependent on its research and development programs and associated commitments and obligations; and the raising of capital. The Company has historically relied on funding from its parent company, Resverlogix, to support its operations. There are no assurances that funds will be available to the Company when required. The Company holds cash on deposit; as at January 31, 2013, the Company's cash and cash equivalents are not subject to any external restrictions. The Company also continuously monitors actual and projected expenditures and cash flows.

The table below presents a maturity analysis of the Company's financial liabilities on the expected cash flows from January 31, 2013 to the contractual maturity date. The carrying amounts are equivalent to the following contractual undiscounted cash flows.

(amounts in thousands of US dollars, except for number of shares)

6. Financial risk management (continued)

(a) Liquidity risk (continued)

Trade and other payables balance	January 31, 2013	April 30, 2012	April 30, 2011	May 1, 2010
3 months or less	$ 478	$ -	$ -	$ -
3 - 12 months	-	-	-	-
Trade and other payables total	$ 478	$ -	$ -	$ -
Promissory notes payable to Resverlogix Corp.				
3 months or less	$ 7,646	$ 120	$ 120	$ 120
3 - 12 months	-	-	-	-
Promissory notes payable to Resverlogix Corp. total	$ 7,646	$ 120	$ 120	$ 120
Due to Resverlogix Corp.				
3 months or less	$ 7,393	$ 7,526	$ 4,953	$ 3,847
3 - 12 months	-	-	-	-
Due to Resverlogix Corp. total	$ 7,393	$ 7,526	$ 4,953	$ 3,847
Total liabilities	$ 15,517	$ 7,646	$ 5,073	$ 3,967

(b) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures.

Currency risk

The Company is exposed to currency risk on transactions that are denominated in a currency other than the functional currency of the Company. The currency in which these foreign transactions primarily are denominated in is the Canadian dollar. The Company is also exposed to foreign exchange risk on its Canadian dollar denominated cash. The Company manages its exposure to currency fluctuations by holding cash denominated in Canadian dollars in a certain ratio equivalent to current and anticipated Canadian dollar financial liabilities.

The Company had no forward exchange contract to manage its foreign currency risk. As at January 31, 2013, the Company had Canadian denominated assets and liabilities of: cash in the amount of CAD$25 (April 30, 2012 – CAD$20; April 30, 2011 – CAD$nil) and accounts payable in the amount of CAD$29 (April 30, 2012 – CAD$nil; April 30, 2011 – CAD$nil). A change of $0.01 in exchange rate as measured on January 31, 2013 would result in a foreign currency gain or loss of CAD$nil (April 30, 2012 – CAD$(0.2); April 30, 2011 – CAD$nil).

(amounts in thousands of US dollars, except for number of shares)

7. Property and equipment

	Laboratory equipment	Office furniture and equipment	Computer hardware and software	Total
Cost				
Balance at May 1, 2010	$ 79	$ -	$ -	$ 79
Additions	-	-	-	-
Balance at April 30, 2011	79	-	-	79
Additions	-	-	-	-
Disposals	(51)	-	-	(51)
Balance at April 30, 2012	28	-	-	28
Additions	101	3	1	105
Balance at January 31, 2013	**$ 129**	**$ 3**	**$ 1**	**$ 133**
Accumulated depreciation				
Balance at May 1, 2010	$ 60	$ -	$ -	$ 60
Depreciation	3	-	-	3
Balance at April 30, 2011	63	-	-	63
Depreciation	13	-	-	13
Disposals	(51)	-	-	(51)
Balance at April 30, 2012	25	-	-	25
Depreciation	7	-	-	7
Disposals	-	-	-	-
Balance at January 31, 2013	**$ 32**	**$ -**	**$ -**	**$ 32**
Net book value				
As at May 1, 2010	$ 19	$ -	$ -	$ 19
As at April 30, 2011	16	-	-	16
As at April 30, 2012	3	-	-	3
As at January 31, 2013	**97**	**3**	**1**	**101**

(amounts in thousands of US dollars, except for number of shares)

8. Intangible assets

	Patents and intellectual property	Non-integrated software	Total
Cost			
Balance at May 1, 2010	$ 238	$ -	$ 238
Additions	5	-	5
Balance at April 30, 2011	243	-	243
Additions	45	-	45
Disposals	(248)	-	(248)
Balance at April 30, 2012	40	-	40
Additions	20	5	25
Balance at January 31, 2013	**$ 60**	**$ 5**	**$ 65**
Accumulated amortization and impairment losses			
Balance at May 1, 2010	$ 57	$ -	$ 57
Amortization	16	-	16
Balance at April 30, 2011	73	-	73
Amortization	12	-	12
Impairment	163	-	163
Disposals	(248)	-	(248)
Balance at April 30, 2012	-	-	-
Amortization	2	-	2
Balance at January 31, 2013	**$ 2**	**$ -**	**$ 2**
Net book value			
As at May 1, 2010	$ 181	$ -	$ 181
As at April 30, 2011	170	-	170
As at April 30, 2012	40	-	40
As at January 31, 2013	**58**	**5**	**63**

During the fiscal year ended April 30, 2012, the Company made the determination that it no longer intended to perform further research or commercialize the technology for which the impairment was recognized.

Effective May 1, 2012, Resverlogix transferred intellectual property rights and technology to the Company, pursuant to an assignment and services agreement between Resverlogix and the Company (the "Assignment and Services Agreement"). The expenditures corresponding to the transferred intellectual property rights and technology do not meet the recognition criteria for intangibles assets.

Amended and Restated License Agreement

On January 31, 2013, the Company and Resverlogix entered into an Amended and Restated License Agreement (the "License Amendment") which amended a License Agreement dated August 1, 2005. Pursuant to the License Amendment, Resverlogix granted an irrevocable, worldwide license to the Company under certain licensed patents and licensed know-how to develop, commercialize and sell licensed products in any field other than the ApoA-1 therapeutic field (the prevention, treatment or mitigation of any disease via the administration of a pharmaceutical agent that results in a specified therapeutic elevation in the plasma levels of ApoA-1).

As ongoing consideration for the grant of the License, the Company shall pay Resverlogix a royalty from 1% to 5% of gross amounts received by the Company from the sale of any product in any field other than the ApoA-1 therapeutic field which is encompassed within a patent licensed from Resverlogix.

(amounts in thousands of US dollars, except for number of shares)

9. Trade and other payables

	January 31, 2013	April 30, 2012	April 30, 2011	May 1, 2010
Trade payables	$ 459	$ -	$ -	$ -
Accrued liabilities	19	-	-	-
	$ 478	$ -	$ -	$ -

10. Promissory notes payable to Resverlogix Corp.

	January 31, 2013	April 30, 2012	April 30, 2011	May 1, 2010
2005 Promissory notes	$ 120	$ 120	$ 120	$ 120
2012 Promissory note	7,526	-	-	-
	$ 7,646	$ 120	$ 120	$ 120

Effective May 1, 2012, Resverlogix transferred intellectual property rights and technology to the Company, pursuant to the Assignment and Services Agreement. In consideration the Company is required to pay to Resverlogix the aggregate amount of US$7.5 million and has issued a promissory note for this amount.

Promissory notes for CAD$122,000 and US$7.5 million are payable to Resverlogix, non-interest bearing, repayable sixty days subsequent to demand, and unsecured. As described in Note 17 “Subsequent events”, under the terms of the plan of arrangement, the $7.6 million of promissory notes will be transferred from Resverlogix to 1741273 Alberta Ltd. such that, subsequent to the Arrangement, the Company will be indebted to 1741273 Alberta Ltd in respect of these liabilities.

11. Due to Resverlogix Corp.

Advances from Resverlogix totaling US$7.4 million (April 30, 2012 - $7.5 million; April 30, 2011 - $5.0 million; May 1, 2010 - $3.8 million) were payable on demand and non-interest bearing. As described in Note 17 “Subsequent events”, under the terms of the plan of arrangement, the $7.4 million of advances from Resverlogix will be transferred from Resverlogix to 1741273 Alberta Ltd. such that, subsequent to the Arrangement, the Company will be indebted to 1741273 Alberta Ltd. in respect of this liability.

12. Shareholders’ equity (deficit)

(a) Common shares

(i) Authorized:

Unlimited number of common shares

Unlimited number of preferred shares issuable in series with rights as determined by the Board of Directors at the time of issue.

(ii) Issued and outstanding:

Common shares	Number of shares	Amount
Balance, May 1, 2010, April 30, 2011 and 2012, and January 31, 2013	3,678,001	$ 982

(amounts in thousands of US dollars, except for number of shares)

12. Shareholders' equity (deficit) (continued)

(b) Per share amounts

The loss per share has been calculated using net loss for the period and the basic and diluted weighted average shares outstanding during the nine months ended January 31, 2013 of 3,678,001 (year ended April 30, 2012 and 2011 – 3,678,001).

13. Other expenses

Presentation of expenses is based on the function of each expense. The following details certain components of the research and development and general and administrative expenses:

	Nine months ended January 31, 2013	Year ended April 30, 2012	Year ended April 30, 2011
Included in research and development expenses:			
Service fee expense (note 15)	**$ 1,429**	$ -	$ -
Personnel expenses	**-**	311	189
Amortization and depreciation	**9**	188	19
Included in general and administrative expenses:			
Service fee expense (note 15)	**$ 295**	$ -	$ -
Personnel expenses	-	22	10
Amortization and depreciation	**-**	-	-

As described in Note 15 "Related party transactions", commencing on May 1, 2012, the Company engaged Resverlogix Corp. under a services agreement to supply research services. As such, the Company did not recognize any personnel expenses during the period ended January 31, 2013 but, rather, recognized service fees in the period.

14. Commitments

As at January 31, 2013, the Company is committed under various research and development contracts as follows:

	January 31, 2013	April 30, 2012	April 30, 2011
Less than 1 year	**$ 1,638**	$ 2,069	$ 712
Between 1 and 5 years	**-**	-	-
More than 5 years	**-**	-	-
	$ 1,638	$ 2,069	$ 712

(amounts in thousands of US dollars, except for number of shares)

14. Commitments (continued)

As at January 31, 2013, the Company was committed to operating lease payments for office and laboratory premises as follows:

	January 31, 2013	April 30, 2012	April 30, 2011
Less than 1 year	**$ 135**	$ 132	-
Between 1 and 5 years	**46**	151	-
More than 5 years	-	-	-
	$ 181	$ 283	$ -

15. Related party transactions

Effective May 1, 2012, Resverlogix transferred intellectual property rights and technology to the Company pursuant to the Assignment and Services Agreement. In consideration the Company paid to Resverlogix the aggregate amount of US$7.5 million, which was paid through the issuance of a promissory note.

Pursuant to the Assignment and Services Agreement, Resverlogix also agreed to provide research and administrative services to the Company. As consideration for the services, the Company pays Resverlogix a service fee, consisting of salary and other compensation costs allocated to the services and reimbursable expenses incurred by Resverlogix in connection with the services. During the nine months ended January 31, 2013, the Company incurred expenditures for services and reimbursable expenses which are due and owing to Resverlogix, for an aggregate amount of $6.9 million, including $1.2 million for research and administrative services. In addition, the Company incurred expenditures which are due and owing to Resverlogix, for an aggregate amount of $0.5 million for research services provided by a subsidiary of Resverlogix.

Key management personnel compensation

Key management personnel of the Company consists of its executive management and its Board of Directors. Compensation expenses, including salaries and fees, paid to key management personnel were as follows:

	Nine months ended January 31, 2013	Year ended April 30, 2012	Year ended April 30, 2011
Short-term employee benefits	**$ 373**	$ 10	$ 6
Key management personnel compensation	**$ 373**	$ 10	$ 6

(amounts in thousands of US dollars, except for number of shares)

16. Income taxes

The provision for income taxes differs from the amount which would be obtained by applying the combined statutory federal and provincial income tax rate to the net loss in the year. A reconciliation of the expected tax and the actual provision for income taxes is as follows:

	Nine months ended January 31, 2013	Year ended April 30, 2012	Year ended April 30, 2011
Expected tax (recovery) expense - 25% (2012 - 26%; 2011 - 27.5%)	$ (1,845)	$ (696)	$ (308)
Other	(77)	-	3
Current year losses reported for income tax purposes by Resverlogix Corp.	-	621	273
Current year losses and other for which no deferred tax asset is recognized	1,922	75	32
Income tax expense	$ -	$ -	$ -

Deferred tax assets are recognized, to the extent that it is probable that taxable income will be available, against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized. The components of the unrecognized net deferred income tax asset are as follows:

	January 31, 2013	April 30, 2012	April 30, 2011
Non-capital losses	$ 2,008	$ 734	$ 707
Scientific research and experimental development expenditures	759	82	82
Other	(22)	7	(41)
Unrecognized deferred tax	$ 2,745	$ 823	$ 748

For the years ended April 30, 2012 and 2011, respectively, $2.4 million and $1.0 million of costs reported in these financial statements were reported for tax purposes by Resverlogix. As such, the unrecognized net deferred income tax asset reported above excludes $0.6 million and $0.3 million of unrecognized net deferred income tax assets as at April 30, 2012 and 2011, respectively.

The Company has non-capital losses of approximately $8.0 million (2012 - $2.9 million; 2011 - $2.8 million) available to reduce future years' taxable income expiring at various times until 2033. As at January 31, 2013, the Company has non-refundable federal investment tax credits of approximately $585 (2012 - $66; 2011 - $66) which are available to reduce future taxes payable, subject to approval by Canada Revenue Agency and expiring at various times until 2033. The Company has unclaimed scientific research and development expenditures available to reduce future years' taxable income of approximately $3.0 million (2012 - $329; 2011 - $329) over an indefinite future period. The potential benefits of these tax pools have not been recorded in the financial statements.

17. Subsequent events

Plan of Arrangement

On April 8, 2013, Resverlogix announced that its Board of Directors had approved a proposal to spin-out the Company by way of a court-approved Plan of Arrangement ("the Arrangement") pursuant to the Business Corporations Act (Alberta).

Resverlogix will continue to focus on the clinical development of RVX-208, its small molecule for the treatment of atherosclerosis through therapeutic increases in Apo A-1, whereas the Company will focus on innovative drug research and development by leveraging its epigenetics platform in multiple diseases including autoimmune and oncology, excluding Apo A-1 and RVX-208 technology.

Under the terms of the Arrangement, Resverlogix's shareholders will receive shares of 1741273 Alberta Ltd., a newly incorporated company, that will own all of the shares of the Company and all outstanding Resverlogix preferred shares. Every Resverlogix shareholder will receive one share in 1741273 Alberta Ltd. for every share held in Resverlogix at the effective date.

Under the terms of the Arrangement, Resverlogix will advance an additional CAD$5 to $10 million to the Company to provide working capital. The promissory notes and the aggregate advances from Resverlogix immediately prior to the Arrangement becoming effective will be transferred from Resverlogix to 1741273 Alberta Ltd. such that, subsequent to the Arrangement, the Company will be indebted to 1741273 Alberta Ltd. in respect of these liabilities.

The implementation of the Arrangement will be subject to, among other things, board, shareholders, court and regulatory approvals, including TSX acceptance of the Arrangement. Resverlogix must hold a special meeting of shareholders to approve the Arrangement. The record and meeting dates have been set for April 25, 2013 and May 28, 2013, respectively.

SCHEDULE C

Unaudited Pro Forma Financial Statements of Newco

1741273 Alberta Ltd.
Pro Forma Consolidated Statement of Financial Position
As at January 31, 2013
(unaudited)

In thousands of US dollars	RVX Therapeutics Inc. January 31, 2013 (Note 2)	Pro Forma Adjustments (Notes 2 & 3)	**Pro Forma**
Assets			
Current assets:			
Cash	$ 66	$ 9,833	**$ 9,899**
Prepaid expenses and deposits	38	-	**38**
Investment tax credit receivable	305	-	**305**
Total current assets	409	9,833	**10,242**
Non-current assets:			
Property and equipment	101	-	**101**
Intangible assets	63	-	**63**
Total non-current assets	164	-	**164**
Total assets	$ 573	$ 9,833	**$10,406**
Liabilities			
Current liabilities:			
Trade and other payables	$ 478	$ -	**$ 478**
Promissory notes payable to Resverlogix Corp.	7,646	(7,646)	-
Due to Resverlogix Corp.	7,393	(7,393)	-
Warrant liability	-	1,565	**1,565**
Total liabilities	15,517	(13,474)	**2,043**
Shareholders' equity (deficit):			
Share capital	982	23,890	**24,872**
Contributed surplus	-	1,139	**1,139**
Deficit	(15,926)	(1,722)	**(17,648)**
Total shareholders' equity (deficit)	(14,944)	23,307	**8,363**
Total liabilities and shareholders' equity (deficit)	$ 573	$ 9,833	**$10,406**

The accompanying notes are an integral part of these pro forma consolidated financial statements

1741273 Alberta Ltd.

Pro Forma Consolidated Statements of Comprehensive Loss

For the nine months ended January 31, 2013 and the year ended April 30, 2012
(unaudited)

In thousands of US dollars	Nine months ended January 31, 2013 RVX Therapeutics Inc.	Pro Forma Adjustments	**Pro Forma**	Year ended April 30, 2012 RVX Therapeutics Inc.	Pro Forma Adjustments	**Pro Forma**
	(Notes 2 and 3)			(Notes 2 and 3)		
Expenses:						
Research and development	$ 7,100	$ 194	**$ 7,294**	$ 2,788	$ 252	**$ 3,040**
Investment tax credits	(305)	-	**(305)**	(134)	-	**(134)**
Net research and development	6,795	194	**6,989**	2,654	252	**2,906**
General and administrative	586	239	**825**	22	454	**476**
	7,381	433	**7,814**	2,676	706	**3,382**
Finance (income) costs:						
Change in fair value of warrant liability	-	752	**752**	-	(1,006)	**(1,006)**
Net finance costs (income)	-	752	**752**	-	(1,006)	**(1,006)**
Net and total comprehensive loss	$ 7,381	$ 1,185	**$ 8,566**	$ 2,676	$ (300)	**$ 2,376**
Net loss per share ***(note 3)***						
Basic and diluted			**$ 0.11**			**$ 0.03**

The accompanying notes are an integral part of these pro forma consolidated financial statements

1. Basis of presentation

The accompanying unaudited pro forma consolidated statement of financial position of 1741273 Alberta Ltd. ("the Company") as at January 31, 2013 and the unaudited pro forma consolidated statements of comprehensive loss for the nine months ended January 31, 2013 and the year ended April 30, 2012 (the "pro forma statements") have been prepared to reflect the proposed plan of arrangement between Resverlogix Corp. ("Resverlogix"), RVX Therapeutics Inc. ("RVX Therapeutics") and 1741273 Alberta Ltd.

The unaudited pro forma statements have been prepared by management using accounting policies consistent with International Financial Reporting Standards ("IFRS") as prescribed by the International Accounting Standards Board ("IASB"). The pro forma statements may not be indicative of the results that actually would have occurred if the events reflected therein had been in effect on the dates indicated or of the results that which may be obtained in the future.

Accounting policies used in the preparation of the pro forma statements are in accordance with those disclosed in RVX Therapeutics Inc.'s audited financial statements as at and for the period ended January 31, 2013. The pro forma statements have been prepared from information derived from and should be read in conjunction with the RVX Therapeutics Inc.'s audited financial statements as at and for the period ended January 31, 2013.

The Company has not yet commenced operations. In the opinion of management, these pro forma statements include all the necessary adjustments for a fair presentation of the ongoing entity in accordance with IFRS.

2. Pro forma consolidated statement of financial position and statement of comprehensive loss assumptions and adjustments

The unaudited pro forma consolidated statement of financial position and the unaudited pro forma consolidated statements of comprehensive loss give effect to the following assumptions and adjustments as if the plan of arrangement had occurred on May 1, 2011.

1741273 Alberta Ltd.

The Company was incorporated on April 10, 2013 and has not yet commenced operations. On April 10, 2013, the Company issued 1 common share to Resverlogix for $0.001.

Acquisition of RVX Therapeutics Inc.

On April 8, 2013, Resverlogix, the parent company of RVX Therapeutics and the Company, announced that its Board of Directors had approved a proposal to spin-out RVX Therapeutics Inc. by way of a court-approved Plan of Arrangement ("the Arrangement") pursuant to the Business Corporations Act (Alberta).

On April 29, 2013, Resverlogix, RVX Therapeutics and the Company, a newly incorporated company, entered into the Arrangement which involves the spin-off of all of the issued and outstanding shares of RVX Therapeutics to the Company, a newly formed company. Under the terms of the Arrangement, Resverlogix Corp.'s shareholders will receive shares of the Company, and the Company will own all of the shares of RVX Therapeutics. Every Resverlogix shareholder will receive one share in the Company for every share held in Resverlogix at the effective date.

Every Resverlogix warrant holder at the effective date of the Arrangement will receive one warrant in the Company for every warrant held in Resverlogix. The exercise price of Resverlogix warrants will be reduced in accordance with the terms of the applicable warrant agreement by an amount on a per share basis to reflect the fair value of the Company and the reduction will be allocated to the exercise price of the Company's warrants.

(amounts in thousands of US dollars, except for number of shares)

2. Pro forma consolidated statement of financial position and statement of comprehensive loss assumptions and adjustments (continued)

Warrants that have an exercise price denominated in a foreign currency are recorded as a Warrant Liability and classified as fair value through profit and loss. These warrants are adjusted to fair value at each reporting period and any change is recorded in the statement of comprehensive income. A $0.8 million loss and a $1.0 million gain on the change in the fair value of the Company's warrant liability for the nine months ended January 31, 2013 and the year ended April 30, 2012, respectively, have been included in these pro forma consolidated financial statements.

Pursuant to the Arrangement, the Company will also be issued royalty preferred shares in the capital of Resverlogix which will provide the Company with dividends payable on a percentage of revenue, if any, received by Resverlogix for compounds that result in a therapeutic relevant elevation in the plasma levels of Apo A-I.

This investment in preferred shares has not been recognized as an asset in the statement of financial position due to the uncertainty around future revenue being earned in Resverlogix.

Under the terms of the Arrangement, Resverlogix will advance an additional CAD$5 to $10 million to RVX Therapeutics to provide working capital. The pro forma consolidated statement of financial position reflects the advance of CAD$10 million (US$9.8 million) from Resverlogix to RVX Therapeutics. The promissory notes and aggregate advances from Resverlogix immediately prior to the Arrangement becoming effective will be transferred from Resverlogix to the Company such that, subsequent to the Arrangement, RVX Therapeutics will be indebted to the Company in respect of these liabilities.

Every Resverlogix stock option holder at the effective date of the Arrangement will receive one stock option in the Company for every stock option held in Resverlogix, and every restricted stock unit holder at the effective date of the Arrangement will receive one restricted stock unit in the Company for every restricted stock unit held in Resverlogix. The exercise price of Resverlogix stock options will be reduced in accordance with Resverlogix's stock option plan by an amount on a per share basis to reflect the fair value of the Company and the reduction will be allocated to the exercise price of the Company's stock options. Share-based payment transaction costs of $0.4 million and $0.7 million for the nine months ended January 31, 2013 and for the year ended April 30, 2012, respectively, have been included in these pro forma consolidated financial statements.

The acquisition of RVX Therapeutics was accounted for at cost as the Company and RXV Therapeutics were under common control of Resverlogix.

Net assets acquired		
Cash	$	9,899
Prepaid expenses and deposits		38
Investment tax credit receivable		305
Property and equipment		101
Intangible assets		63
Trade and other payables		(478)
	$	**9,928**

(amounts in thousands of US dollars, except for number of shares)

3. Pro forma common shares outstanding

The loss per share has been calculated using net loss for the period and the basic and diluted weighted average shares outstanding during the nine months ended January 31, 2013 of 74,565,584 (year ended April 30, 2012 – 74,565,584):

Common shares	Number of shares		Amount
1741273 Alberta Ltd. basic weighted average common share outstanding	1	$	-
Shares issued in connection with plan of arrangement	74,565,583		24,872
	74,565,584	$	24,872

The number of shares issued in connection with the plan of arrangement above has been based on the number of issued and outstanding common shares of Resverlogix at April 29, 2013.

SCHEDULE D

Management's Discussion and Analysis

Management's Discussion & Analysis

January 31, 2013

This Management's Discussion and Analysis ("MD&A") of RVX Therapeutics Inc.'s operations and financial position should be read in conjunction with the audited financial statements and the notes thereto for the nine months ended January 31, 2013 and the years ended April 30, 2012 and 2011. Our financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). An advisory with respect to the use of non-IFRS measures is set out in this MD&A under "Non-IFRS Measures". All amounts in the following MD&A are stated in US dollars unless otherwise stated. References to "we", "us" or "our" mean RXV Therapeutics Inc. unless the context otherwise requires.

Cautionary Statement Regarding Forward-Looking Information

This MD&A contains forward-looking information within the meaning of applicable Canadian securities legislation. Forward-looking information is often, but not always, identified by the use of words such as "believes", "anticipates", "plans", "intends", "will", "should", "expects", "continue", "estimate", "forecasts" and other similar expressions. In particular, this MD&A includes forward-looking information related to: our belief that our small molecules inhibit Bromodomain and ExtraTerminal Domain ("BET") proteins (or "bromodomains"); our intention to use our epigenetic drug development platform to develop compounds; our belief that our patent and patent applications will protect our ideas and inventions related to composition of matter, methods and treatments in our core areas of science and business; our expectation that we will be able to raise capital through external financing or partnering to provide funds for our programs.

Readers are cautioned that our expectations, beliefs, projections and assumptions used in preparation of such information, although considered reasonable at the time of preparation, may prove to be wrong, and as such, undue reliance should not be placed on forward-looking statements. With respect to forward-looking statements contained in this MD&A, we have made key assumptions including:

- BET proteins play a critical role in the epigenetic regulation of transcription of particular genes.
- BET proteins all contain highly conserved bromodomains that play a key role in their epigenetic control of gene expression.
- Our small molecules function via inhibition of BET bromodomains and, therefore, specifically modulate transcription of particular targets.
- We have secured a substantial suite of intellectual property covering a host of molecules all discovered using our epigenetic drug development platform.
- Our patents and patent applications will protect our ideas and inventions related to composition of matter, methods and treatments in our core areas of science and business.
- We anticipate that we will be able to raise capital through external financing or partnering to provide funds for our programs; and
- We have accurately estimated the expenditures required to complete research and development.

Our actual results, events or developments could be materially different from those expressed or implied by these forward-looking statements. We can give no assurance that any of the events or expectations will occur or be realized. By their nature, forward-looking statements are subject to numerous known and unknown risks and uncertainties including but not limited to those associated with the success of research and development programs, the regulatory approval process, competition, securing and maintaining corporate alliances, market acceptance of any products we may develop, the availability of government and insurance reimbursements for any products we may develop, the strength of intellectual property, financing capability, the potential dilutive effects of any financing, reliance on subcontractors and key personnel and additional risk factors discussed in documents we file

from time to time with securities authorities, which are available through SEDAR at www.sedar.com. Additionally, risks and uncertainties are discussed on page 11 of this MD&A.

The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. We disclaim any intention and have no obligation or responsibility, except as required by law, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Non-IFRS Measures

To supplement our consolidated financial statements presented in accordance with IFRS, we use non-IFRS measures such as average monthly cash burn rate. This measure is provided to enhance readers' overall understanding of our current use of cash resources and is included to provide investors and management with an alternative measure for assessing our operating results in a manner that is focused on the use of cash for operations and to provide a more consistent basis for comparison between quarters. This measure is based on the cash flow used in operations prior to changes in non-cash working capital from the Statements of Cash Flows, as presented on page 5 herein. The average monthly amount is determined using the applicable period total divided by the number of months in the period. These measures are not in accordance with and do not have a standardized meaning under IFRS and are unlikely to be comparable to similar measures used by other entities.

Overview

The selective production of the proteins encoded by our genes leads to differences between cells, and the alteration of their levels can contribute to disease. Epigenetics is a cellular mechanism for regulating gene expression arising from the interplay between proteins and DNA without altering the genetic code. It encompasses mechanisms for regulating the production of proteins from genes without altering the genetic code. In cells, DNA is surrounded by proteins to form chromatin and ultimately our chromosomes. Epigenetics is the study of secondary modifications to the DNA or its associated proteins which alters their relative disposition, resulting in changes in gene transcription, the first step in producing the proteins that each gene encodes. An understanding of this system will allow for the discovery and development of targeted medicines that may treat specific diseases in specific individuals.

We have developed an epigenetic drug development platform with the potential to impact multiple diseases including autoimmune, cancer, neurodegenerative disorders and others. This platform targets BET proteins that play a critical role in the epigenetic regulation of transcription of particular genes. BET proteins are often called "readers" of the histone/chromatin structure because they recognize a particular modification of proteins, associated with the DNA where they can bind and recruit other proteins essential to the regulation of gene transcription. All BET proteins contain highly conserved bromodomains that play a key role in their epigenetic control of gene expression. Our small molecules function via inhibition of BET bromodomains and therefore specifically modulate transcription of particular target genes.

We are focused on the creation of novel small molecule BET inhibitors, a new class of therapeutics, for the treatment of patients with defined cancers, inflammatory disorders and other therapeutic indications. Our research is based on breakthroughs in the field of epigenetics. BET proteins represent a new area of drug development research that target genetic alterations in BET.

Research Programs

Autoimmune

BET proteins are a family of proteins which play a critical role in the expression of inflammatory genes which are activated in response to pathogens. Expression of these inflammatory genes results in production of inflammatory mediators such as the cytokines IL-6, IL-17 and the chemokine MCP-1. While this is part of the host's normal response to pathogens, an exaggerated, uncontrolled response can be detrimental to the host, and this represents the medical basis for many serious diseases autoimmune diseases such as rheumatoid arthritis, multiple sclerosis, among others.

We have a research and drug discovery program to develop novel, orally administered, small-molecule drugs which can suppress these aberrant inflammatory responses by inhibition of BET proteins. Both in terms of chemical structure and mechanism, our molecules are distinct from those traditionally used to treat autoimmune diseases, including nonsteroidal antiinflammatory drugs ("NSAID's"), corticosteroids, and older line disease-modifying drugs ("DMARD's") such as methotrexate. Newer DMARD's, such as the cytokine receptor antagonist Enbrel, work through related immunomodulatory mechanisms, by blocking the action of immune mediators. However, as biological agents, these drugs have the disadvantage that they must be administered by injection. In contrast, the pharmaceutical properties of Resverlogix's novel compounds are being optimized so that they will be well absorbed after oral administration as a solid dose form.

Our compounds are efficacious in well-established in vivo animal models for rheumatoid arthritis and multiple sclerosis, including the well-known collagen-induced arthritis and murine experimental autoimmune encephalomyelitis. We have discovered several different chemical approaches to achieve effective inhibition of BET proteins, and we are now in process of optimizing one of these chemical series for clinical development. Lead molecules of this chemical series are characterized by a favorable immunomodulatory profile, including in vitro and in vivo suppression of IL-6, IL-17 and MCP-1 production. We believe that molecules of this new drug class, which will be administered orally, can provide an attract alternative to protein-based DMARD therapeutics such as Enbrel which are now widely used.

Oncology

Our oncology program builds upon the recent discovery that BET inhibitors may have therapeutic potential in certain human cancers, and might lead to a class of more effective oncology drugs. Based on our own and published work, these inhibitors can inhibit several known drivers of tumor cell growth. These include c-myc and bcl-2. C-myc is a well-known oncogene that drives the growth of multiple hematological cancers and solid tumors, a role which has been studied for more than 30 years. Despite the critical function this oncogene has in the development of cancer, treatments that target its activity have eluded discovery. Bcl-2 is a gene known to enhance survival of other cancer cells. Recent research has shown that BET inhibition can result in the suppression of transcription of the c-myc and bcl-2 genes in certain cancer cell types and the resulting loss of c-myc and bcl-2 protein leads to inhibition of tumor cell proliferation and cell death.

We have demonstrated that several of our compounds inhibit the proliferation of tumor cells derived from acute myelogenous leukemia ("AML") and multiple myeloma ("MM"), and also inhibit the growth of an AML derived tumor in a mouse xenograft model. We have an active drug discovery program to find new, orally active compounds that work through inhibition of BET proteins using biochemical assays, cell based screens and in vivo pharmacodynamic and efficacy models. We have identified some very robust chemical scaffolds, and are currently in the process of optimizing two of these to identify an IND candidate. We are also exploring approaches to identify the best cancer patients to target based on analyses of tumor cell sensitivity and the ability to combine BET inhibitors with standard of care.

BET Inhibition

BET inhibition represents a new approach to studying how gene transcription and protein production affect certain diseases. We have undertaken numerous studies to examine our proprietary molecules' BET mechanism of action We have established and continue to develop a suite of screening technologies that test novel small molecules and their activities against known tumor types and inflammatory markers that are modulated by BET.

Highlights

Scientific Developments

Mechanism of Action

In April 2012, our Mechanism of Action by which RVX-208 increases Apolipoprotien A-I ("ApoA-I") production was announced by Resverlogix, our parent company. Data shows RVX-208 to be an inhibitor of the BET proteins. RVX-208 acts on BET proteins, including BRD4, a member of the BET protein family, leading to increased transcription of the ApoA-I gene followed by production of more ApoA-I protein.

Corporate Developments

Assignment of Intellectual Property

Pursuant to an Assignment and Services Agreement effective May 1, 2012 (the "Assignment"), Resverlogix assigned to Therapeutics its rights to intellectual property rights that protect or otherwise cover technology, including the rights to the inventions covered by patent applications, that relates to pharmaceutical agents and methods for treating diseases and health conditions, excluding those that increase the production of Apo A-1 used for the treatment of atherosclerosis (including RVX-208). In consideration, we paid the aggregate amount of approximately $7.5 million to Resverlogix, which was paid through the issuance of a promissory note.

Pursuant to the Assignment, we also engaged Resverlogix to perform research and administrative services for us. As consideration for the services, we will pay Resverlogix service fees for salary and other compensation related costs allocated to the services and reimbursable expenses incurred by Resverlogix.

Expansion of Research

We continue to expand our knowledge in important drug research. During the nine months ended January 31, 2013, we significantly expanded our autoimmune and oncology programs, and performed further BET inhibition research. Each of these programs are comprised of both research performed by contract research organizations and our translational biology group. We have screened over 25 million compounds which has enabled the identification of novel scaffolds for BET inhibition. We continue to increase our medicinal chemistry operations with leading global contract research organizations and have synthesized over 800 small molecules which have created an enlarged intellectual property estate. This estate covers important new chemistry findings in BET inhibition.

Amended and Restated License Agreement

On January 31, 2013, Therapeutics and Resverlogix entered into an Amended and Restated License Agreement (the "Amendment") which amended a License Agreement dated August 1, 2005. Pursuant to the License Agreement, Resverlogix granted an irrevocable, worldwide license to Therapeutics under certain licensed patents and licensed know-how to develop, commercialize and sell licensed products in any field other than the ApoA-I therapeutic field (the prevention, treatment or mitigation of any disease via the administration of a pharmaceutical agent that results in a specified therapeutic elevation in the plasma levels of ApoA-I).

As ongoing consideration for the grant of the License, we shall pay Resverlogix a royalty from 1% to 5% of gross amounts received by us from the sale of any product in any field other than the ApoA-I therapeutic field which is encompassed within a patent licensed from Resverlogix.

Plan of Arrangement

On April 8, 2013, Resverlogix announced that its Board of Directors had approved a proposal to spin-out Therapeutics by way of a court-approved Plan of Arrangement ("the Arrangement") pursuant to the Business Corporations Act (Alberta).

Resverlogix will continue to focus on the clinical development of RVX-208, its small molecule for the treatment of atherosclerosis through therapeutic increases in Apo A-I, whereas Therapeutics will focus on innovative drug research and development by leveraging its epigenetics platform in multiple diseases including autoimmune and oncology, excluding Apo A-1 and RVX-208 technology.

Under the terms of the Arrangement, Resverlogix's shareholders will receive shares of 1741273 Alberta Ltd. ("Newco"), a newly incorporated company, and Newco will own all of the shares of Therapeutics. Every Resverlogix shareholder will receive one share in Newco for every share held in Resverlogix at the effective date.

Newco will also be issued royalty preferred shares in the capital of Resverlogix which will provide Newco with dividends payable on a percentage of revenue, if any, received by Resverlogix for compounds that result in a therapeutic relevant elevation in the plasma levels of Apo A-I.

Under the terms of the Arrangement, Resverlogix will advance an additional CAD$5 to $10 million to Therapeutics to provide working capital. The $7.6 million of promissory notes and the advances from Resverlogix will be transferred from Resverlogix to Newco such that, subsequent to the Arrangement, Therapeutics will be indebted to Newco in respect of these liabilities.

Every Resverlogix warrant holder at the effective date will receive one warrant in Newco for every warrant held in Resverlogix. The exercise price of Resverlogix warrants would be reduced in accordance with the terms of the applicable warrant by an amount on a per share basis to reflect the fair market value of Newco and the reduction would be allocated to the exercise price of the Newco warrants.

The implementation of the Arrangement will be subject to, among other things, board, shareholders, court and regulatory approvals, including TSX acceptance of the Arrangement.

Resverlogix must hold a special meeting of shareholders to approve the Arrangement. The record and meeting dates have been set for April 25, 2013 and May 28, 2013, respectively.

There can be no assurances or guarantees that the spin-out will be completed.

Results of Operations

(in thousands of US dollars unless otherwise noted)	**Nine months ended January 31, 2013**	Year ended April 30, 2012	Year ended April 30, 2011
Expenses			
Research and development	**$ 7,100**	$ 2,788	$ 1,182
Investment tax credits	**(305)**	(134)	(72)
Net research and development	**6,795**	2,654	1,110
General and administrative	**586**	22	10
Net and total comprehensive loss	**7,381**	2,676	1,120
Net and total loss per share			
Basic and diluted	**$ 2.01**	$ 0.73	$ 0.30

Cash Burn Rate

The average monthly Cash Burn Rate, a non-IFRS measure as described on page 2 herein, for the nine months ended January 31, 2013 was $0.8 million (years ended April 30, 2012 and 2011 - $0.2 million and $0.1 million, respectively). The increase was primarily attributable to expanded research programs in autoimmune, oncology and BET inhibition.

(in thousands of US dollars unless otherwise noted)	**Nine months ended January 31, 2013**	Year ended April 30, 2012	Year ended April 30, 2011
Cash flow used in operations	**$ (7,239)**	$ (2,488)	$ (1,101)
Changes in non-cash working capital	**(133)**	-	-
	(7,372)	(2,488)	(1,101)
Number of months	**9**	12	12
Average Monthly Cash Burn Rate	**(819)**	(207)	(92)

Our historical Cash Burn Rate is not necessarily indicative of our future Cash Burn Rate which will be impacted by several factors including our recent expansion in research.

Research and Development

Research and development ("R&D) includes costs associated with discovery research (salaries and benefits, general laboratory operating expenses and the like), pharmacology, toxicology and other studies.

During the nine months ended January 31, 2013, gross R&D expenditures totaled $7.1 million. The majority of the expenditures was related to our BET inhibition research and included internal research as well as studies performed by external parties. The remainder of the expenditures was related to our autoimmune and oncology programs. The significant increase in R&D expenditures reflects our expanded BET inhibition, autoimmune and oncology programs, comprised of both research performed by contract research organizations and our expanded translational biology group.

During the year ended April 30, 2012, gross R&D expenditures totaled $2.8 million, a significant increase over the prior year. The majority of the expenditures related to our autoimmune program. The remainder of the expenditures was related to our BET

inhibition research. Expenditures on our oncology program were modest. The majority of the research was performed by contract research organizations.

During the year ended April 30, 2011, gross R&D expenditures totaled $1.2 million. The vast majority of the expenditures related to research performed by contract research organizations on our autoimmune program.

General and Administrative

During the nine months ended January 31, 2013, general and administrative ("G&A") expenditures totaled $586,000, including $0.3 million of fees for compensation and related costs for non-R&D personnel contracted from Resverlogix. A significant portion of G&A expenditures were related to business development. G&A expenditures increased due to the additional administration associated with significantly expanded research performed internally as well as by contract research organizations.

During the year ended April 30, 2012 and 2011, general and administrative expenses totaled $22,000 and $10,000, respectively, reflecting a negligible amount of administration as substantially all of the research was performed by contract research organizations.

Liquidity and Capital Resources

Cash

As at January 31, 2013, we had $66,000 of cash and $478,000 of trade and other payables. Our average monthly Cash Burn Rate, a non-IFRS measure as described on page 2 herein, for the nine months ended January 31, 2013 was $0.8 million. Our historical Cash Burn Rate is not necessarily indicative of our future Cash Burn Rate. Under the terms of the Arrangement, the $7.6 million of promissory notes and the advances from Resverlogix will be transferred from Resverlogix to Newco such that, subsequent to the Arrangement, Therapeutics will be indebted to Newco in respect of these liabilities.

Promissory Notes

Promissory notes for CAD$122,000 and US$7.5 million are payable to Resverlogix, non-interest bearing, repayable sixty days subsequent to demand, and unsecured.

Due to Resverlogix Corp.

Advances from Resverlogix totaling US$7.4 million are payable on demand and non-interest bearing.

Liquidity

We are a development stage company; our primary capital requirements relate to funding research and development activities and for general working capital purposes. From inception, our operations have been financed by Resverlogix. Under the terms of the Arrangement, Resverlogix intends to advance an additional CAD$5 to $10 million to Therapeutics to provide it with additional working capital.

We believe our cash as at January 31, 2013 and the cash to be advanced from Resverlogix pursuant to the Arrangement is anticipated to be sufficient to fund our contractual commitments over the next year but is not anticipated to be sufficient to fund substantially all of our planned business operations over the next year. We will need to raise additional capital. We intend to raise additional capital from other sources of capital, not Resverlogix. We will also require additional capital to fund our planned research, development and corporate activities beyond the next year. We will continue to explore alternatives to generate positive cash flow including raising equity and partnering; however, there is no assurance that these initiatives will be successful. If we are not able to raise capital, we may reduce our cash requirements by eliminating or deferring spending on research, development and corporate activities and may be forced to cease operations.

Cash Flows Used By Operating Activities

Cash flows used in operating activities for the nine months ended January 31, 2013 totaled $7.2 million (year ended April 30, 2012 and 2011 - $2.5 and $1.1 million, respectively), reflecting considerable expansion of research programs in each period.

Cash Flows from Financing Activities

We have relied entirely on Resverlogix for funding. During the nine months ended January 31, 2013, Resverlogix advanced $7.4 million to us (years ended April 30, 2012 and 2011 - $2.6 million and $1.1 million, respectively). Advances are due on demand and non-interest bearing.

Cash Flows Used By Investing Activities

During the nine months ended January 31, 2013, additions to laboratory equipment and intangible assets (patent-related costs) totaled $0.1 million. During the years ended April 30, 2012 and 2011, additions totaled $44,000 and $5,000, respectively.

Financial Instruments and Financial Risk Management

Notes 5 and 6 to our audited financial statements for the nine months ended January 31, 2013 includes a summary of: our significant accounting policies related to financial instruments; and liquidity and currency risk.

Contractual Obligations

The table below summarizes our contractual obligations related to research and development, by due date, as at January 31, 2013 and April 30, 2012:

(in thousands of US dollars)	**January 31, 2013**	April 30, 2012	April 30, 2011
Less than 1 year	**$ 1,638**	$ 2,069	$ 712
Between 1 and 5 years	**-**	-	-
More than 5 years	**-**	-	-
	$ 1,638	$ 2,069	$ 712

The table below summarizes our contractual obligations related to office and laboratory premises, by due date, as at January 31, 2013 and April 30, 2012:

	January 31, 2013	April 30, 2012	April 30, 2011
Less than 1 year	**$ 135**	$ 132	-
Between 1 and 5 years	**46**	151	-
More than 5 years	**-**	-	-
	$ 181	$ 283	$ -

Significant Accounting Policies and Estimates

Note 4 to our audited financial statements for the nine months ended January 31, 2013 includes a summary of our significant accounting policies.

The preparation of financial statements requires management to use estimates and assumptions that they believe are reasonable based upon the information available. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods presented. These estimates and assumptions are subject to inherent risk of uncertainty and actual results may differ from these estimates and assumptions.

Significant estimates are used for, but not limited to, the measurement of expenses and taxes.

Recent Accounting Pronouncements

The following are new IFRS pronouncements that have been issued, that are not yet effective, that have not been early adopted, and that may have an impact on us in the future, as discussed below.

The amendment to IAS 1 "Presentation of Financial Instruments" improves the consistency and clarity of the presentation of items of other comprehensive income by requiring items to be grouped on the basis of whether they may be reclassified subsequently in profit or loss.

As of January 1, 2015, we will be required to adopt IFRS 9 "Financial Instruments", which is a result of the first phase of the International Accounting Standards Board ("IASB") project to replace IAS 39 "Financial Instruments: Recognition and Measurement". The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. Portions of the standard remain in development and the full impact of the standard on our consolidated financial statements will not be known until the project is complete.

In May 2011, the IASB released the following new standards: IFRS 10, "Consolidated Financial Statements", IFRS 11, "Joint Arrangements", IFRS 12, "Disclosures of interests in other entities" and IFRS 13, "Fair Value Measurement". Each of these standards is to be adopted for fiscal years beginning January 1, 2013 with earlier adoption permitted. A brief description of each new standard is provided in note 4 to the financial statements for the nine months ended January 31, 2013.

Off-Balance Sheet Arrangements

As of January 31, 2013, we have not entered into any off-balance sheet arrangements other than operating leases.

Selected Annual Information

(in thousands of US dollars except as otherwise noted)	**Nine months ended January 31, 2013**	Year ended April 30, 2012	Year ended April 30, 2011
Revenue	-	-	-
Net and total comprehensive loss	**7,381**	2,676	1,120
Net loss per share	**2.01**	0.73	0.30
Assets (as at January 31, 2013 and April 30, 2012 and 2011)	**573**	83	186

Summary of Quarterly Results

The following is a summary of selected financial information derived from our unaudited interim consolidated financial statements for each of the eight most recently completed quarters.

	For the Three Months Ended			
(in thousands of US dollars except as otherwise noted)	**January 31, 2013**	October 31, 2012	July 31, 2012	April 30, 2012
Revenue	**-**	-	-	-
Total comprehensive loss	**(2,665)**	(2,430)	(2,286)	(1,020)
Net loss per share (basic and diluted) ($)	**(0.73)**	(0.66)	(0.62)	(0.28)

	For the Three Months Ended			
(in thousands of US dollars except as otherwise noted)	January 31, 2012	October 31, 2011	July 31, 2011	April 30, 2011
Revenue	-	-	-	-
Total comprehensive loss	(767)	(452)	(437)	(430)
Net loss per share (basic and diluted) ($)	(0.21)	(0.12)	(0.12)	(0.12)

Items that impact the comparability of quarterly results of operations include:

- Research and development costs were impacted by expansion of our research programs and the timing of various studies and chemistry-related research.
- General and administrative costs were impacted by additional administration associated with significantly expanded research.

Related Party Transactions

A description of transactions with related party transactions (specifically compensation expenses paid to key management personnel, including directors, whom are considered related parties under IFRS) are as follows:

Key management personnel compensation

Key management personnel of Therapeutics consists of its executive management and its Board of Directors. Compensation expenses, including salaries and fees, paid to key management personnel were as follows:

	Nine months ended January 31, 2013	Year ended April 30, 2012	Year ended April 30, 2011
Short-term employee benefits	**$ 373**	$ 10	$ 6
Key management personnel compensation	**$ 373**	$ 10	$ 6

Effective May 1, 2012, Resverlogix transferred intellectual property rights and technology to the Company pursuant to the Assignment and Services Agreement. In consideration the Company paid to Resverlogix the aggregate amount of US$7.5 million, which was paid through the issuance of a promissory note.

Pursuant to the Assignment and Services Agreement, Resverlogix also agreed to provide research and administrative services to the Company. As consideration for the services, the Company pays Resverlogix a service fee, consisting of salary and other compensation costs allocated to the services and reimbursable expenses incurred by Resverlogix in connection with the services. During the nine months ended January 31, 2013, the Company paid an aggregate amount of $6.9 million to Resverlogix for services and reimbursable expenses, including $1.2 million for research and administrative services. In addition, the Company paid an aggregate amount of $0.5 million to a subsidiary of Resverlogix for research services.

Outstanding Equity Instruments

As at April 29, 2013, we had authorized an unlimited number of common shares and preferred shares.

	As at April 29,	As at January 31,	As at April 30,
	2013	2013	2012
Common Shares	**3,678,001**	3,678,001	3,678,001

Additional information relating to our securities can be found in note 12 to the audited financial statements for the nine months ended January 31, 2013.

Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

As at January 31, 2013, an evaluation of the effectiveness of our disclosure controls and procedures as defined under the rules adopted by the Canadian securities regulatory authorities was carried out under the supervision and with the participation of management, including our President and Chief Executive Officer ("CEO") and our Chief Financial Officer ("CFO"). Based on this evaluation, the CEO and CFO concluded that, as at January 31, 2013, the design and operation of our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in reports filed with, or submitted to, securities regulatory authorities were reported within the time frames specified under Canadian securities laws.

Internal controls over financial reporting is a process designed by or under the supervision of management and effected by the Board, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and preparation of consolidated financial statements for external purposes in accordance with IFRS. Management is responsible for establishing and maintaining adequate internal controls over financial reporting. Internal controls over financial reporting, no matter how well designed, have inherent limitations and can provide only reasonable assurance with respect to the preparation and fair presentation of published financial statements. Under the supervision and with participation of our CEO and CFO, management conducted an evaluation of the effectiveness of our internal controls over financial reporting. Based on this evaluation, our CEO and CFO concluded that internal controls over financial reporting were effective as at January 31, 2013, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes. During the nine months ended January 31, 2013, there were no change in our internal controls over financial reporting that materially affected or are reasonably likely to materially affect our internal controls over financial reporting.

Outlook

We have developed a robust platform for the discovery of BET bromodomain inhibitors and a number of independent scaffolds and series that offer promise for delivering new drug candidates for different indications.

We have demonstrated in-vivo proof of concept with our first generation oral BET inhibitors in two autoimmune conditions as well as oncology.

More specifically, our compounds are efficacious in well-established in-vivo animal models for rheumatoid arthritis and multiple sclerosis, including the established collagen-induced arthritis and murine experimental autoimmune encephalomyelitis. We have discovered several different chemical approaches to achieve effective inhibition of BET proteins, and we are now in process of optimizing one of these chemical series for clinical development. Lead molecules of this chemical series are characterized by a favorable immunomodulatory profile, including in vitro and in vivo suppression of IL-6, IL-17 and MCP-1 production. We believe that molecules of this new drug class, which will be administered orally, can provide an attract alternative to current therapeutics.

We have also demonstrated that several of our compounds inhibit the proliferation of tumor cells derived from acute myelogenous leukemia and multiple myeloma, and also inhibit the growth of an AML derived tumor in a mouse xenograft model. We have an active drug discovery program to find new, orally active compounds that work through inhibition of BET proteins using biochemical assays, cell based screens and in vivo pharmacodynamic and efficacy models. We have identified some very robust chemical

scaffolds, and are currently in the process of optimizing two of these to identify an IND candidate. We are also exploring approaches to identify the best cancer patients to target based on analyses of tumor cell sensitivity and the ability to combine BET inhibitors with standard of care.

We plan to focus and expand our knowledge and expertise in the area of developing BET inhibitor small molecules. We are driven to continue to build upon our position developing these molecules for this important drug development target. We intend to move several of our new second generation drug candidates into IND-enabling and first-in-man clinical studies in the near future. We will continue to discuss these specific opportunities with potential licensing partners to enable these novel small molecules to move towards human clinical trials.

Risks and Uncertainties

The biotechnology industry generally may be regarded as uncertain given the nature of the industry. Accordingly, investments in biotechnology companies should be regarded as speculative. Biotechnology research and development involves a significant degree of risk. An investor should carefully consider the risks and uncertainties described below, as well as other information contained in this Management's Discussion and Analysis. The risks and uncertainties described below is not an exhaustive list. Additional risks and uncertainties not presently known to us or that we believe to be immaterial may also adversely affect our business. If any one or more of the following risks occur, our business, financial condition and results of operations could be seriously harmed.

Risks Relating to Our Business

We are a development stage company. If we do not develop commercially successful products, we may be forced to cease operations.

We are in an early stage of development, which may require significant additional investment for research and development, manufacturing, clinical testing, and regulatory submissions prior to commercialization. Investors must evaluate our business in light of the uncertainties and complexities affecting a development stage pharmaceutical company. We have not commenced clinical development and there can be no assurance that any products will be developed. Any product would be unsuccessful if it:

- does not demonstrate acceptable safety and efficacy in preclinical studies and clinical trials or otherwise does not meet applicable regulatory standards for approval;
- does not offer therapeutic or other improvements over existing drugs used to treat the same or similar conditions;
- is not capable of being produced in commercial quantities at an acceptable cost, or at all; or
- is not accepted by patients, the medical community or third party payors.

A commitment of substantial time and resources is required to conduct research and clinical trials if we are to complete the development of any products. We have not proven our ability to develop and commercialize products. It is not known whether such products will meet applicable health regulatory standards and obtain required regulatory approvals, or (i) whether such products can be produced in commercial quantities at reasonable costs and be successfully marketed, (ii) whether such products will achieve market acceptance, or (iii) if our investment in any such products will be recovered through sales or royalties. Problems frequently encountered in connection with the development and utilization of new and unproven technologies and the competitive environment in which we operate might limit our ability to develop commercially successful products.

Results of early research may not be indicative of the results that will be obtained in later stages of research. If regulatory authorities do not approve the products or if regulatory compliance is not maintained, we would have limited ability to commercialize such products, and our business and results of operations would be harmed. We may fail to develop any products, to obtain regulatory approvals, to enter clinical trials, or to commercialize any products. If we are unable to make products commercially available, we will not generate product revenues, and we may be forced to cease operations.

We have a history of net losses. We expect to continue to incur substantial net losses for the foreseeable future, and we may never achieve or maintain profitability.

To date, we have not recorded any revenues from the sale of biopharmaceutical products, and have incurred significant net losses in each year since our inception, including a net and total comprehensive loss of $7.4 million for the nine months ended January 31, 2013. As at January 31, 2013, we had a deficit of $15.9 million. We expect to incur substantial net losses and negative cash flow for the foreseeable future. Such losses have had, and will continue to have, an adverse effect on our shareholders' equity and working capital.

The process of developing and commercializing our products requires significant preclinical testing and clinical trials as well as regulatory approvals for commercialization and marketing before we could begin product sales. In addition, commercialization of our products would require us to establish a sales and marketing organization or contractual relationships to enable product manufacturing and other related activities. Because of the numerous risks and uncertainties associated with pharmaceutical product development and commercialization, we are unable to accurately predict the timing or amount of future expenses or when, or if, we will be able to achieve or maintain profitability. Currently, we have no products approved for commercial sale, and to date we have not generated any product revenue. Our operations have been financed exclusively by Resverlogix. The size of our future net losses will depend, in part, on the rate of growth or contraction of our expenses and the level and rate of growth, if any, of our revenues. We expect to incur losses unless and until such time as payments, if any, from corporate collaborations, product sales and/or royalty payments generate sufficient revenues to fund our continuing operations. Quarter to quarter fluctuations in revenues, expenses and losses are also expected. Even if we do achieve profitability, it may not be able to sustain or increase profitability on an ongoing basis.

We will need to raise additional capital in the future to fund our operations. If we cannot raise additional capital, we will have to delay, reduce or cease operations.

We will need to raise additional capital to fund our operations and to develop products. Our operations have been financed exclusively by Resverlogix. We expect to attempt to raise additional funds through equity or debt financing and/or from other sources. Our future capital requirements will be substantial and will depend on many factors, such as the following:

- the scope, rate of progress, results and costs of our discovery research, preclinical studies, clinical trials and developmental programs;
- timing, costs and outcomes of regulatory proceedings;
- payments received under any future partnerships;
- prosecution or defense of patent claims; and
- costs associated with commercialization of any products;
- the cost and timing of developing sales and marketing operations or partnerships;
- competing technological and market developments, including the introduction by others of new therapies in our markets.

Current cash is not sufficient to fund our contractual obligations for the next twelve months and is not sufficient to fund all of our currently planned operations over the next year. We will need to raise additional capital. Any equity financing transaction would result in our existing common stockholders experiencing immediate dilution. Any financing transaction may contain unfavorable terms. If we raise additional funds through strategic partnerships, we may be required to relinquish rights to our products, or to grant licenses on terms that are not favorable to us.

There can be no guarantee that we will be able to raise additional funds. If we are not able to raise additional funds, we may not have sufficient capital to fund all of our currently planned operations. We would have to reduce our cash requirements by eliminating or deferring spending on research, development and corporate activities, and we may be forced to cease operations.

Further, changing circumstances may cause us to consume capital significantly faster or slower than we currently anticipate. We have based these estimates on assumptions that may prove to be wrong, and we could utilize our available financial resources sooner than we currently expect.

Unstable market conditions may have serious adverse consequences on our business.

The recent economic downturn and market instability has made the business climate more volatile and more costly. Our business strategy may be adversely affected by unpredictable and unstable market conditions. If the current equity and credit markets deteriorate it may make any necessary equity or debt financing more difficult, more costly, and more dilutive. Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on our growth strategy, financial performance and could require us to delay or abandon clinical development plans. There is a risk that one or more of our current or future business partners, such as contract research organizations and contract laboratories, may encounter difficulties during challenging economic times, which may directly affect our ability to attain our operating goals on schedule and on budget.

We are in the preclinical stage and have not filed an Investigational New Drug for any product candidates.

Preclinical studies involving the evaluation of toxic effects and pharmacokinetics and metabolism of a drug in animals must be performed to provide evidence of the safety, efficacy and bioavailability of the drug prior to its administration to humans in clinical studies. The results of the preclinical studies as well as the comprehensive descriptions of proposed human clinical studies are then submitted as part of the Investigational New Drug ("IND") application to the FDA and TPD. There can be no assurance that preclinical studies will be completed successfully within any specified period of time, if at all.

We have not conducted human clinical trials.

Many of the products and processes that are being currently developed by us require significant development, testing and the investment of significant funds prior to their commercialization. There can be no assurance that any drugs we attempt to develop will actually be developed to a commercial level. Completing clinical testing through late stage trials and obtaining required approvals is expected to take several years and to require the expenditure of substantial resources. There can be no assurance that clinical trials will be completed successfully within any specified period of time, if at all. Furthermore, clinical trials may be delayed or suspended at any time by us or by the FDA, the TPD or foreign regulatory authorities if it is determined that the subjects or patients are being exposed to unacceptable risks. We may encounter delays or rejections based on varying regulatory interpretations or changes in regulatory agency policies, during the period in which we develop a product.

If our clinical trials fail to establish the safety and efficacy of our products, we will not be able to commercialize our products.

Drug discovery and development has inherent risk and the historical failure rate is high. To obtain regulatory approval to market and sell any of our products, we must satisfy the United States Federal Drug Administration ("FDA"), Health Canada's Therapeutic Products Directorate (the "TPD"), and other regulatory authorities, through extensive clinical trials and preclinical studies, that our products are safe. If we cannot demonstrate that our drugs are safe and effective for human use, we may need to abandon one or more of our drug development programs.

We may not have conducted or may not conduct in the future the types of testing ultimately required by regulatory authorities, or future tests may indicate that our products are not safe for use in humans. Preclinical testing and clinical trials are expensive, can take many years and have an uncertain outcome. In addition, success in initial preclinical testing does not ensure that later preclinical testing or clinical trials will be successful. There are a number of factors that could cause a clinical trial to fail or be delayed including:

- the clinical trials may produce negative or inconclusive results, which may require us to conduct additional preclinical testing or to abandon product candidates that we believed to be promising;
- the regulators may require that we hold, suspend or terminate clinical research for noncompliance with regulatory requirements;
- we, our potential partners, the FDA, the TPD or foreign regulatory authorities could suspend or terminate a clinical trial due to adverse side effect of a drug on subjects or patients in the trial;
- we may decide, or regulators may require us, to conduct additional preclinical testing or clinical trials;
- enrollment in our clinical trials may be slower than anticipated;
- the cost of our clinical trials may be greater than anticipated;

- our products may have unfavorable pharmacology, toxicology or carcinogenicity;
- our product candidates may cause undesirable side effects; and
- the supply or quality of our drugs or other materials necessary to conduct clinical trials may be insufficient, inadequate or delayed.

If any of our drugs do not show sufficient efficacy in patients with the targeted indication in clinical trials, it could negatively impact our development and commercialization or goals for our drugs and, as a result, materially adversely affect our business, financial condition and results of operations.

We rely on Resverlogix for funding and for performing research and administrative services.

We are dependent on Resverlogix to provide research and administrative services required by us to carry on our research and development activities. Research and administrative services are provided by Resverlogix to us pursuant to an agreement that may be terminated by Resverlogix upon six months prior notice. In addition, the employees of Resverlogix who will be primarily responsible for the provision of research and administrative services to us have extensive specialized knowledge and experience and there is no certainty that such individuals will continue to be employees of Resverlogix.

We are dependent on third parties to provide services for certain important aspects of our business. If these third parties do not perform as contractually required or expected, we may not be able to obtain regulatory approval for our products, or we may be delayed in doing so.

We rely on third parties, such as contract research organizations and contract laboratories, to conduct our preclinical studies, and we expect to continue to do so in the future. We rely heavily on these parties for successful execution of our studies, but do not control many aspects of their activities. As a result, many important aspects of our product development are outside our direct control. We are responsible for confirming that our preclinical studies are conducted in accordance with applicable regulations. The FDA requires us to comply with regulations and standards, commonly referred to as good laboratory practices, or GLP, for conducting and recording the results of our preclinical studies. Our reliance on third parties does not relieve us of these responsibilities. If the third parties conducting clinical trials do not perform their contractual duties or obligations, do not meet expected recruitment or other deadlines, fail to comply with the FDA's good clinical practice regulations, do not adhere to clinical trial protocols or otherwise fail to generate reliable clinical data, development, approval and commercialization of products may be extended, delayed or terminated or may need to be repeated, and we may not be able to obtain regulatory approval.

We do not currently own or operate manufacturing facilities for production of the active pharmaceutical ingredient, or API, used in our drug compounds. As a result, we rely on third parties to supply the API. We expect to continue to depend on third parties to supply the API for any product candidates we develop in the foreseeable future. An API manufacturer must meet high precision and quality standards for that API to meet regulatory specifications and comply with regulatory requirements. A contract manufacturer's failure to comply with applicable regulations and requirements could result in refusal to approve or a delay in approval of a product candidate. We are ultimately responsible for confirming that the APIs used in product candidates are manufactured in accordance with applicable regulations. Furthermore, if our third party drug suppliers fail to achieve and maintain high manufacturing standards in compliance with applicable regulations, we could be subject to certain product liability claims in the event such failure to comply resulted in defective products that caused injury or harm.

We rely on partnerships and strategic relationships for our success. The failure to successfully collaborate with third parties may delay, prevent or otherwise impair the development or commercialization of our products or revenue expectations.

As a result of the costs and risks associated with commercializing a product candidate, we intend to seek strategic partnerships with corporate and academic collaborators, licensors, licensees and others for the research and development, manufacturing, marketing and commercialization of products. There can be no assurance, however, that such collaborations will be established on favourable terms, if at all, or that future collaborations will be successful. Failure to attract commercial partners for our products may result in our incurring substantial clinical testing, manufacturing and commercialization costs prior to realizing any revenue from product sales or result in delays or program discontinuance if funds are not available in sufficient quantities, and this may materially adversely affect our business, financial condition and results of operations.

Should a collaborative partner fail to develop, manufacture, or commercialize successfully any product to which it has rights, or any partner's product to which we have rights, the business may be adversely affected. Failure of a collaborative partner to

continue to participate in any particular program could delay or halt the development or commercialization of products generated from such program. In addition, there can be no assurance that the collaborative partners will not pursue other technologies or develop alternative products either alone or in collaboration with others, including our competitors, as a means for developing treatments for the diseases targeted by our programs.

Furthermore, we will hold licenses for certain technologies and there can be no assurance that these licenses will not be terminated. We may negotiate additional licenses in respect of technologies developed by other companies and academic institutions. Terms of license agreements to be negotiated may include, inter alia, a requirement to make milestone payments, which may be substantial. We may also be obligated to make royalty payments on the sales, if any, of products resulting from licensed technology and, in some instances, are responsible for the costs of filing and prosecuting patent applications.

We face significant competition in seeking appropriate strategic partners, and these strategic partnerships can be intricate and time consuming to negotiate and document. We may not be able to negotiate additional strategic partnerships on acceptable terms, or at all. We are unable to predict when or if we will enter into any additional strategic partnerships because of the numerous risks and uncertainties associated with establishing strategic partnerships. If we are unable to negotiate additional strategic partnerships for our products we may be forced to delay or terminate development or commercialization of our products. If we elect to increase our expenditures to fund development or commercialization activities on our own, we may need to obtain additional capital, which may not be available to us.

If we enter into partnerships or other strategic relationships, we may lose important rights to and control over the development of products.

As a result of the costs and risks associated with commercializing a product candidate, we intend to seek strategic partnerships in order to continue to develop and, if approved, market products. Such strategic partnerships may require us to relinquish control over the timing and manner of clinical trials and commercialization of our products. Strategic partners may experience financial difficulties or choose to terminate the arrangement or independently work on a competing product resulting in the delay or discontinuation of development or commercialization of our product candidates. Furthermore, disputes may arise between us and our strategic partners that result in the delay or termination of the research, development or commercialization of product candidates or that result in costly litigation or arbitration that diverts management's attention and consumes resources. Strategic partners may not properly maintain or defend our intellectual property rights or may use our proprietary information in a manner that could jeopardize or invalidate our proprietary information or expose us to potential litigation.

If our products fail to achieve market acceptance for any reason, such failure may materially adversely affect our business, financial condition and results of operations.

There can be no assurance that, if we develop any products that are approved, that the products will achieve market acceptance. If our products, once approved, do not receive market acceptance for any reason, it will adversely affect our business, financial condition and results of operations. The degree of market acceptance of any products we develop will depend on a number of factors, including:

- the clinical efficacy and safety of the products;
- the products' potential advantages over existing and future treatment methods;
- the price of the products; and
- reimbursement policies of government and third-party payers, including hospitals and insurance companies.

If after we obtain regulatory approval to sell our products, physicians, and healthcare payors fail to adopt our products or conclude that our products are not safe and effective, physicians could choose not to use them to treat patients. Our competitors may also develop new technologies or products which are more effective or less costly, or that seem more cost-effective than our products.

In addition, regulations affecting the pricing of pharmaceutical products may change in ways adverse to us. While we cannot predict the likelihood of any regulatory proposals, if a government agency were to adopt proposals limiting market or third-party payor pricing for pharmaceutical products, it could materially adversely affect our business, financial condition and results of operations.

We cannot be certain that we will ever obtain regulatory approvals in Canada, the United States, or other countries. The failure to obtain such approvals may materially adversely affect our business, financial condition and results of operations.

Biotechnology, medical device and pharmaceutical companies operate in a high-risk regulatory environment. The study, manufacture and sale of products are governed by numerous statutes and regulations in the United States, Canada and other countries. We are required to obtain various regulatory approvals prior to being able to study, commercialize and distribute our products. The regulatory review and approval process required to perform a clinical study in Canada, the United States and other countries includes evaluation of preclinical studies and clinical studies, as well as the evaluation of our manufacturing process. This process is complex, lengthy, expensive, resource intensive and uncertain. Securing regulatory approval to market our products also requires the submission of extensive preclinical and clinical data, manufacturing information regarding the process and facility, scientific data characterizing our product and other supporting data to the regulatory authorities in order to establish its safety and effectiveness. We, or our collaborators, may fail to obtain the necessary approvals to commence or continue preclinical or clinical testing of drugs we attempt to develop or to manufacture or market drug products in reasonable time frames, if at all.

Governmental authorities in Canada, the United States, or other countries may enact regulatory reforms or restrictions on the development of new therapies that could adversely affect our ability to develop drug products. The drugs and processes that we are attempting to develop require significant testing and the investment of significant funds prior to their commercialization. There can be no assurance that any drugs we attempt to develop will actually be developed to a commercial level. Completing clinical testing through late stage trials and obtaining required approvals is expected to take several years and to require the expenditure of substantial resources. There can be no assurance that clinical trials will be completed successfully within any specified period of time, if at all. Furthermore, clinical trials may be delayed or suspended at any time by us or by the FDA, the TPD or foreign regulatory authorities if it is determined that the subjects or patients are being exposed to unacceptable risks. We may encounter delays or rejections based on varying regulatory interpretations or changes in regulatory agency policies, during the period in which we develop a product.

No assurance can be given that any product candidates will prove to be safe and effective in clinical trials or that we will receive the requisite regulatory approval. Moreover, any regulatory approval of a drug which is eventually obtained may be granted with specific limitations on the indicated uses for which that drug may be marketed or may be withdrawn if problems occur following initial marketing or if compliance with regulatory standards is not maintained. We have limited experience in filing and pursuing applications necessary to gain these regulatory approvals.

The approval procedures vary among countries and can involve additional product testing and administrative review periods. The time required to obtain approval in various countries vary from one another. Approval in one country does not ensure approval by the regulatory authorities of other countries. The failure to obtain such approvals may materially adversely affect our business, financial condition and results of operations.

Regulatory authorities may not approve a particular product even if they meet safety and efficacy endpoints in clinical trials.

The FDA, the TPD and other foreign regulatory agencies can delay, limit or deny marketing approval for many reasons, including finding a product may not be considered safe and effective; the manufacturing processes or facilities may not meet applicable requirements; or changes in approval policies or regulations. A product candidate may not be approved even if it achieves its endpoints in clinical trials. Regulatory agencies, including the FDA, or their advisors may disagree with our trial design and our interpretations of data from preclinical studies and clinical trials. Regulatory agencies may change requirements for approval even after a clinical trial design has been approved. Regulatory agencies also may approve a product candidate for fewer or more limited indications than requested or may grant approval subject to the performance of post-marketing studies. In addition, regulatory agencies may not approve the labeling claims that are necessary or desirable for the successful commercialization of our product candidates.

Our products will remain subject to ongoing regulatory review even if they receive marketing approval. If we fail to comply with continuing regulations, we could lose these approvals, and the sale of any future products could be suspended.

In the event we receive regulatory approval to market a particular product candidate, United States, Canadian or other foreign regulatory authority could condition approval on conducting additional costly post-approval studies or could limit the scope of approved uses. In addition, the product may later cause adverse effects that limit or prevent its widespread use, force us to withdraw it from the market or prevent or delay our ability to obtain regulatory approvals in additional countries. In addition, we will continue to

be subject to regulatory review and periodic inspections to ensure adherence to applicable regulations. After receiving marketing approval, the FDA imposes extensive regulatory requirements on the manufacturing, labeling, packaging, adverse event reporting, storage, advertising, promotion and record keeping related to the product. Failure to comply with the regulatory requirements could result in:

- civil or criminal penalties or fines;
- injunctions;
- product seizures, detentions or import bans;
- voluntary or mandatory product recalls and publicity requirements;
- suspension or withdrawal of regulatory approvals; and
- refusal to approve pending applications for marketing approval of new drugs or supplements to approved applications.

We may be subject to product liability claims if our products harm people, and we do not have product liability insurance.

The manufacture and sale of pharmaceutical products involve an inherent risk of product liability claims and associated adverse publicity. We may enter into human clinical trials that involve inherent risks in the testing of unproven products. We currently do not have clinical trial liability insurance and we do not have product liability insurance. We do not know if we will be able to obtain clinical trial liability insurance or obtain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. This type of insurance is expensive and may not be available on acceptable terms. If we are unable to obtain or maintain sufficient insurance coverage on reasonable terms or to otherwise protect against potential clinical trial and product liability claims, we may be unable to commercialize our products. A successful clinical trial liability or product liability claim brought against us in excess of our insurance coverage, if any, may require us to pay substantial amounts. This could have a material adverse effect on our business, financial condition and results of operations.

The pharmaceutical industry is extremely competitive. If our competitors develop and market products that are more effective, safer or less costly than any future products that we may develop, our commercial opportunity will be reduced or eliminated.

The technological competition we face from new and established pharmaceutical companies, biopharmaceutical companies and universities is intense and is expected to increase. Competitors may develop products more quickly and obtain regulatory approval for such products more rapidly, or develop products which are more effective than those which we intend to develop. Our commercial opportunity will be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer side effects or are less expensive than any future products that we may develop and commercialize. In addition, significant delays in the development of our product candidates could allow our competitors to bring products to market before us and impair our ability to commercialize our product candidates. Research and development by others may render our technology or products obsolete or noncompetitive or produce treatments or cures superior to any therapy developed or to be developed by us.

We anticipate that, if approved for autoimmune disorders, our small molecules would potentially compete with novel autoimmune agents in preclinical development.

We anticipate that, if approved for oncology, our small molecules may be used in conjunction with standard of care oncology therapies to improve on therapeutic outcomes for patients.

Many of our competitors have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved products than we do. Established pharmaceutical companies may invest heavily to discover quickly and develop novel compounds or drug delivery technology that could make our product candidates obsolete. Smaller or early stage companies may also prove to be significant competitors, particularly through strategic partnerships with large and established companies. In addition, these third parties compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies and technology licenses complementary to our programs or advantageous to our business. Accordingly, our competitors may succeed in obtaining patent protection, receiving FDA approval or discovering, developing and commercializing products before we do. If we are not able to compete effectively against our current and future competitors, our business will not grow and our financial condition will suffer.

We are dependent upon retaining and attracting key personnel and others, the loss of which could materially adversely affect our business, financial condition and results of operations.

We depend on certain members of our management and Resverlogix's scientific staff, the loss of whose services might significantly delay or prevent the achievement of research, development or business objectives and would materially adversely affect our business, financial condition and results of operations. Neither we nor Resverlogix have employment agreements with any of our respective senior management that would prevent them from leaving us. In addition, our success depends, in large part, on our ability to improve our management systems and attract and retain qualified management, scientific and medical personnel, and on our ability to develop and maintain important relationships with commercial partners, leading research institutions and key distributors. We face intense competition for such personnel and relationships. We cannot assure that we will attract and retain such persons or maintain such relationships. In addition, failure to succeed in clinical trials may make it more challenging for us to recruit and retain qualified scientific personnel.

We may not be able to attract, train and retain a sufficient number of qualified employees to maintain and grow our business.

We expect that our potential expansion into additional areas and activities requiring additional expertise will place additional requirements on our management, operational and financial resources. We expect these demands will require an increase in management and scientific personnel and the development of additional expertise by existing management personnel. There is currently aggressive competition for employees who have biotechnology experience. The failure to attract and retain such personnel or to develop such expertise could materially adversely affect our business, financial condition and results of operations.

Confidentiality agreements with employees and others may not adequately prevent disclosure of trade secrets and other proprietary information. Disclosure of this information may materially adversely affect our business, financial condition and results of operations.

We rely on trade secrets, which we seek to protect, in part, through confidentiality and non-disclosure agreements with collaborators, suppliers, employees and other parties. There can be no assurance that these agreements will not be breached, that we would have adequate remedies for any such breach or that our trade secrets will not otherwise become known to or independently developed by our competitors. We might be involved from time to time in litigation to determine the enforceability, scope and validity of our proprietary rights. Any such litigation could result in substantial cost and divert management's attention from our operations.

We may need to implement additional finance and accounting systems, procedures and controls in the future as we grow and to satisfy new reporting requirements.

As we grow we may access capital markets more broadly which could require us to implement additional finance and accounting systems along with enhanced internal control systems. This will result in increased costs to us as we continue to undertake efforts to comply with best practices and applicable rules and requirements. These rules may make it more difficult and costly for us to obtain certain types of insurance, including director and officer liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage as compared to the polices previously available. The impact of these events could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors or our board committees or as executive officers. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical knowledge, and we cannot assure that if additional staffing is necessary that we will be able to do so in a timely fashion.

Our products may not be eligible for reimbursement from government or private third-party payors, or may be eligible for reimbursement at lower prices than we currently anticipate, which could materially adversely affect our business, financial condition and results of operations.

Our or our partners' ability to successfully market therapeutic products depends in part on the extent to which reimbursement for the cost of such products and related treatments will be available from government health administration authorities, private health insurers and other healthcare organizations. Significant uncertainty exists as to whether newly-approved pharmaceutical products will qualify for reimbursement from these organizations. Furthermore, challenges to the price of medical products continue to grow in frequency due to increased focus on cost containment and pharmacoeconomic issues.. Health authorities will continue to increase their scrutiny and pharmacoeconomic diligence on new products in all disease areas. These

rapid changes in the healthcare reimbursement marketplace will potentially have a significant impact on the future marketability of new drugs in development and could materially adversely affect our business, financial condition and results of operations. It is expected that new drug entrants will not only have to be effective and safe but also have to provide a clear value proposal to health systems over the current standard of care therapy.

In light of these market changes in drug development, pricing of drug therapies has come under significant pressure with government authorities and private health insurers around the world. The top current leading reimbursed markets; USA, Japan, Germany, UK, France, Spain, Italy, and Canada, have implemented healthcare reforms that focus specifically on value and reimbursement. Reforms such as reference based pricing, pharmacoeconomics, and numbers needed to treat are a few of the many instruments that healthcare organizations utilize to ensure maximum value for reimbursed therapeutics. Healthcare reform is underway in these top global markets and there is additional uncertainty about the viability of current pricing methodologies for reimbursement. There can be no assurance that adequate third-party coverage will be available to establish price levels which would allow us to realize an acceptable return on our investment in product development. If we cannot realize an acceptable return on our investment in product development we may need to delay or cease our product development.

We have been advanced funds by Resverlogix and we must repay such funds when they become due and payable.

To date we have relied exclusively on Resverlogix for all fuding. Our ability to repay our indebtedness to Resverlogix will depend upon our available capital resources at such time. If we do not have sufficient capital resources to make such payments, we may need to seek additional funding through equity or debt financing, or we may be required to divert capital that would otherwise have been used for research or development projects, which could adversely affect our business, financial condition, prospects and results of operations.

It may be difficult or impossible for U.S. investors to enforce judgments against us, our directors or our officers in Canada.

We were formed under the laws of the Province of Alberta. Some of the members of our board of directors and our officers are residents of countries other than the United States. As a result, it may be impossible for U.S. investors to effect service of process within the U.S. upon us or these persons or to enforce against us or these persons any judgments in civil and commercial matters, including judgments under U.S. federal or state securities laws. In addition, a Canadian court may not permit U.S. investors to bring an original action in Canada or to enforce in Canada a judgment of a state or federal court in the United States.

Risks Relating to our Intellectual Property

We license intellectual property from Resverlogix.

Certain intellectual property utilized by us has been obtained under licenses from Resverlogix and we expect to rely on these licenses for the development of our own product candidates. Licenses have been granted by Resverlogix to us pursuant to an Amended and Restated License Agreement dated January 31, 2013, whereby Resverlogix permits us to develop compounds covered by the licensed patents and patent applications for applications other than indications involving an increase in ApoA-I. We cannot assure that these licenses will remain in good standing or that the technology we have licensed under these agreements has been adequately protected or is free from claims of infringement of the intellectual property rights of third parties. We may in the future be obligated to make royalty payments on the sales, if any, of product candidates resulting from licensed technology and, in some instances, may be responsible for the costs of filing and prosecuting patent applications. Any breach or termination of the Amended and Restated License Agreement could have a material adverse effect on our business, financial condition, and results of operations.

We may not accurately predict the protection afforded by our patents and proprietary technology and if our predictions are wrong, this may materially adversely affect our business, financial condition and results of operations.

Our success will depend in part on our ability to obtain, maintain, and enforce patent rights, maintain trade secret protection and operate without infringing the proprietary rights of third parties, both domestically and internationally.

Our patent positions are highly uncertain, and any future patents we receive for our potential products will be subject to this uncertainty, which may adversely affect our business, financial condition and results of operations. There can be no assurance that pending patent applications will be allowed and that we will develop additional proprietary products that are patentable, that issued patents will provide any competitive advantage or will not be challenged by any third parties, or that patents of others will not have an adverse effect on the ability to do business. Furthermore, there can be no assurance that others will not independently

develop similar products, duplicate any of the products, or design around the products patented by us. In addition, we may be required to obtain licenses under patents or other proprietary rights of third parties. No assurance can be given that any licenses required under such patents or proprietary rights will be available on terms acceptable to us. If such licenses are not obtained we could encounter delays in introducing products to the market, while we attempt to design around such patents, or could find that the development, manufacturing or sale of products requiring such licenses could be foreclosed. In addition, we could incur substantial costs in defending suits brought against us on such patents or in suits in which we attempt to enforce our own patents against other parties. Such disputes could involve arbitration, litigation or proceedings declared by the United States Patent and Trademark Office or International Trade Commission or other foreign patent authorities. Intellectual property litigation can be extremely expensive, and this expense, as well as other consequences should we not prevail, could seriously harm our business. With respect to any infringement claim asserted by a third party, we can give no assurances that we will be successful in the litigation or that such litigation would not have a material adverse effect on our business, financial condition and results of operation.

Until such time, if ever, that patent applications are filed and or approved, our ability to maintain the confidentiality of the described technology may be crucial to our ultimate possible commercial success. While procedures have been adopted to protect the confidentiality of our technology through signed invention and service agreements, no assurance can be given that such arrangements will be effective, that third parties will not gain access to trade secrets or disclose the technology, or that we can meaningfully protect our rights to our trade secrets.

Even if valid and enforceable patents cover our products and technologies, such patents will provide protection only for a limited amount of time.

Even if patents are issued regarding our product candidates or methods of using them, those patents can be challenged by our competitors who can argue that our patents are invalid and/or unenforceable. Third parties may challenge our rights to, or the scope or validity of, our patents. Patents also may not protect a particular product if competitors devise ways of making these or similar products without legally infringing our patents. The Federal Food, Drug and Cosmetic Act and the FDA regulations and policies provide incentives to manufacturers to challenge patent validity or create modified, non-infringing versions of a drug or device in order to facilitate the approval of generic substitutes. These same types of incentives encourage manufacturers to submit new drug applications that rely on literature and clinical data not prepared for or by the drug sponsor.

We also rely on trade secrets to protect our technology, especially where we do not believe that patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. Our and Resverlogix's employees, consultants, contractors, outside scientific collaborators and other advisors and our strategic partners may unintentionally or willfully disclose our confidential information to competitors. Enforcing a claim that a third party illegally obtained and is using our trade secrets is expensive and time consuming and the outcome is unpredictable. Failure to protect or maintain trade secret protection could adversely affect our competitive business position.

Our research and development collaborators may have rights to publish data and other information in which we have rights. In addition, we sometimes engage individuals or entities to conduct research that may be relevant to our business. The ability of these individuals or entities to publish or otherwise publicly disclose data and other information generated during the course of their research is subject to certain contractual limitations. These contractual provisions may be insufficient or inadequate to protect our trade secrets and may impair our patent rights. If we do not apply for patent protection prior to such publication or if we cannot otherwise maintain the confidentiality of our technology and other confidential information, then our ability to receive patent protection or protect our proprietary information may be jeopardized.

Litigation or other proceedings or third party claims of intellectual property infringement could require us to spend time and money and could shut down some of our operations.

Our commercial success depends in part on not infringing patents and proprietary rights of third parties. Others have filed, and in the future are likely to file, patent applications covering products that are similar to our product candidates, as well as methods of making or using similar or identical products. If these patent applications result in issued patents and we wish to use the claimed technology, we would need to obtain a license from the third party. We may not be able to obtain these licenses at a reasonable cost, if at all.

In addition, administrative proceedings, such as interferences and reexaminations before the U.S. Patent and Trademark Office, could limit the scope of our patent rights. We may incur substantial costs and diversion of management and technical

personnel as a result of our involvement in such proceedings. In particular, our patents and patent applications may be subject to interferences in which the priority of invention may be awarded to a third party. We do not know whether our patents and patent applications would be entitled to priority over patents or patent applications held by such a third party. Our issued patents may also be subject to reexamination proceedings. We do not know whether our patents would survive reexamination in light of new questions of patentability that may be raised following their issuance.

We may be subject to claims for intellectual property infringement from former employers of our or Resverlogix's key employees, which could result in loss of intellectual property, our or Resverlogix's key employees or both.

Many of our and Resverlogix's employees were previously employed at universities or other biotechnology or pharmaceutical companies, including competitors or potential competitors. We could be subject to claims that these employees or we have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers. In many cases, litigation may be necessary to defend against these claims.

Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to management. If we fail in defending such claims, in addition to paying money claims, we may lose valuable intellectual property rights or personnel. A loss of key research personnel or their work product could hamper or prevent the ability to commercialize certain product candidates, which could severely harm our business, financial condition and results of operations.

Risks Relating to Owning our Common Shares

No Public Market for Newco Shares

There is currently no public market through which Spinco's common shares may be sold and it is not anticipated that Spinco's common shares will be listed on any stock exchange upon completion of the Arrangement. Failure to list Spinco common shares on a designated stock exchange could result in a determination that Spinco common shares are not qualified investments under the Tax Act for Deferred Plans and would likely render such shares "taxable Canadian property" for purposes of the Tax Act. There can be no assurance as to the liquidity of the trading market for Spinco common shares or that a trading market for any of Spinco's common shares will develop. Even if a trading market develops for Spinco common shares, there is no guarantee at what prices such Spinco common shares will trade. The value for Spinco common shares may also be affected by Spinco's results of operations and financial position, changes in general market conditions, fluctuations in the market for equity or debt securities and numerous other factors beyond the control of Spinco.

If we sell common shares in the future, existing common shareholders will experience immediate dilution and our stock price may decrease.

We will need to raise additional capital to fund our operations and to develop our products. We may raise such additional capital through the sale of our common shares from time to time. As a result, our existing common shareholders will experience immediate dilution upon any such issuance.

If our estimates regarding timing of milestones are incorrect the value of our shares may decline.

For planning purposes, we estimate and may disclose timing of a variety of research and development, regulatory and other milestones. We base our estimates on present facts and a variety of assumptions. Many underlying assumptions are outside our control such as the ability to recruit patients, obtain access to clinical sites as expected or obtain approval from regulatory bodies such as the FDA to enter into trials. If we do not achieve milestones consistent with investors' expectations, the value of our shares would likely decline.

We do not currently intend to pay dividends on our common shares and, consequently, investors' ability to achieve a return on investment will depend on appreciation in the value of our common shares.

We have not to date paid any dividends on our common shares. We currently intend to invest our future earnings, if any, to fund the development and growth of our business. The payment of dividends will be at the discretion of our board of directors and will depend on our results of operations, capital requirements, financial condition, future prospects, contractual arrangements, restrictions imposed by applicable law, any limitations on payments of dividends present in any debt agreements we may enter into

and other factors our board of directors may deem relevant. If we do not pay dividends, your ability to achieve a return on your investment in Therapeutics will depend on any future appreciation in the value of our common shares. There is no guarantee that our common shares will appreciate in value or even maintain the value at which our holders have acquired their common shares.

Additional Information

Additional information relating to RVX Therapeutics Inc. can also be found on SEDAR at www.sedar.com.

SCHEDULE E

Newco Audit Committee Charter

1741273 ALBERTA LTD.
AUDIT & FINANCE COMMITTEE CHARTER

PART I
ESTABLISHMENT OF COMMITTEE

1. Committee Purpose

The Audit and Finance Committee (the "**Committee**") is established by the board of directors (the "**Board of Directors** ") of 1741273 Alberta Ltd. (the "**Corporation**") primarily for the purpose of overseeing the accounting and financial reporting processes of the Corporation and the reviews and audits of the financial statements of the Corporation.

The Committee shall assist the Board of Directors in fulfilling its oversight responsibilities by monitoring, among other things:

(a) the quality and integrity of the financial statements and related disclosure of the Corporation;

(b) compliance by the Corporation with legal and regulatory requirements that could have a material effect upon the financial position of the Corporation which are not subject to the oversight of another committee of the Board of Directors or the Board of Directors as a whole;

(c) the independent auditor's qualifications and independence; and

(d) performance of the Corporation's independent auditor.

2. Composition of Committee

The Committee shall consist of as many members as the Board shall determine, but in any event not fewer than three directors, provided that all of the members of the Committee shall be determined by the Board to be independent within the meaning of National Instrument 52-110 (Audit Committees), Rule 10A-3(b)(1) under the United States Securities Exchange Act of 1934 and the rules of any stock exchange or market on which the Corporation's shares are listed or posted for trading, if any (collectively, "**Applicable Governance Rules**"). In this Charter, the term "independent" includes the meanings given to similar terms by Applicable Governance Rules, including the terms "non-executive", "outside" and "unrelated" to the extent such terms are applicable under Applicable Governance Rules. No member of the Audit Committee shall have participated in the preparation of the financial statements of the Corporation or any current subsidiary of the Corporation at any time during the past three (3) years.

All members of the Audit Committee must be able to read and understand fundamental financial statements (including a balance sheet, income statement and cash flow statement) and read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and level of complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements. In addition: (i) at least one member of the Audit Committee must have past employment experience in finance or accounting, requisite professional certification in accounting or any other comparable experience or background that results in the individual's financial sophistication, including service as a chief executive officer, chief financial officer, or other senior officer with financial oversight responsibilities or otherwise satisfy standards for financial expertise required for audit committees of companies listed on the NASDAQ Stock Market, and (ii) at least one member of the Audit Committee must be an "audit committee financial expert" as defined by the applicable rules set out by the United States Securities and Exchange Commission or any other applicable regulatory authority.

Approved by Board of Directors Date: April 29, 2013

3. Appointment of Committee Members

The members of the Committee shall be appointed by the Board of Directors on the recommendation of the Corporate Governance and HR Committee. The members of the Committee shall be appointed at the time of each annual meeting of shareholders and shall hold office until the next annual meeting, until they are removed by the Board of Directors or until their successors are earlier appointed, or until they cease to be directors of the Corporation.

PART II
COMMITTEE PROCEDURE

4. Vacancies

Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board of Directors on the recommendation of the Corporate Governance and HR Committee and shall be filled by the Board of Directors if the membership of the Committee is fewer than three directors. The Board of Directors may remove and replace any member of the Committee.

5. Committee Chair

The Board of Directors shall appoint a chair (the "**Chair**") for the Committee. The Chair may be removed and replaced by the Board of Directors.

6. Absence of Chair

If the Chair is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside at the meeting.

7. Secretary of Committee

The Committee shall appoint a Secretary who need not be a director of the Corporation.

8. Regular Meetings

The Chair, in consultation with the Committee members, shall determine the schedule and frequency of the Committee meetings, provided that the Committee shall meet at least quarterly. The Committee at any time may, and at each regularly scheduled Committee meeting shall, meet without management present and shall meet periodically with management and the independent auditor. The Committee shall also meet separately with the independent auditor at every regularly scheduled meeting of the Committee at which the independent auditor is present. The Committee shall record and maintain minutes of meetings.

9. Special Meetings

The Chair, any two members of the Committee, the independent auditor or the Chief Executive Officer of the Corporation may call a special meeting of the Committee.

10. Quorum

A majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak to each other, shall constitute a quorum.

Approved by Board of Directors Date: April 29, 2013

11. Notice of Meetings

Notice of the time and place of every meeting shall be given in writing or by e-mail or facsimile communication to each member of the Committee at least 48 hours prior to the time fixed for such meeting; provided, however, that a member may, in any manner, waive notice of a meeting and attendance of a member at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

12. Agenda

The Chair shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board of Directors and management of the Corporation. The agenda and information concerning the business to be conducted at each Committee meeting shall, to the extent practicable, be communicated to the members of the Committee sufficiently in advance of each meeting to permit meaningful review.

13. Delegation

Subject to subsection PART III19(e), the Committee shall have the power to delegate its authority and duties to subcommittees or individual members of the Committee as it deems appropriate.

14. Access

In discharging its oversight role, the Committee shall have full access to all books, records, facilities and personnel of the Corporation.

15. Attendance of Others at a Meeting

At the invitation of the Chair, one or more officers, directors or employees of the Corporation may, and if required by the Committee shall, attend a meeting of the Committee.

16. Procedure, Records and Reporting

The Committee shall fix its own procedure at meetings, keep records of its proceedings and report to the Board of Directors when the Committee may deem appropriate (but not later than the next meeting of the Board of Directors).

17. Outside Consultants or Advisors

The Committee, when it considers it necessary or advisable, may retain, at the Corporation 's expense, outside consultants or advisors (including independent counsel) to assist or advise the Committee independently on any matter within its mandate. The Committee shall have the sole authority to retain or terminate such consultants or advisors, including the sole authority to approve the fees and other retention terms for such persons.

PART III
MANDATE OF COMMITTEE

18. Appointment of the Corporation's Independent Auditor

Subject to confirmation by the independent auditor of its compliance with Canadian regulatory registration requirements, the Committee shall recommend to the Board of Directors the appointment of the independent auditor for the purpose of preparing or issuing any audit report or performing other audit,

review or attest services for the Corporation, such appointment to be confirmed by the Corporation's shareholders at each annual meeting. The Committee shall also recommend to the Board of Directors the engagement letter with the independent auditor, the approval of fees to be paid to the independent auditor for audit services and shall pre-approve the retention of the independent auditor for any permitted non-audit service. The Committee shall also be directly responsible for overseeing the work of the independent auditor (including resolution of disagreements between management of the Corporation and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation. The Committee shall communicate directly with the independent auditor. The independent auditor shall report directly to the Committee.

The Committee shall review the independence of the independent auditor including a written report from the independent auditor delineating all relationships between the auditor and the Corporation, considering whether the advisory services performed by the independent auditor during the course of the year have affected its independence, and ensuring that no relationship or service between the independent auditor and the Corporation is in existence that may affect the objectivity and independence of the auditor, or recommending appropriate action to ensure the independence of the independent auditor.

19. Specific Mandates

The Committee, to the extent required by applicable laws or rules, or otherwise considered by the Committee to be necessary or appropriate, shall:

(a) **Oversight in Respect of Financial Disclosure**

(i) review, discuss with management of the Corporation and the independent auditor, and recommend to the Board of Directors for approval:

A. the annual and interim financial statements;

B. the annual information form, if any;

C. the annual and interim management's discussion and analysis;

D. the portions of the management proxy circular, for any annual or special meeting of shareholders, containing significant financial information respecting the Corporation;

E. all financial statements included in prospectuses or other offering documents;

F. any significant financial information contained in all prospectuses and all documents which may be incorporated by reference in a prospectus;

G. any significant financial information respecting the Corporation contained in a material change report or a business acquisition report;

(ii) review and discuss with management of the Corporation:

A. each press release which contains significant financial information respecting the Corporation (including, without limitation, annual and interim earnings press releases) or contains earnings guidance, prior to public dissemination thereof;

B. the use of "pro forma" or "adjusted" non-IFRS information;

C. financial information and earnings guidance provided to analysts and rating agencies; provided, however, that such discussion may be done generally (consisting of discussing the types of information to be disclosed and the types of presentations to be made), and the Committee need not discuss in advance each instance in which the Corporation may provide earnings guidance or presentations to rating agencies;

(iii) review with management and the independent auditor the scope of the audit, in particular the independent auditor's view of the Corporation's accounting principles as applied in the financial statements in terms of disclosure quality and evaluation methods, inclusive of the clarity of the Corporation's financial disclosure and reporting, degree of conservatism or aggressiveness of the Corporation's accounting principles and underlying estimates, and other significant decisions made by management in preparing the financial disclosure and reviewed by the independent auditor;

(iv) review with management of the Corporation and the independent auditor major issues regarding accounting and auditing principles and practices as well as the adequacy of internal controls and procedures for financial reporting and management information systems and inquire of management and the independent auditor about significant risks and exposures to the Corporation that could significantly affect the Corporation's financial statements;

(v) review with management of the Corporation and the independent auditor, and satisfy itself as to the adequacy of the procedures that are in place for the review of the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements, and periodically assess the adequacy of those procedures;

(vi) review with management of the Corporation and the independent auditor (including those of the following that are contained in any report of the independent auditor): (a) all critical accounting policies and practices to be used by the Corporation in preparing its financial statements; (b) all alternative treatments of financial information within IFRS that have been discussed with management, ramifications of the use of these alternative treatments, and the independent auditor's assessment of the alternatives; and (c) other material communications between the independent auditor and management of the Corporation, such as any management letter or schedule of unadjusted differences;

(vii) review with management of the Corporation and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet transactions on the Corporation's financial statements;

(viii) review the plans of management of the Corporation and the independent auditor regarding any significant changes in accounting practices or policies and the financial and accounting impact thereof;

(ix) review with management of the Corporation, the independent auditor and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the

Corporation, and the manner in which these matters have been disclosed in the financial statements;

(x) review disclosures by the Corporation's Chief Executive Officer and Chief Financial Officer with respect to any required certification for the Corporation's financial statements by such individuals; and

(xi) discuss with management the Corporation's material financial risk exposures and the steps management of the Corporation has taken to monitor and control such exposures, including the Corporation's financial risk assessment and financial risk management policies.

(b) **Oversight in Respect of Legal and Regulatory Matters**

(i) review, if necessary, with legal counsel, the Corporation's compliance policies, legal matters and any material reports or inquiries received from regulators or governmental agencies that could have a material effect upon the financial position of the Corporation and which are not subject to the oversight of another committee of the Board of Directors or the Board of Directors as a whole.

(c) **Oversight in Respect of the Chief Financial Officer**

(i) consult with management on management’s appointment, replacement, reassignment or dismissal of the Chief Financial Officer of the Corporation; and

(ii) ensure the Chief Financial Officer of the Corporation has access to the Chair, the Chairman of the Board of Directors and the Chief Executive Officer of the Corporation, and shall meet separately with the Chief Financial Officer of the Corporation to review any problems or difficulties he or she may have encountered in the performance of his or her responsibilities and report to the Board of Directors on such meetings.

(d) **Oversight in Respect of the Independent Auditor**

(i) meet with the independent auditor prior to the annual audit to review the planning and staffing of the audit;

(ii) review annually the independent auditor’s formal written statement of independence delineating all relationships between itself and the Corporation and review all such relationships;

(iii) receive confirmation from the independent auditor as to its standing as a "participating audit firm" and its compliance with any restrictions or sanctions imposed by the Canadian Public Accountability Board as those concepts are set forth in National Instrument 52-108 of the Canadian Securities Administrators;

(iv) review and evaluate the independent auditor, including the lead partner of the independent auditor team and shall confirm compliance by the independent auditors with laws and regulations relating to audit partner rotation;

(v) meet separately with the independent auditor to review with them any problems or difficulties they may have encountered and specifically:

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A. any difficulties which were encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information, and any disagreements with management of the Corporation; and

B. any changes required in the planned scope of the audit;

and report to the Board of Directors on such meetings;

(vi) review the engagement reports of the independent auditor on unaudited financial statements of the Corporation; and

(vii) review and approve the Corporation's hiring policies regarding partners, employees, former partners and former employees of the Corporation's present and former independent auditor.

(e) **Oversight in Respect of Audit and Non-Audit Services**

(i) have the sole authority to pre-approve all audit services (which may entail providing comfort letters in connection with securities underwritings) and all permitted non-audit services, other than non-audit services where:

A. the aggregate amount of all such non-audit services provided to the Corporation or its subsidiaries constitutes not more than 5% of the total amount of fees paid by the Corporation (and its subsidiaries) to the independent auditor during the fiscal year in which the non-audit services are provided;

B. such services were not recognized by the Corporation (or any subsidiary) at the time of the engagement to be non-audit services; and

C. such services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee; and

(ii) delegate to one or more designated members of the Committee the authority to grant pre-approvals required by this section; provided that the decision of any member to whom authority is delegated to pre-approve an activity shall be presented to the Committee at the first scheduled meeting following such decision, and provided further that, if the Committee approves an audit service within the scope of the engagement of the independent auditor, such audit service shall be deemed to have been pre-approved for purposes of this section

(f) **Oversight in Respect of Certain Policies**

(i) establish procedures for: (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and

(ii) periodically review the Corporation's public disclosure policy.

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20. Self-Evaluation

The Committee shall conduct an annual performance self-evaluation and shall report to the Board the results of the self-evaluation. In addition, the Committee shall conduct an annual assessment of management's adherence to the Corporation's Code of Business Conduct and Ethics.

21. Non-Exhaustive List

The foregoing list of duties is not exhaustive, and the Committee may, in addition, perform such other functions as may be necessary or appropriate for the performance of its oversight responsibilities.

22. Review of Committee's Charter

The Committee shall assess the adequacy of this Charter on an annual basis and recommend any changes to the Board of Directors. The Committee will also, annually, make a critical review of its past performance to ensure that it has assumed its responsibilities and executed all required tasks and will suggest changes if it failed to do so. This review will also cover individual members' performance. This review forms part of the review process undertaken by the Governance and HR Committee, which reports its findings to the Board.

23. Oversight Function

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate or are in accordance with IFRS. These are the responsibilities of management of the Corporation and the independent auditor. The Committee and its Chair are members of the Board of Directors, appointed to the Committee to provide broad oversight of the financial risk and control related activities of the Corporation, and are specifically not accountable nor responsible for the day to day operation or performance of such activities. The role of all Committee members is to oversee the process, not to certify or guarantee the accuracy or completeness of the external audit of the Corporation's financial information or public disclosure.

Approved by Board of Directors Date: April 29, 2013

APPENDIX E

NEWCO OPTION PLAN

1741273 ALBERTA LTD.

STOCK OPTION PLAN

ARTICLE 1 – PURPOSE OF THE PLAN

1.1 Purpose

The purpose of the 1741273 Alberta Ltd. Stock Option Plan is to provide an incentive to the employees, officers, directors and certain consultants of the Corporation and Related Entities to achieve the longer term objectives of the Corporation and to attract, retain and give suitable recognition of the ability and industry of such persons who contribute materially to the success of the Corporation, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

ARTICLE 2 – INTERPRETATION

2.1 Definitions

In this Plan:

"**Black Out Period**" means any period during which a policy of the Corporation prevents an Optionholder from exercising an Option.

"**Board**" means the board of directors of the Corporation.

"**Change of Control**" includes:

(a) the acquisition by any persons acting jointly or in concert (as determined by the Securities Act), whether directly or indirectly, of Common Shares of the Corporation that, together with all other Common Shares of the Corporation held by such persons, constitute in the aggregate more than 50% of all outstanding voting securities of the Corporation;

(b) an amalgamation, arrangement or other form of business combination of the Corporation with another corporation that results in the holders of voting securities of that other corporation holding, in the aggregate, more than 50% of all outstanding voting securities of the corporation resulting from the business combination;

(c) the sale, lease or exchange of all or substantially all of the property of the Corporation to another person, other than in the ordinary course of business of the Corporation or to a Related Entity; or

(d) any other transaction that is deemed to be a "Change of Control" for the purposes of this Plan by the Board in its sole discretion.

"**Common Shares**" means, subject to the provisions of Section 4.8, the common shares of the Corporation.

"**Consultant**" means a person, other than an employee, officer or director of the Corporation or of a Related Entity, that:

(a) is engaged to provide services to the Corporation or a Related Entity, other than services provided in relation to a "distribution" (as defined in the Securities Act);

(b) provides the services under a written contract with the Corporation or a Related Entity; and

(c) spends or will spend an initial, renewal or extended period of 12 months or more on the affairs and business of the Corporation or a Related Entity,

and includes

(d) for an individual consultant, a corporation of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner, and

(e) for a consultant that is not an individual, an employee, executive officer, or director of the consultant, provided that the individual employee, executive officer, or director spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or a Related Entity.

"**Control**" by a person over a second person means the power to direct, directly or indirectly, the management and policies of the second person by virtue of:

(a) ownership of or direction over voting securities in the second person;

(b) a written agreement or indenture;

(c) being or Controlling the general partner of the second person; or

(d) being a trustee of the second person.

"**Corporation**" means 1741273 Alberta Ltd. and any successor corporation thereto.

"**Date of Termination**" means the actual date of termination of (i) the office of the Optionholder, (ii) the employment of the Optionholder or (iii) the provision of services by an Optionholder, as applicable, and does not include any period during which the Optionholder is in receipt of or is eligible to receive any statutory, contractual or common law notice or compensation in lieu thereof or severance payments following the actual date of termination or resignation; provided that if the Optionholder holds more than one position with the Corporation, it shall refer to the actual date of the last position held.

"**Disinterested Shareholder Approval**" means approval by the shareholders of the Corporation excluding any votes of securities held directly or indirectly by Insiders benefiting directly or indirectly from the approval or amendment, including without limitation, in accordance with the rules, regulations, and policies of any stock exchange upon which the Corporation's Common Shares may become listed from time to time, securities commission or regulatory body.

"**Eligible Person**" means any employee, officer, director or Consultant of the Corporation or any Related Entity.

"**Exercise Price**" means the price per share at which Common Shares may be subscribed for by an Optionholder pursuant to a particular Option Agreement.

"**Expiry Date**" means the date on which an Option expires pursuant to the Option Agreement relating to that Option or, if such date occurs during a Black Out Period, the date determined pursuant to Section 4.4, provided that in no circumstances shall the duration of an option exceed the maximum term permitted by any stock exchange on which the securities of the Corporation are listed.

"**Grant Date**" means the date on which an Option is to be granted, which date may be on or, if determined by the Board at the time of grant, after the date that the Board resolves to grant the Option.

"**Insider**" has the meaning given to that term in the Securities Act and also includes associates and affiliates of the insider, but does not include directors or senior officers of a subsidiary or affiliate of the Corporation unless such director or senior officer:

(a) in the ordinary course receives or has access to information as material facts or material changes concerning the Corporation before the material facts or material changes are generally disclosed;

(b) is a director or senior officer of a "major subsidiary" of the Corporation (where "major subsidiary" has the meaning given to that term in National Instrument 55-101 – *Insider Reporting Exemptions*); or

(c) is an insider of the Corporation in a capacity other than as a director or senior officer of the subsidiary or affiliate.

For the purpose of this definition, the term "associate" has the meaning ascribed to it in the *Business Corporations Act* (Alberta) and "affiliate" and "subsidiary" have the meanings ascribed to them, respectively, in the Securities Act.

"**Market Price**" at any date and in respect of an Option, means:

(a) where the Common Shares are not listed and posted for trading on a stock exchange, the value conclusively determined by the Board on the Grant Date; or

(b) where the Common Shares are listed and posted for trading on a stock exchange, the closing price of the Common Shares on the principal stock exchange on which they are traded on the last business day preceding the Grant Date.

"**NI 45-106**" means National Instrument 45-106 – *Prospectus and Registration Exemptions*.

"**Notice of Exercise**" means a notice, substantially in the form of the notice set out in Schedule B, or in such other form as approved by the Board, from an Optionholder to the Corporation giving notice of the exercise or partial exercise of an Option previously granted to the Optionholder.

"**Option**" means an option to purchase Common Shares granted to an Eligible Person pursuant to the terms of the Plan.

"**Option Agreement**" means an agreement, substantially in the form of the agreement set out in Schedule A to this Plan or in such other form as approved by the Board, between the Corporation and an Eligible Person setting out the terms of an Option granted to the Eligible Person.

"**Optioned Shares**" means the Common Shares that may be subscribed for by an Optionholder pursuant to an Option Agreement.

"**Optionholder**" means an Eligible Person to whom an Option has been granted.

"**Permitted Assigns**" has the meaning ascribed to that term in section 2.22 of NI 45-106.

"**Plan**" means this stock option plan, as amended from time to time.

"**Related Entity**" means, for the Corporation, a person that Controls or is Controlled by the Corporation or that is Controlled by the same person that controls the Corporation.

"**Securities Act**" means the *Securities Act* (Alberta).

"**Security Based Compensation Arrangement**" means any stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of securities of the Corporation, including a share purchase from treasury that is financially assisted by the Corporation by way of a loan, guarantee or otherwise.

2.2 Extended Meanings

In this Plan, words importing the singular number only include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, corporations, limited and unlimited liability companies, general and unlimited partnerships, associations, trusts, incorporated organizations, joint ventures and governmental authorities.

2.3 Legislative References

In this Plan, a reference to any statute, regulation, national instrument or other legislation is to that legislation as now enacted or as the same may from time to time be amended, re-enacted or replaced.

ARTICLE 3 – GRANT OF OPTIONS

3.1 Authority of Board

Subject to the limitations of the Plan, the Board has the authority:

(a) to determine which Eligible Persons are to be granted Options and to grant Options to those Eligible Persons;

(b) to determine the terms of such Options; and

(c) to prescribe the form of Option Agreement and Notice of Exercise with respect to a particular Option, if other than substantially as set forth in Schedules A and B to this Plan.

3.2 Eligibility

Options may be granted by the Board to any Eligible Person, subject to the limitations set forth in Section 3.4, prior to his or her Date of Termination.

3.3 Maximum Shares

(a) The maximum number of Common Shares that may be issued pursuant to Options granted under the Plan or other Securities Based Compensation Arrangements is 10% of the issued and outstanding Common Shares of the Corporation, as calculated on the relevant Grant Date, subject to adjustment as provided in Section 4.8.

(b) Any Common Shares subject to an Option that expires or terminates without having been fully exercised may be made the subject of a further Option. No fractional Common Shares may be issued under the Plan.

(c) Upon the partial or full exercise of an Option, the number of Common Shares issued upon such exercise automatically become available to be made the subject of a new Option, provided that the total number of Common Shares reserved for issuance under the Plan does not exceed 10% of the issued and outstanding Common Shares of the Corporation.

3.4 Limits

(a) The number of Common Shares issuable to Insiders in aggregate, at any time, pursuant to the Plan and any other Securities Based Compensation Arrangement cannot exceed 10% of the issued and outstanding Common Shares.

(b) The number of Common Shares issued to Insiders in aggregate, within any one year period under the Plan and any other Securities Based Compensation Arrangement, cannot exceed 10% of the issued and outstanding Common Shares.

(c) The number of Options that may be granted to an Eligible Person, within any one year period, under the Plan and any other Securities Based Compensation Arrangement, cannot exceed 5% of the issued and outstanding Common Shares of the Corporation, with the exception of a Consultant, who may not receive grants of more than 2% of the issued and outstanding Common Shares of the Corporation at the time of grant.

ARTICLE 4 – TERMS OF OPTIONS

4.1 Option Agreement

As soon as practicable following the grant of an Option, the Corporation will deliver to the Optionholder an Option Agreement dated the Grant Date, containing the terms of the Option and executed by the Corporation, and upon delivery to the Corporation of the Option Agreement executed by the Optionholder such Optionholder will be a participant in the Plan and have the right to purchase the Optioned Shares on the terms set out in the Option Agreement and the Plan.

4.2 Exercise Price

The Exercise Price of Common Shares subject to an Option will be determined by the Board at the Grant Date and will not be less than the Market Price.

4.3 Vesting

An Option may be granted subject to vesting conditions and requirements as determined by the Board, provided, however, that in no event can any Option be exercisable following ten years from its Grant Date. Any vesting requirements will be determined at the time the Option is granted and will be set out in the Option Agreement.

4.4 Black Out Periods

If the date on which an Option expires pursuant to an Option Agreement occurs during or within 10 business days after the last day of a Black Out Period, the Expiry Date for the Option will be the last day of such 10 business day period.

4.5 Early Expiry

(a) Unless otherwise determined by the Board, an Option will expire before its Expiry Date in the following events and manner:

(i) if an Optionholder dies, only the portion of the Option that is exercisable at the date of death of the Optionholder may be exercised by the personal representatives of the Optionholder during the period ending one year after the death of the Optionholder, after which period all Options terminate;

(ii) if an Optionholder ceases to be an employee, director or officer of the Corporation or of any Related Entity, or an Optionholder's contract as a Consultant terminates, only the portion of the Option that is exercisable at the date that the Optionholder ceases to be an employee, director, officer or Consultant of the Corporation or of the Related Entity may be exercised by the Optionholder during the period ending 30 calendar days after such date, after which period all Options terminate; and

(iii) if an Optionholder attains the mandatory retirement age established by the Corporation from time to time or an Optionholder's employment or service ceases due to permanent disability, only the portion of the Option that is exercisable at the date of retirement or cessation may be exercised by the Optionholder during the period ending 30 calendar

days after the date of retirement or cessation, after which period all Options terminate, subject in all cases to the earlier expiration of an Option on its applicable Expiry Date.

(b) Notwithstanding the provisions of Section 4.5(a), the Board may, in its discretion, at any time prior to or following any event contemplated in Section 4.5(a), permit the exercise of any or all Options held by an Optionholder in the manner and on the terms authorized by the Board, provided that the Board will not, in any case, authorize the exercise of an Option after its applicable Expiry Date.

(c) In the event an Option expires before its Expiry Date under Section 4.5(a), the unexercisable portion of the Option shall automatically terminate upon the date of early expiry and in no circumstances shall the Optionholder have any rights in such unexercisable portion of the Option, including termination of position without cause.

4.6 Assignment

An Optionholder may assign Options to a Permitted Assign of the Optionholder, provided that if the Permitted Assign is Controlled by the Optionholder, such Options will expire immediately upon the Permitted Assign ceasing to be Controlled by the Optionholder. Subject to the foregoing and except as provided in Section 4.5(a)(i), an Option may be exercised only by the Optionholder and is not assignable in law or in equity, and any purported assignment is void and of no force and effect whatsoever.

4.7 Participation

(a) Participation in this Plan will be entirely voluntary and any decision not to participate will not affect an Eligible Person's employment or other relationship with the Corporation or any Related Entity.

(b) Nothing in this Plan or in any Option Agreement will confer on any Optionholder any right to remain as an employee, officer, director or Consultant of the Corporation or any Related Entity.

(c) An Optionholder will only have rights as a shareholder of the Corporation with respect to Common Shares that the Optionholder acquires through the exercise of an Option in accordance with its terms.

4.8 Adjustments to Shares

(a) The number of Common Shares delivered to an Optionholder upon exercise of an Option must be adjusted in the following events and manner, subject to the right of the Board to make such additional or other adjustments as it considers appropriate in the circumstances:

(i) upon a subdivision of the Common Shares into a greater number of Common Shares, a consolidation of the Common Shares into a lesser number of Common Shares or the issue of a stock dividend to holders of the Common Shares (other than dividends in the ordinary course), the number of Common Shares authorized to be issued under the Plan, the number of Common Shares receivable on the exercise of an Option and the Exercise Price thereof will be increased or reduced proportionately and the Corporation will deliver upon the exercise of an Option, in addition to or in lieu of the number of Optioned Shares in respect of which the right to purchase is being exercised and without the Optionholder making any additional payment, such greater or lesser number of Common Shares as results from the subdivision, consolidation or stock dividend;

(ii) upon the distribution by the Corporation to holders of the Common Shares of shares of any class (whether of the Corporation or another corporation, but other than Common Shares), rights, options or warrants, evidences of indebtedness or cash (other than dividends in the ordinary course), other securities or other assets, the Corporation will deliver upon exercise of an Option, in addition to the number of Optioned Shares in

respect of which the right to purchase is being exercised and without the Optionholder making any additional payment, such other securities, evidence of indebtedness or assets as result from such distribution; and

(iii) upon a capital reorganization, reclassification or change of the Common Shares, a consolidation, merger, amalgamation, arrangement or other form of corporate reorganization or combination of the Corporation with another corporation or a sale, lease or exchange of all or substantially all of the assets of the Corporation, the Corporation will deliver upon exercise of an Option, in lieu of the Optioned Shares in respect of which the right to purchase is being exercised, the kind and amount of shares or other securities or assets as result from such event.

The purpose of such adjustments is to ensure that any Optionholder exercising an Option after any such event will be in the same position as such Optionholder would have been in if he or she had exercised the Option prior to such event.

(b) Notwithstanding any other provision herein, in the event of a proposed Change of Control, the Board may, as deemed necessary or equitable by the Board in its sole discretion, determine the manner in which all unexercised Options granted under the Plan will be treated including, for example, requiring the acceleration (conditionally or otherwise) of the time for the exercise of such Options by the Optionholder and of the time for the fulfillment of any conditions or restrictions on such exercise. All determinations of the Board under this Section will be binding for all purposes of the Plan. If the Board elects to accelerate (conditionally or otherwise) the vesting of any or all outstanding Options immediately prior to the completion of any such transaction, it may also determine that all such outstanding Options will be purchased by the Corporation or a Related Entity for an amount per Option equal to the "Transaction Price" (as defined below), less the applicable Exercise Price (except that where the Exercise Price exceeds the Transaction Price, the amount per Option for such Options will be $0.01), as of the date such transaction is determined to have occurred or as of such other date prior to the transaction closing date as the Board may determine. For purposes of this paragraph, "**Transaction Price**" means the fair market value of a Common Share based on the consideration payable in the applicable transaction as determined by the Board.

(c) If, at any time when an Option granted under the Plan remains unexercised, an offer to purchase all of the Common Shares of the Corporation is made by a third party, the Corporation will use its best efforts to bring such offer to the attention of the Optionholder as soon as practicable.

(d) An adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this Section are cumulative.

(e) The Corporation will not be required to issue fractional Common Shares or other securities under the Plan and any fractional interest in a Common Share or other security that would otherwise be delivered upon the exercise of an Option will be cancelled.

(f) Except as expressly provided in this Section 4.8 or as determined by the Board, neither the issue by the Corporation of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares or securities, affects, and no adjustment by reason thereof is to be made with respect to, the number of Common Shares that may be acquired on the exercise of any outstanding Option or the Exercise Price of any outstanding Option.

ARTICLE 5 – EXERCISE OF OPTIONS

5.1 Manner of Exercise

An Optionholder (or the personal representatives of a deceased Optionholder) who wishes to exercise an Option may do so by delivering the following to the Corporation on or before the Expiry Date of the Option

(a) a completed Notice of Exercise; and

(b) subject to the provisions of Section 5.2, a cheque (which needs not be a certified cheque) or bank draft payable to the Corporation for the aggregate Exercise Price for the Optioned Shares being acquired. If the Optionholder is deceased, the personal representatives of the Optionholder must also deliver to the Corporation evidence of their status. An Option may not be exercised for less than 100 Optioned Shares at any one time, except where a smaller number of Optioned Shares remains exercisable pursuant to an Option, in which case the Option may be exercised for such smaller number at one time.

5.2 Delivery of Share Certificate

Not later than five business days after receipt of the Notice of Exercise and payment in full for the Optioned Shares being acquired as provided in Section 5.1, the Corporation will direct its transfer agent to issue a certificate in the name of the Optionholder (or, if deceased, the Optionholder's estate) for the number of Optioned Shares purchased by the Optionholder (or the Optionholder's estate), which will be issued as fully paid and non-assessable Common Shares. In such event, the number of Common Shares as so determined (and not the number of Optioned Shares to be issued under the Option) will be deemed to be issued under the Plan.

5.3 Withholding

The Corporation shall have the power and the right to deduct or withhold, or require an Optionholder to remit to the Corporation, the required amount to satisfy federal, provincial, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Plan, including the grant or exercise of Options granted under the Plan. With respect to required withholding, the Corporation shall have the irrevocable right (and the Optionholder shall consent to) the Corporation setting off any amounts required to be withheld, in whole or in part, against amounts otherwise owing by the Corporation to the Optionholder (whether arising pursuant to the Optionholder's relationship as a director, officer, employee or consultant of the Corporation or any of its subsidiaries or otherwise), or may make such other arrangements satisfactory to the Optionholder and the Corporation. In addition, the Corporation may elect, in its sole discretion, to satisfy the withholding requirement, in whole or in part, by withholding such number of Common Shares otherwise issuable pursuant to the Option as it determines are required to be sold by the Corporation, as trustee, to satisfy the withholding obligation net of selling costs. The Optionholder shall consent to such sale and grant to the Corporation an irrevocable power of attorney to affect the sale of such Common Shares and shall acknowledge and agree that the Corporation does not accept responsibility for the price obtained on the sale of such Common Shares.

Optionholders (or their beneficiaries) shall be responsible for all taxes with respect to any Options under the Plan, whether arising as a result of the grant or exercise of Options or otherwise. The Corporation makes no guarantees to any person regarding the tax treatment of Options or payments made under the Plan and none of the Corporation, or any of its officers, directors, employees or other representatives shall have any liability to an Optionholder with respect thereto.

ARTICLE 6 – ADMINISTRATION

6.1 Administration

(a) The Plan will be administered by the Board or, if determined by the Board, by the Board with the assistance of a compensation committee of the Board consisting of not less than three directors.

(b) The Board has the authority to interpret the Plan, to adapt, amend, rescind and waive rules and regulations to govern the administration of the Plan and to determine all questions arising out of the Plan and any Option granted pursuant to the Plan, which interpretations and determinations will be conclusive and binding on the Corporation and all other affected persons.

6.2 Amendment and Termination

(a) The board of directors may, at any time and from time to time, suspend or terminate the Plan or amend any of its provisions, provided that no such suspension, termination or amendment may be made without:

(i) obtaining any required approval of any regulatory authority or stock exchange; and

(ii) obtaining the consent or deemed consent of the relevant Optionholder in the event that such amendment materially prejudices the rights of any Optionholder under any option previously granted to the Optionholder.

(b) Without limiting the generality of paragraph (a) above, the board of directors may, without approval of shareholders, make amendments to the Plan for any of the following purposes:

(i) changing the eligibility for and limitations on participation in the Plan;

(ii) changing the terms on which Options may be granted and exercised including, without limitation, the provisions relating to Exercise Price, vesting, expiry, assignment and the adjustments to be made pursuant to Section 4.8;

(iii) making any addition to or deletion or alteration of the provisions of the Plan that are necessary to comply with applicable law or the requirements of any regulatory authority or stock exchange or that are reasonably necessary to allow Optionholders to receive fair and favourable tax treatment under relevant tax legislation;

(iv) correcting or rectifying any ambiguity, defective provision, error or omission in the Plan; and

(v) changing the provisions relating to the administration of the Plan; provided that if any such amendment would lead to a significant or unreasonable dilution of the outstanding Common Shares or provide additional material benefits to Insiders, approval of the holders of the outstanding Common Shares must be obtained.

(c) Under the Plan, the board of directors may, at any time and from time to time, without the approval of shareholders, amend any term of any outstanding Option (including, without limitation, the Exercise Price, vesting and Expiry Date of the Option), provided that:

(i) any required approval of any regulatory authority or stock exchange is obtained;

(ii) the board of directors would have had the authority to initially grant the Option under the terms as so amended; and

(iii) the consent or deemed consent of the Optionholder is obtained if the amendment would materially prejudice the rights of the Optionholder under the option.

Notwithstanding the foregoing, approval of the shareholders of the Corporation must be obtained for an amendment to the Plan that would increase the maximum number of Common Shares issuable under the Plan, and Disinterested Shareholder Approval must be obtained for an amendment to any Option Agreement that would reduce the Exercise Price or extend the Expiry Date of Options granted to an Insider or for an amendment to this Section 6.2.

6.3 Compliance with Laws and Exchange Rules

The Plan, the grant and exercise of Options under the Plan and the Corporation's obligation to issue Common Shares on exercise of Options will be subject to all applicable federal, provincial and foreign laws, rules and regulations and the rules of any regulatory authority or stock exchange on which the securities of the Corporation are listed. No Option will be granted and no Common Shares will be issued under the Plan where such grant or issue would require registration of the Plan or of such Common Shares under the securities laws of any foreign jurisdiction and any purported grant of any Option or issue of Common Shares in violation of this provision will be void. Common Shares issued to Optionholders pursuant to the exercise of Options may be subject to limitations on sale or resale under applicable securities laws.

SCHEDULE A
TO THE STOCK OPTION PLAN OF 1741273 ALBERTA LTD.

FORM OF OPTION AGREEMENT

1741273 ALBERTA LTD.

STOCK OPTION PLAN
OPTION AGREEMENT

This Option Agreement is entered into between 1741273 Alberta Ltd. (the "**Corporation**") and the Optionholder named below pursuant to the 1741273 Alberta Ltd. Stock Option Plan (the "**Plan**") and confirms that:

(a) on _____ (the "**Grant Date**");

(b) _____ (the "**Optionholder**");

(c) was granted an option to purchase _____ Common Shares (the "**Optioned Shares**") of the Corporation;

(d) at a price (the "**Exercise Price**") of $ _____ per Common Share; and

(e) for a term expiring at 4:30 p.m., MST time, on _____ (the "**Expiry Date**");

all on the terms set out in the Plan. By signing this agreement, the Optionholder acknowledges that he or she has read and understands the Plan and accepts the Options in accordance with the terms of the Plan.

IN WITNESS WHEREOF the Corporation and the Optionholder have executed this Option Agreement as of ●, 20__.

1741273 ALBERTA LTD.

Per: _____

_____
Name of Optionholder

_____
Signature of Optionholder

FORM OF NOTICE OF EXERCISE

1741273 ALBERTA LTD.

STOCK OPTION PLAN
NOTICE OF EXERCISE

TO: 1741273 Alberta Ltd.
Suite 202
279 Midpark Way S.E.
Calgary, Alberta T2X 1M2
Attention: Chief Financial Officer

Reference is made to the Option Agreement made as of_____ 20__, between 1741273 Alberta Ltd. (the "**Corporation**") and the Optionholder named below. The Optionholder hereby exercises the Option to purchase Common Shares of the Corporation as follows:

Number of Optioned Shares for which Option being exercised: _____

Exercise Price per Common Share: $_____

Total Exercise Price (in the form of a cheque which need not be a certified cheque or bank draft tendered with this Notice of Exercise): $_____

Name of Optionholder as it is to appear on share Certificate _____

Address of Optionholder as it is to appear on the register of Shares of the Corporation (and to which a certificate representing the Shares being purchased is to be delivered): _____

_____

_____

Dated _____

_____
Name of Optionholder

_____
Signature of Optionholder

APPENDIX F

NEWCO LTIP

1741273 ALBERTA LTD.

Long Term Incentive Plan

Effective May [28], 2013

1741273 ALBERTA LTD.

Long Term Incentive Plan

ARTICLE 1
PURPOSE

1.1 Purpose

The purpose of this Plan is to assist the Corporation in attracting, retaining and motivating key employees, directors, officers and consultants of the Corporation and its subsidiaries and to more closely align the personal interests of such persons with shareholders, thereby advancing the interests of the Corporation and its shareholders and increasing the long-term value of the Corporation.

ARTICLE 2
INTERPRETATION

2.1 Definitions

When used herein, unless the context otherwise requires, the following terms have the indicated meanings, respectively:

"ABCA" means the *Business Corporations Act* (Alberta), as amended from time to time;

"Affiliate" has the meaning set forth in the ABCA;

"Associate" has the meaning set forth in the ABCA;

"Award" means any Restricted Share Unit or Restricted Stock granted under this Plan;

"Award Agreement" means a signed, written agreement between a Participant and the Corporation, evidencing the terms and conditions on which an Award has been granted under this Plan;

"Black-Out Expiration Term" means the period of time that commences with the end of a Black-Out Period and ends ten Business Days following the end of the Black-out Period;

"Black Out Period" means the period of time during which the Corporation has imposed trading restrictions on its Insiders;

"Board" means the board of directors of the Corporation;

"Business Day" means a day, other than a Saturday or Sunday, on which the principal commercial banks in the City of Calgary, are open for commercial business during normal banking hours;

"Change in Control" means the happening of any of the following events:

(i) any transaction at any time and by whatever means pursuant to which (A) the Corporation goes out of existence by any means, except for any corporate transaction or reorganization in which the proportionate voting power among holders of securities of the entity resulting from such corporate transaction or reorganization is substantially the same as the proportionate voting power of such holders of Corporation voting securities immediately prior to such corporate transaction or reorganization or (B) any Person or

any group of two or more Persons acting jointly or in concert (other than the Corporation, a wholly-owned Subsidiary of the Corporation, an employee benefit plan of the Corporation or of any of its wholly-owned Subsidiaries, including the trustee of any such plan acting as trustee) hereafter acquires the direct or indirect "beneficial ownership" (as defined by the ABCA) of, or acquires the right to exercise control or direction over, securities of the Corporation representing 50% or more of the then issued and outstanding Common Shares in any manner whatsoever, including, without limitation, as a result of a take-over bid, an exchange of securities, an amalgamation of the Corporation with any other entity, an arrangement, a capital reorganization or any other business combination or reorganization;

(ii) the sale, assignment or other transfer of all or substantially all of the assets of the Corporation to a Person other than a wholly-owned Subsidiary of the Corporation;

(iii) the dissolution or liquidation of the Corporation except in connection with the distribution of assets of the Corporation to one or more Persons which were wholly-owned Subsidiaries of the Corporation immediately prior to such event;

(iv) the occurrence of a transaction requiring approval of the Corporation's shareholders whereby the Corporation is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, arrangement or otherwise by any other Person (other than a short form amalgamation or exchange of securities with a wholly-owned Subsidiary of the Corporation); or

(v) the Board passes a resolution to the effect that, for the purposes of some or all of the Award Agreements, an event set forth in (i), (ii), (iii) or (iv) above has occurred;

"Code" means the U.S. Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated under it;

"Common Shares" means the common shares in the capital of the Corporation;

"Committee" has the meaning set forth in Section 3.2;

"**Consultant Participant**" means a person (other than an Employee Participant or a Director Participant) that:

(i) is engaged to provide services to the Corporation or an Affiliate other than services provided in relation to a distribution of securities of the Corporation or an Affiliate;

(ii) provides the services under a written contract with the Corporation or an Affiliate; and

(iii) spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate.

and includes

(iv) for an individual consultant, a corporation of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner, and

(v) for a consultant that is not an individual, an employee, executive officer, or director of the consultant, provided that the individual employee, executive officer, or director spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate.

"Corporation" means 1731273 Alberta Ltd., a corporation incorporated under the laws of Alberta, and any successor corporation;

"Corporate Reorganization" has the meaning set forth in Section 9.3;

"Date of Grant" means, for any Award, the date the Board provides notice to a Participant of the grant of an Award (which, for greater certainty, shall be no earlier than the date on which the Board meets for the purpose of granting such Award);

"Director Participant" means a director of the Corporation who is not an officer or employee of the Corporation or an Affiliate;

"Disabled" or **"Disability"** means the permanent and total incapacity of a Participant as determined in accordance with procedures established by the Board for purposes of this Plan;

"Disinterested Shareholder Approval" means approval by the shareholders of the Corporation excluding any votes of securities held directly or indirectly by Insiders benefiting directly or indirectly from the approval or amendment, including without limitation, in accordance with the rules, regulations, and policies of any stock exchange upon which the Corporation's Common Shares may become listed from time to time, securities commission or regulatory body;

"**Employee Participant**" means a current full-time or part-time employee or officer of the Corporation or an Affiliate other than a Director Participant or a Consultant Participant;

"Insider" has the meaning set forth in the *Securities Act* (Alberta), as amended from time to time, and includes Associates and Affiliates of such Person;

"Participant" means an Employee Participant, a Consultant Participant or a Director Participant;

"Performance Goals" means performance goals as may be set by the Board prior to the Date of Grant;

"Person" includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his or her capacity as trustee, executor, administrator or other legal representative;

"Plan" means this 1741273 Alberta Ltd. Long Term Incentive Plan;

"Plan Trustee" means the trust company from time to time selected by the Corporation to serve as trustee under the Trust Agreement;

"Restricted Share Unit" or **"RSU"** means a right to receive at some future date a Common Share, which right is granted, as determined by the Board, under Section 4.1;

"**Restricted Stock**" means any Common Shares granted under Section 5.1;

"Retirement" means retirement from active employment with the Corporation or an Affiliate in accordance with the policies of the Corporation in place from time to time or, with the consent for

purposes of the Plan of such officer of the Corporation as may be designated by the Board, at or after such earlier age and upon the completion of such years of service as the Board may specify;

"Security Based Compensation Arrangement" means any stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of securities of the Corporation, including a share purchase from treasury that is financially assisted by the Corporation by way of a loan, guarantee or otherwise;

"Share Reorganization" has the meaning set forth in Section 9.2;

"Special Distribution" has the meaning set forth in Section 9.4;

"Termination Date" means, in the case of a Participant whose employment or term of office or engagement with the Corporation or an Affiliate terminates:

(i) by reason of the Participant's death, the date of death;

(ii) for any reason whatsoever other than death, the later of:

(A) in the case of a Participant whose employment is terminated by the Corporation or Affiliate, the last day of the minimum statutory notice period, if any, (without regard to any period of contractual notice or reasonable notice that the Corporation or an Affiliate may be required at law to provide to the Participant) to which that Participant is entitled upon such termination pursuant to applicable employment and/or labour standards legislation; and

(B) the date designated by the Corporation or the Affiliate, as the case may be, as the last day of the Participant's employment or term of office or engagement with the Corporation or the Affiliate, as the case may be; provided that in the case of termination by reason of voluntary resignation by the Participant, such date shall not be earlier than the date that notice of resignation was received from such Participant;

"Trust Agreement" means the trust agreement referred to in Section 6.2 and entered into by the Corporation and the Plan Trustee on behalf of the Participants; and

"U.S. Taxpayer" shall mean a Participant who is a U.S. citizen, U.S. permanent resident or U.S. tax resident for the purposes of the Code and who is a non-resident of Canada for purposes of the *Income Tax Act* (Canada).

2.2 Interpretation

(a) Whenever the Board or, where applicable, the Committee is to exercise discretion in the administration of this Plan, the term "discretion" means the sole and absolute discretion of the Board or the Committee, as the case may be.

(b) As used herein, the terms "**Article**", "**Section**", "**Subsection**" and "**clause**" mean and refer to the specified Article, Section, Subsection and clause of this Plan, respectively.

(c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.

(d) Whenever any payment is to be made or action is to be taken on a day which is not a Business Day, such payment shall be made or such action shall be taken on the next following Business Day.

(e) In this Plan, a Person is considered to be a "**Subsidiary**" of another Person if it would be a subsidiary of that Person for purposes of the ABCA.

(f) Unless otherwise specified, all references to money amounts are to Canadian currency.

ARTICLE 3
ADMINISTRATION

3.1 Administration

Subject to Section 3.2, this Plan will be administered by the Board and the Board has sole and complete authority, in its discretion, to:

(a) determine the Participants to whom grants under the Plan may be made;

(b) make grants of Awards under the Plan relating to the delivery of Common Shares (including any combination of Restricted Share Units or Restricted Stock) in such amounts, to such Participants and, subject to the provisions of this Plan, on such terms and conditions as it determines including without limitation:

(i) the time or times at which Awards may be granted;

(ii) the conditions under which:

(A) Awards may be granted to Participants; or

(B) Awards may be forfeited to the Corporation,

including any conditions relating to the attainment of specified Performance Goals;

(iii) the price to be paid, if any, by a Participant in connection with the granting of Awards;

(iv) whether restrictions or limitations are to be imposed on the Common Shares deliverable pursuant to grants of Awards, and the nature of such restrictions or limitations, if any; and

(v) any acceleration of exercisability or vesting, or waiver of termination regarding any Award, based on such factors as the Board may determine;

(c) interpret this Plan and adopt, amend and rescind administrative guidelines and other rules and regulations relating to this Plan; and

(d) make all other determinations and take all other actions necessary or advisable for the implementation and administration of this Plan.

The Board's determinations and actions within its authority under this Plan are conclusive and binding on the Corporation, the Participants and all other persons. The day-to-day administration of the Plan may be

delegated to the Plan Trustee or to such officers and employees of the Corporation or of a Subsidiary as the Board determines.

3.2 Delegation to Committee

To the extent permitted by applicable law and the Corporation's articles, the Board may, from time to time, delegate to a committee (the **"Committee"**) of the Board all or any of the powers conferred on the Board under the Plan. In connection with such delegation, the Committee will exercise the powers delegated to it by the Board in the manner and on the terms authorized by the Board. Any decision made or action taken by the Committee arising out of or in connection with the administration or interpretation of this Plan in this context is final and conclusive. Notwithstanding any such delegation or any reference to the Committee in this Plan, the Board may also take any action and exercise any powers that the Committee is authorized to take or has power to exercise under this Plan. If the Board has not delegated powers to a Committee, any reference to the Committee in this Plan shall mean the Board.

3.3 Eligibility

All Participants are eligible to participate in the Plan, subject to subsections 7.1(b) and 7.2(e). Eligibility to participate does not confer upon any Participant any right to receive any grant of an Award pursuant to the Plan. The extent to which any Participant is entitled to receive a grant of an Award pursuant to the Plan will be determined in the sole and absolute discretion of the Board, subject to the restrictions set forth in Section 3.4, below.

3.4 Total Common Shares Available

Common Shares to be delivered to Participants awarded Restricted Share Units or Restricted Stock pursuant to the Plan shall be issued by the Corporation from treasury, provided that:

(i) subject to adjustment as provided in Article 9, the aggregate number of Common Shares that may be reserved for issuance from time to time pursuant to Awards of Restricted Share Units or Restricted Stock shall, together with all other Security Based Compensation Arrangements of the Corporation, not exceed 10% of the total number of issued and outstanding Common Shares on a non-diluted basis;

(ii) the number of Common Shares issuable to Insiders, at any time, under all Security Based Compensation Arrangements, shall not exceed 10% of the issued and outstanding Common Shares; and

(iii) the number of Common Shares issued to Insiders, within any one year period, under all Security Based Compensation Arrangements, shall not exceed 10% of issued and outstanding Common Shares.

For purposes of computing the total number of Common Shares issuable from treasury pursuant to this Section 3.4 of the Plan, the number of Common Shares subject to any Award (or any portion thereof) that has vested and been redeemed or that has expired or is forfeited, surrendered, cancelled or otherwise terminated prior to the issuance and delivery of Common Shares pursuant to the Award and the number of Common Shares subject to an Award (or portion thereof) that the Corporation permits to be settled in cash in lieu of settlement in Common Shares shall automatically become available to be made the subject of new Awards under the Plan.

If the Corporation repurchases Common Shares for cancellation such that the tests in this Section 3.4 are not met following such repurchase, this shall not constitute non-compliance under the Plan for any Awards then outstanding.

3.5 Allotment of Shares for Issuance by the Corporation

The Corporation shall allot for issuance from treasury such number of Common Shares corresponding to the maximum number of Common Shares that may be deliverable to Participants upon the vesting of the Awards granted to Participants under the Plan.

3.6 Award Agreements

All grants of Awards under this Plan will be evidenced by Award Agreements. Award Agreements will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the Board may direct. Any one officer of the Corporation is authorized and empowered to execute and deliver, for and on behalf of the Corporation, an Award Agreement to each Participant granted an Award pursuant to this Plan.

3.7 Conditions of Grant

Each Participant will, when requested by the Corporation, sign and deliver all such documents relating to the granting of Awards which the Corporation deems necessary or desirable.

3.8 Non-transferability of Awards

Subject to Section 7.1, Awards granted under this Plan may only be exercised during the lifetime of the Participant by such Participant personally. Subject to Section 7.1, no assignment or transfer of Awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Awards whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such Awards will terminate and be of no further force or effect.

ARTICLE 4
GRANT OF RESTRICTED SHARE UNITS

4.1 Grant of RSUs

The Board may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, including the attainment of specified Performance Goals, grant RSUs to any Participant.

4.2 Terms of RSUs

The Board shall have the authority to make the receipt of Common Shares under the RSUs conditional upon:

(a) the expiry of a time-based vesting period;

(b) the attainment of specified Performance Goals by a specified expiry date; or

(c) such other factors (which may vary as between awards of RSUs) as the Board may determine in its discretion.

4.3 Vesting of RSUs

The Board shall have the authority to determine at the time of grant, in its discretion, the duration of the vesting period and other vesting terms applicable to the grant of RSUs, provided that such vesting period shall be a minimum of one year in duration and a maximum of three years from the end of the calendar

year of service for which the RSUs were granted.

4.4 Share Certificates for RSUs

Upon the expiry of the applicable vesting period with respect to RSUs subject to an Award or at such later date as may be otherwise specified in the Award Agreement, the RSUs subject to the Award shall be redeemed and a share certificate representing the Common Shares issuable pursuant to the RSUs shall be registered in the name of the Participant or as the Participant may direct, subject to applicable securities laws.

(a) Actual issuance of the Common Shares shall occur as soon as practicable following the applicable vesting date(s) specified in the Award Agreement and the Participant's satisfaction of any required tax withholding obligations, but in no event later than:

(i) 60 days following the vesting date for a Participant that is resident in the United States; or

(ii) the earlier of: (A) 60 days following the vesting date; and (B) December 15 of the third calendar year following the year of service for which the RSU was granted for a Participant that is resident in Canada.

(b) Notwithstanding anything in the Plan or an Award Agreement to the contrary, to the extent that any RSU Award Agreement provides for the delivery of Common Shares to a Participant that is resident in the United States as of any date or event that occurs (or could occur) beyond March 15 following the calendar year in which the corresponding RSUs vest (that is, cease to be subject to a substantial risk of forfeiture), such Award Agreement must provide that Common Shares will not be payable to the Participant unless the circumstance giving rise to payment qualifies as a permitted payment event under Section 409A of the Code (*e.g.*, the occurrence of a fixed payment date specified in the Award Agreement, the Participant's separation from service, the Participant's disability, the Participant's death, or a change in ownership or control with respect to the Corporation, as the case may be, as those terms are defined in Section 409A(a)(2)(A) of the Code and applicable final regulations). Any payment that otherwise would be made to a Participant who is a specified employee as defined in Section 409A(a)(2)(B) of the Code on account of separation from service may not be made before the date which is six months after the date of the specified employee's separation from service (or if earlier, upon the specified employee's death) unless the payment or distribution is exempt from the application of Section 409A by reason of paragraph (b) above or otherwise.

4.5 Dividends on RSUs

Whenever cash dividends are paid on the Common Shares held by the Plan Trustee under Article 6 and deliverable pursuant to the RSUs that have not vested, the Plan Trustee shall, subject to contrary instructions from the Board, pay such amounts to the Corporation in the calendar year that they are received.

4.6 Forfeiture of RSUs

Upon a Termination Date during the applicable vesting period all applicable RSUs at such time not yet vested or deemed vested by the Board under Article 7 shall be forfeited and reacquired by the Corporation for nil consideration and subject to Section 3.4, Common Shares under such RSUs shall be available for issuance by the Corporation under the Plan.

4.7 Black-out Period

If the expiry date of an Award expires during a Black-Out Period or during a Black-Out Expiration Term, such expiry date shall be deemed to be extended to the end of the applicable Black-Out Expiration Term.

ARTICLE 5
GRANT OF RESTRICTED STOCK

5.1 Restricted Stock

The Board may, from time to time, grant Restricted Stock to any Participant that is a U.S. Taxpayer with the terms and conditions set forth herein and with such additional terms and conditions not inconsistent with the provisions of the Plan as the Board shall determine. The Board shall have the authority to make the lapse of restrictions applicable to Restricted Stock conditional upon:

(a) the expiry of a time-based vesting period;

(b) the attainment of specified Performance Goals by a specified expiry date; or

(c) such other factors (which may vary as between awards of Restricted Stock) as the Board may determine in its discretion.

5.2 Vesting of Restricted Stock

The Board shall have the authority to determine at the time of grant, in its discretion, the duration of the vesting period and other vesting terms applicable to the grant of Restricted Stock, provided that such vesting period shall be a minimum of one year in duration.

5.3 Restrictions on Restricted Stock

Common Shares of Restricted Stock shall be subject to such restrictions as the Board may impose (including, without limitation, forfeiture conditions, transfer restrictions or a restriction on or prohibition against the right to receive any dividend or other right or property with respect thereto), which restrictions may lapse separately or in combination at such time or times, in such instalments or otherwise as the Board may deem appropriate.

5.4 Share Certificates for Restricted Stock

Any Restricted Stock granted under the Plan shall be evidenced by the issuance of a stock certificate or certificates, which shall be held by the Plan Trustee. Such certificate or certificates shall be registered in the name of the Participant and shall bear an appropriate legend referring to the applicable Award Agreement and possible forfeiture of such shares of Restricted Stock.

5.5 Dividends on Restricted Stock

Whenever cash dividends are paid on the Common Shares of Restricted Stock which have not vested, the Plan Trustee shall, subject to contrary instructions from the Board, pay such amounts to the Corporation in the calendar year that they are received.

5.6 Forfeiture of Common Shares of Restricted Stock

Upon a Termination Date during the applicable vesting period all applicable Common Shares of Restricted Stock at such time not yet vested or deemed vested by the Board under Article 7 shall be

forfeited and reacquired by the Corporation for nil consideration and subject to Section 3.4, Common Shares under such Restricted Stock shall be available for issuance by the Corporation under the Plan.

5.7 Black-out Period

If the expiry date of an Award expires during a Black-Out Period or during a Black-Out Expiration Term, such expiry date shall be deemed to be extended to the end of the applicable Black-Out Expiration Term.

ARTICLE 6
PLAN TRUSTEE

6.1 Appointment

The Plan Trustee will be appointed by the Board and will have such rights, powers and authorities as are set forth in the Trust Agreement as it may be amended from time to time. The Board will have the power to remove the Plan Trustee and appoint a new Plan Trustee. The Plan Trustee must be a trust company duly qualified to act in the Province of Alberta.

6.2 Trust Agreement

Upon the appointment of a Plan Trustee, the Corporation will enter into a Trust Agreement with the Plan Trustee to provide for the receiving, holding, investing and disbursing of cash amounts and Common Shares for the benefit of Participants. All rights or benefits which may enure to any Participant under the Plan will be subject to the terms and provisions of the Trust Agreement. The Trust Agreement will be subject to amendments and modifications in accordance with the provisions of the Plan and the Trust Agreement.

6.3 Delivery of Shares

The Plan Trustee shall deliver such number of Common Shares to the Participants entitled thereto under the Plan when so directed by the Corporation.

6.4 Forfeited Shares

The treatment of any unvested Common Shares that are forfeited in accordance with Sections 4.6 and 5.6 or are not required to be delivered to satisfy vested Awards will be at the sole discretion of the Board. The Board may determine that such Common Shares: (i) be retained by the Plan Trustee and used to support future Awards granted under this Plan; (ii) be sold by the Plan Trustee and the net cash be paid to the Corporation if the Corporation so requests; or (iii) be transferred to the Corporation for cancellation, if the Corporation so requests.

6.5 Expenses

Except as otherwise specifically provided herein, all compensation and expenses of the Plan Trustee will be paid by the Corporation.

6.6 Plan Trustee's Consent

No amendment, change or modification will be made to this Plan that would alter the duties or powers of the Plan Trustee, without the Plan Trustee's consent.

ARTICLE 7
TERMINATION

7.1 Retirement, Death or Disability

If a Participant dies or becomes Disabled while an employee, officer or director of or a consultant to the Corporation or an Affiliate or if the employment or term of office or engagement of a Participant with the Corporation or an Affiliate terminates due to Retirement:

(a) any Awards held by a Participant that are not yet vested at the Termination Date are immediately forfeited to the Corporation on the Termination Date;

(b) such Participant's eligibility to receive further grants of Awards under the Plan ceases as of the Termination Date; and

(c) in the case where the Participant has died, any Awards held by a Participant that have vested at the Termination Date will enure to the benefit of the Participant's heirs, executors and administrators.

7.2 Termination of Employment or Services

(a) Where a Participant's employment or term of office or engagement terminates by reason of a Participant's resignation, then any Awards held by the Participant that are not yet vested at the Termination Date are immediately forfeited to the Corporation on the Termination Date.

(b) Where a Participant's employment or term of office or engagement terminates by reason of termination by the Corporation or an Affiliate without cause (as determined by the Board in its discretion) (whether such termination occurs with or without any or adequate notice or reasonable notice, or with or without any or adequate compensation in lieu of such notice), then any Awards held by the Participant that are not yet vested at the Termination Date are immediately forfeited to the Corporation on the Termination Date.

(c) Where a Participant's employment or term of office or engagement is terminated by the Corporation or an Affiliate for cause (as determined by the Board in its discretion), or, in the case of a Consultant Participant, for breach of contract (as determined by the Board in its discretion), then any Awards held by the Participant at the Termination Date (whether or not vested) are immediately forfeited to the Corporation on the Termination Date.

(d) Notwithstanding Section 7.2(b) or Section 7.1 above, where a Director Participant's term of office terminates for any reason other than death or Disability of the Director Participant, the Committee or the Board may, in its discretion, at any time prior to or within 30 days following the Termination Date, provide for the vesting of any or all Awards held by a Director Participant on the Termination Date.

(e) The eligibility of a Participant to receive further grants under the Plan ceases as of the date that the Corporation or an Affiliate, as the case may be, provides the Participant with written notification that the Participant's employment or term of office or engagement, as the case may be, is terminated, notwithstanding that such date may be prior to the Termination Date.

(f) Unless the Board, in its discretion, otherwise determines, at any time and from time to time, Awards are not affected by a change of employment arrangement within or among

the Corporation or an Affiliate for so long as the Participant continues to be an employee of the Corporation or an Affiliate, including without limitation a change in the employment arrangement of a Participant whereby such Participant becomes a Director Participant.

(g) Subject to applicable law and unless the Board, in its discretion, otherwise determines, at any time and from time to time, Awards are not affected by a change of employment arrangement within or among the Corporation or an Affiliate where the Participant ceases to be an employee and continues as a Consultant Participant of the Corporation or an Affiliate so long as the Participant continues to be a Consultant Participant of the Corporation or an Affiliate.

7.3 Discretion to Accelerate Vesting

Notwithstanding the provisions of Sections 7.1 and 7.2, the Board may, in its discretion, at any time prior to or following the events contemplated in such Sections, permit the acceleration of vesting of any or all Awards, all in the manner and on the terms as may be authorized by the Board, provided that this Section 7.3 shall not permit the Board, to use its discretion notwithstanding the provisions of Section 7.1 and 7.2 to accelerate the vesting of any or all RSU Awards or Restricted Stock Awards where there has been a Change of Control. For greater certainty, in the event of a Change of Control the provisions of Section 8.1 shall apply.

ARTICLE 8
CHANGE IN CONTROL

8.1 Change in Control

Unless otherwise determined by the Committee or the Board at or after the Date of Grant, notwithstanding Article 7, if a Participant ceases to be a director, officer, employee or consultant of the Corporation or its subsidiaries at the time of the Change of Control or within 12 months following a Change in Control for any reason other than for cause (as that term is interpreted by the courts of the jurisdictions in which the Participant or the Participant's employer is engaged), voluntary resignation, Retirement, death, or Disability, each Award held by that Participant that is not fully vested on the date at which such person ceases to be a director, officer, employee or consultant shall (except to the extent cancelled under Article 9) become free of all restrictions, conditions and limitations and become fully vested.

8.2 Adjustment upon Change of Control

In the event of a Change of Control, the Committee or the Board may in its discretion amend any unvested Awards to provide that Participants holding unvested Awards be entitled to receive, in lieu of Common Shares, the consideration that such Participants would have received if the Awards had vested immediately prior to the Change of Control.

8.3 Parachute Payments

If a Participant is entitled to receive payments that would qualify as excess "parachute payments" under Section 280G of the Code, those payments shall be reduced by the necessary amount so that the Participant is not subject to excise tax under Section 4999 of the Code if such reduction would result in the Participant receiving a greater after-tax payment.

ARTICLE 9
SHARE CAPITAL ADJUSTMENTS

9.1 General

The existence of any Awards does not affect in any way the right or power of the Corporation or its shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the Corporation's capital structure or its business, or any amalgamation, combination, arrangement, merger or consolidation involving the Corporation, to create or issue any bonds, debentures, Common Shares or other securities of the Corporation or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this Section would have an adverse effect on this Plan or on any Award granted hereunder.

9.2 Share Reorganization

Should the Corporation effect a subdivision or consolidation of Common Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of a cash dividend), or should any other change be made in the capitalization of the Corporation that does not constitute a Change in Control and that would warrant the amendment or replacement of any existing Awards in order to adjust the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards (any such event being herein called a "**Share Reorganization**"), the Board will authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

9.3 Corporate Reorganization

In the event of a reclassification, amalgamation, combination, arrangement, merger, transaction whereby all or substantially all of the Corporation's undertakings and assets become the property of another Person or other transaction or reorganization involving the Corporation and occurring by exchange of Common Shares, by sale or lease of assets or otherwise, that does not constitute a Change in Control and that warrants the amendment or replacement of any existing Awards in order to adjust the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards (any such event being herein called a "**Corporate Reorganization**"), the Board will authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

9.4 Special Distribution

Subject to prior approval of any stock exchange upon which the Common Shares may then be listed, whenever the Corporation issues by way of a dividend or otherwise distributes to all or substantially all holders of Common Shares:

(a) shares of the Corporation, other than Common Shares;

(b) evidence of indebtedness;

(c) any cash or other assets, excluding cash dividends (other than cash dividends which the Board has determined to be outside the normal course); or

(d) rights, options, or warrants,

then to the extent that such dividend or distribution does not constitute a Share Reorganization (any of such non-excluded events being herein called a "**Special Distribution**"), the Board will authorize such steps to be taken as it may consider to be equitable and appropriate to that end in order to properly reflect any diminution in value of the Common Shares as a result of such Special Distribution.

9.5 Immediate Vesting of Awards

Where the Board determines that the steps provided in Sections 9.2, 9.3 and 9.4 would not preserve proportionately the rights, value and obligations of the Participants holding such Awards in the circumstances or otherwise determines that it is appropriate, the Board may permit the immediate vesting of any unvested Awards.

9.6 Issue by Corporation of Additional Shares

Except as expressly provided in this Article 9, neither the issue by the Corporation of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares or securities, affects, and no adjustment by reason thereof is to be made with respect to, the number of Common Shares that may be acquired as a result of a grant of Awards.

9.7 Fractions

No fractional Common Shares will be issued on the grant or vesting of an Award. Accordingly, if, as a result of any adjustment under Sections 9.2, 9.3 and 9.4, a Participant would become entitled to a fractional Common Share, the Participant has the right to acquire only the adjusted number of full Common Shares and no payment or other adjustment will be made with respect to the fractional Common Shares which shall be disregarded.

ARTICLE 10
MISCELLANEOUS PROVISIONS

10.1 Legal Requirement

The Corporation is not obligated to grant any Awards, issue any Common Shares or other securities, make any payments or take any other action if, in the opinion of the Board, in its discretion, such action would constitute a violation by a Participant or the Corporation of any provision of any applicable statutory or regulatory enactment of any government or government agency or the requirements of any stock exchange upon which the Common Shares may then be listed.

10.2 Participants' Entitlement

Except as otherwise provided in this Plan, Awards previously granted under this Plan are not affected by any change in the relationship between, or ownership of, the Corporation and an Affiliate. For greater certainty, all grants of Awards remain valid in accordance with the terms and conditions of this Plan and are not affected by reason only that, at any time, an Affiliate ceases to be an Affiliate.

10.3 Withholding Taxes

On the Date of Grant or upon vesting of an Award, the Corporation shall have the right to require the Participant to remit to the Corporation an amount sufficient to satisfy any federal, provincial or other law requiring the withholding of tax or other required deductions relating to the delivery of Common Shares. Such withholding obligations may also be accomplished, in whole or in part, by the Corporation withholding from the Common Shares to be delivered such number of Common Shares or such amount as is necessary to satisfy the amount of the total withholding obligation, and the Corporation shall be entitled

to sell, on behalf of a Participant, such number of Shares as is sufficient to satisfy such withholdings obligations.

10.4 Rights of Participant

No Participant has any claim or right to be granted an Award and the granting of any Award is not to be construed as giving a Participant a right to remain as an employee, consultant or director of the Corporation or an Affiliate. No Participant has any rights as a shareholder of the Corporation in respect of Common Shares issuable pursuant to any Award until the allotment and issuance to such Participant of certificates representing such Common Shares.

10.5 Amendment

(a) Subject to the rules and policies of any stock exchange on which the Common Shares may be listed and applicable law, the Board may, without notice or shareholder approval, at any time or from time to time, make amendments to the Plan or a specific Award that it may deem necessary, including without limitation, amendments for the purposes of:

(i) altering, extending or accelerating the terms of vesting applicable to any Award or group of Awards;

(ii) making any amendments to the general vesting provisions of an Award;

(iii) accelerating the expiry date of conditions applicable to an Award;

(iv) making any amendments to the provisions set out in Article 7;

(v) making any amendments to add covenants of the Corporation for the protection of Participants, as the case may be, provided that the Board shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants, as the case may be;

(vi) making any amendments not inconsistent with the Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Board, having in mind the best interests of the Participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a Participant resides, provided that the Board shall be of the opinion that such amendments will not be prejudicial to the rights or interests of the Participants;

(vii) making such changes or corrections which, on the advice of counsel to the Corporation, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Board shall be of the opinion that such changes or corrections will not be prejudicial to the rights or interests of the Participants;

(viii) making any amendments to the definitions of the Plan;

(ix) effecting amendments with respect to the administration of the Plan; and

(x) making amendments of a “housekeeping” or ministerial nature.

(b) Subject to Section 8.1, the Board shall not alter or impair any rights or increase any obligations with respect to an Award previously granted under the Plan without the consent of the Participant.

(c) Notwithstanding any other provision of this Plan, none of the following amendments shall be made to this Plan without approval of the shareholders:

(i) amendments to the Plan which would increase the number of Common Shares issuable from treasury under the Plan, otherwise than in accordance with the terms of this Plan;

(ii) amendments to this Section 10.5 of the Plan;

(iii) the addition of any form of financial assistance to a Participant; and

(iv) amendments required to be approved by shareholders under applicable law (including without limitation, pursuant to the rules, regulations and policies of any stock exchange on which the Common Shares may be listed).

(d) Notwithstanding any other provision of this Plan, none of the following amendments shall be made to this Plan without Disinterested Shareholder Approval:

(i) amendments to the Plan that could result at any time in the number of Common Shares reserved for issuance from treasury under the Plan to Insiders exceeding 10% of the issued and outstanding Common Shares;

(ii) amendments to the Plan which would increase the number of Common Shares issuable from treasury to Insiders, otherwise than in accordance with the terms of this Plan;

(iii) any extension of the term of any Award that has been granted to Insiders, other than an extension of the term of an Award, if an Award expires during a Black-Out-Period or during a Black-Out Expiration Term; and

(iv) amendments requiring Disinterested Shareholder Approval under applicable law (including without limitation, pursuant to the rules, regulations and policies of any stock exchange on which the Common Shares may be listed).

Any amendment that would cause an Award held by a U.S. Taxpayer to fail to comply with Section 409A of the Code shall be null and void *ab initio*.

10.6 Section 409A of the Code

This Plan, and all terms of this Plan which are undefined or ambiguous, will be construed and interpreted to comply with Section 409A of the Code to the extent required to preserve the intended tax consequences of this Plan. The Corporation reserves the right to amend this Plan to the extent it reasonably determines is necessary in order to preserve the intended tax consequences of this Plan in light of Section 409A of the Code and any regulations or guidance under that section. In no event will the Corporation be responsible if Awards under this Plan result in adverse tax consequences to a U.S. Taxpayer under Section 409A of the Code. Notwithstanding any provisions of the Plan to the contrary, in the case of any "specified employee" within the meaning of Section 409A of the Code who is a U.S. Taxpayer, distributions of defined compensation under Section 409A of the Code made in connection with a "separation from service" within the meaning set forth in Section 409A of the Code may not be made prior to the date

which is 6 months after the date of separation from service (or, if earlier, the date of death of the U.S. Taxpayer). Any amounts subject to a delay in payment pursuant to the preceding sentence shall be paid as soon as practicable following such 6-month anniversary of such separation from service. If payment or provision of any amount or benefit hereunder that is subject to Section 409A at the time specified herein would subject such amount or benefit to any additional tax under Section 409A, the payment or provision of such amount or benefit will be postponed to the earliest commencement date on which the payment or provision of such amount or benefit could be made without incurring such additional tax.

10.7 Requirement of Notification of Election Under Section 83(b) of the Code

If a Participant, in connection with the issuance of Common Shares pursuant to a Restricted Stock Award, is permitted under the terms of the Award Agreement to make the election permitted under Section 83(b) of the Code (i.e., an election to include in gross income in the year of transfer the amounts specified in Section 83(b) of the Code notwithstanding the continuing transfer restrictions) and the Participant makes such an election, the Participant shall notify the Corporation of such election within ten (10) days of filing notice of the election with the Internal Revenue Service, in addition to any filing and notification required pursuant to regulations issued under Section 83(b) of the Code. A Section 83(b) election shall not be permitted with respect to an RSU Award.

10.8 Additional Conditions in Connection with Awards Granted to Participants Employed in Canada

Notwithstanding any other provision of the Plan, RSU Awards granted to Participants employed in Canada shall be settled in Common Shares, unless the Corporation offers the Participant the right to receive cash in lieu of Common Shares and the Participant, in its discretion, so elects. In this case, the cash value of the Common Shares would be determined based on the volume weighted average trading price of the Common Shares on any stock exchange on which the Common Shares may be listed for the five trading days immediately preceding the applicable vesting date, rounded up to the nearest cent, or if the Common Shares are not listed on a stock exchange, the fair market value of a Common Share on the date immediately preceding the vesting date as determined by the Board.

10.9 Indemnification

Every member of the Board will at all times be indemnified and saved harmless by the Corporation from and against all costs, charges and expenses whatsoever including any income tax liability arising from any such indemnification, that such member may sustain or incur by reason of any action, suit or proceeding, taken or threatened against the member, otherwise than by the Corporation, for or in respect of any act done or omitted by the member in respect of this Plan, such costs, charges and expenses to include any amount paid to settle such action, suit or proceeding or in satisfaction of any judgment rendered therein.

10.10 Participation in the Plan

The participation of any Participant in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. In particular, participation in the Plan does not constitute a condition of employment or engagement nor a commitment on the part of the Corporation to ensure the continued employment or engagement of such Participant. The Plan does not provide any guarantee against any loss which may result from fluctuations in the market value of the Common Shares. The Corporation does not assume responsibility for the income or other tax consequences for the Participants and they are advised to consult with their own tax advisors.

10.11 Effective Date

This Plan becomes effective on May [28], 2013, the date it was approved by the shareholders of the Corporation.

10.12 Governing Law

This Plan is created under and is to be governed, construed and administered in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

APPENDIX G

SECTION 191 OF THE BUSINESS CORPORATIONS ACT (ALBERTA)

Registered Resverlogix Shareholders each have the right to dissent in respect of the Arrangement in accordance with Section 191 of the ABCA (as varied by the Interim Order in the case of the Dissent Rights). Such rights of dissent are described in the Information Circular under the heading "*Rights of Dissent*". The full text of Section 191 of the ABCA is set forth below.

191(1) Subject to sections 192 and 242, a holder of shares of any class of a corporation may dissent if the corporation resolves to

(a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue or transfer of shares of that class,

(b) amend its articles under section 173 to add, change or remove any restrictions on the business or businesses that the corporation may carry on,

(b.1) amend its articles under section 173 to add or remove an express statement establishing the unlimited liability of shareholders as set out in section 15.2(1),

(c) amalgamate with another corporation, otherwise than under section 184 or 187,

(d) be continued under the laws of another jurisdiction under section 189, or

(e) sell, lease or exchange all or substantially all its property under section 190.

(2) A holder of shares of any class or series of shares entitled to vote under section 176, other than section 176(1)(a), may dissent if the corporation resolves to amend its articles in a manner described in that section.

(3) In addition to any other right the shareholder may have, but subject to subsection (20), a shareholder entitled to dissent under this section and who complies with this section is entitled to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the last business day before the day on which the resolution from which the shareholder dissents was adopted.

(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the shareholder or on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

(5) A dissenting shareholder shall send to the corporation a written objection to a resolution referred to in subsection (1) or (2)

(a) at or before any meeting of shareholders at which the resolution is to be voted on, or

(b) if the corporation did not send notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent, within a reasonable time after the shareholder learns that the resolution was adopted and of the shareholder's right to dissent.

(6) An application may be made to the Court by originating notice after the adoption of a resolution referred to in subsection (1) or (2),

(a) by the corporation, or

(b) by a shareholder if the shareholder has sent an objection to the corporation under subsection (5),

to fix the fair value in accordance with subsection (3) of the shares of a shareholder who dissents under this section, or to fix the time at which a shareholder of an unlimited liability corporation who dissents under this section ceases to become liable for any new liability, act or default of the unlimited liability corporation.

(7) If an application is made under subsection (6), the corporation shall, unless the Court otherwise orders, send to each dissenting shareholder a written offer to pay the shareholder an amount considered by the directors to be the fair value of the shares.

(8) Unless the Court otherwise orders, an offer referred to in subsection (7) shall be sent to each dissenting shareholder

(a) at least 10 days before the date on which the application is returnable, if the corporation is the applicant, or

(b) within 10 days after the corporation is served with a copy of the originating notice, if a shareholder is the applicant.

(9) Every offer made under subsection (7) shall

(a) be made on the same terms, and

(b) contain or be accompanied with a statement showing how the fair value was determined.

(10) A dissenting shareholder may make an agreement with the corporation for the purchase of the shareholder's shares by the corporation, in the amount of the corporation's offer under subsection (7) or otherwise, at any time before the Court pronounces an order fixing the fair value of the shares.

(11) A dissenting shareholder

(a) is not required to give security for costs in respect of an application under subsection (6), and

(b) except in special circumstances must not be required to pay the costs of the application or appraisal.

(12) In connection with an application under subsection (6), the Court may give directions for

(a) joining as parties all dissenting shareholders whose shares have not been purchased by the corporation and for the representation of dissenting shareholders who, in the opinion of the Court, are in need of representation,

(b) the trial of issues and interlocutory matters, including pleadings questioning under Part 5 of the *Alberta Rules of Court*,

(c) the payment to the shareholder of all or part of the sum offered by the corporation for the shares,

(d) the deposit of the share certificates with the Court or with the corporation or its transfer agent,

(e) the appointment and payment of independent appraisers, and the procedures to be followed by them,

(f) the service of documents, and

(g) the burden of proof on the parties.

(13) On an application under subsection (6), the Court shall make an order

(a) fixing the fair value of the shares in accordance with subsection (3) of all dissenting shareholders who are parties to the application,

(b) giving judgment in that amount against the corporation and in favour of each of those dissenting shareholders,

(c) fixing the time within which the corporation must pay that amount to a shareholder, and

(d) fixing the time at which a dissenting shareholder of an unlimited liability corporation ceases to become liable for any new liability, act or default of the unlimited liability corporation.

(14) On

(a) the action approved by the resolution from which the shareholder dissents becoming effective,

(b) the making of an agreement under subsection (10) between the corporation and the dissenting shareholder as to the payment to be made by the corporation for the shareholder's shares, whether by the acceptance of the corporation's offer under subsection (7) or otherwise, or

(c) the pronouncement of an order under subsection (13),

whichever first occurs, the shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shareholder's shares in the amount agreed to between the corporation and the shareholder or in the amount of the judgment, as the case may be.

(15) Subsection (14)(a) does not apply to a shareholder referred to in subsection (5)(b).

(16) Until one of the events mentioned in subsection (14) occurs,

(a) the shareholder may withdraw the shareholder's dissent, or

(b) the corporation may rescind the resolution,

and in either event proceedings under this section shall be discontinued.

(17) The Court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder, from the date on which the shareholder ceases to have any rights as a shareholder by reason of subsection (14) until the date of payment.

(18) If subsection (20) applies, the corporation shall, within 10 days after

(a) the pronouncement of an order under subsection (13), or

(b) the making of an agreement between the shareholder and the corporation as to the payment to be made for the shareholder's shares,

notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

(19) Notwithstanding that a judgment has been given in favour of a dissenting shareholder under subsection (13)(b), if subsection (20) applies, the dissenting shareholder, by written notice delivered to the corporation within 30 days after receiving the notice under subsection (18), may withdraw the shareholder's notice of objection, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to the shareholder's full rights as a shareholder, failing which the shareholder retains a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

(20) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

(a) the corporation is or would after the payment be unable to pay its liabilities as they become due, or

(b) the realizable value of the corporation's assets would by reason of the payment be less than the aggregate of its liabilities.

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