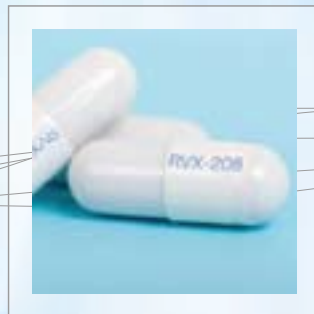




CLEARING THE PATH TO BETTER HEALTH™



2009  
ANNUAL  
REPORT



Resverlogix Corp. (“Resverlogix” or the “Company”) is a publicly traded Canadian biotechnology company (TSX: RVX). It is a recognized world leader in developing novel small molecules for diseases that have significant unmet medical needs, including the largest global pharmaceutical market segment - cardiovascular disease.

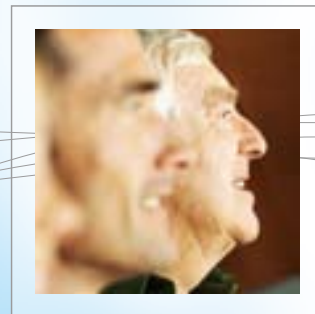
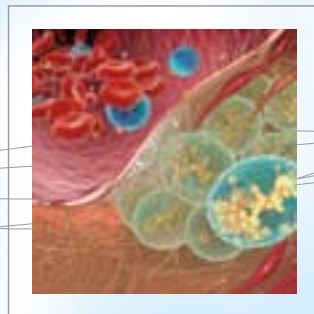
RVX-208 is the Company’s lead clinical drug for atherosclerosis and is currently entering Phase 2 clinical testing.

Key Development programs include:

**NexVas™ PR** – enhancing ApoA-1 for atherosclerotic plaque regression

**NexVas™ VI** – inhibiting vascular inflammation for plaque stabilization

**NexVas™ AD** – ApoA-1 for Amyloid Beta Plaque removal in Alzheimer’s disease



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## FISCAL 2008 – 2009 HIGHLIGHTS

- + Successfully completed a Phase 1a, 7 day clinical trial with lead drug RVX-208 with >10% increase in ApoA-1;
- + Announced collaboration with the Cleveland Clinic Coordinating Center for Clinical Research for a future intravascular ultrasound (IVUS) trial with RVX-208;
- + Formed an international IVUS Steering Committee to assess the trial design including Drs. Nissen, Nicholls, Ballantyne, Taylor, and Kastelein;
- + Hired Dr. F. Allan Gordon, M.D., Ph.D. as Senior Vice President of Clinical Development;
- + Initiated and completed a Phase 1b/2a clinical trial for RVX-208 and met primary endpoint of ApoA-1 production;
- + More than 160 people will have received RVX-208 upon completion of Phase 1b/2a trial;
- + Pipeline and IP portfolio expanding to include Alzheimer's and Inflammation; and
- + Closed US \$20 million equity financing led by NGN Bio-Med Opportunity II, LP.

### RESVERLOGIX PARTICIPATED AT THE FOLLOWING SCIENTIFIC MEETINGS AND CONFERENCES:

- + American College of Cardiology (ACC) Orlando, FL, USA;
- + American Heart Association Scientific Sessions (AHA) New Orleans, LA, USA;
- + Atherosclerosis, Thrombosis and Vascular Biology (ATVB) Annual Meeting, Washington, DC, USA;
- + Canadian Lipoprotein Conference (CLC) Annual Meeting Whistler, BC, Canada;
- + Cardiovascular Research Technologies (CRT) Washington, DC, USA;
- + European Society of Cardiology (ESC), Munich, Germany;
- + Gordon Conference, Waterville, NH, USA; and
- + National Lipid Association National Meeting, Seattle, WA, USA.



## MESSAGE FROM THE PRESIDENT & CEO

*Over the years Resverlogix's mission and growth strategy has continued to be our substantial commitment to unparalleled science in the research and development of therapies for diseases with significant unmet medical need. While this strategy has successfully attracted the top scientists in the world to the Company, it has also added to long-term shareholder value.*

Cardiovascular disease (CVD) is the largest global pharmaceutical market segment, with atherosclerosis (the fatty build-up of plaque in the arteries) being the main underlying cause and the leading cause of death in the world. Tragically in North America, someone dies from cardiovascular disease every 30 seconds. As such, there is an urgent need for a small molecule drug that can remove atherosclerosis. In the past year Resverlogix has made significant strides in this area with our lead clinical drug RVX-208. It is our intention to improve the current standard of treatment for this life-threatening disease.

The Company's most significant news for this past year is that we advanced the world's first small molecule therapeutic to increase ApoA-1 production through a Phase 1b/2a clinical trial. In June 2008, Resverlogix reported an unprecedented achievement in which analysis from 24 healthy volunteers in the 7 day Phase 1a clinical trial demonstrated statistically significant improvements over placebo, including increases in: pre-beta HDL in excess of 30%, cholesterol efflux above 10%, ApoA-1 above 10%, and HDL-C above 10%. The most important finding was that the effect had a rapid onset of action in this 7 day trial. The serum ApoA-1 increases surpassed the previous 8% five week (35 day) average benchmark totals from previous ApoA-1 Milano recombinant protein studies.

After successful completion of the Phase 1a trial, RVX-208 advanced into a Phase 1b/2a double blind study. This trial continued to examine safety and tolerance and notably to demonstrate ApoA-1 production. Approximately half of the subjects had low levels of HDL cholesterol, a condition associated with significant increased risk of cardiovascular disease, while the other half of the subjects had normal lipid levels. Dosing of the trial was completed in July 2009. Results of this trial surpassed expectations concluding that RVX-208 is safe and tolerable and most importantly the drug met its primary endpoint to increase the production of plasma ApoA-1 – the key cardioprotective protein in high-density lipoprotein (HDL). The range of increases in ApoA-1 production of treated subjects over placebo was 5.1% - 10.4% over 28 days; although low HDL subjects demonstrated a slightly higher ApoA-1 production. Looking to the future, Resverlogix will be working with our IVUS Steering Committee to complete preparations for RVX-208 to advance to Phase 2 intravascular ultrasound (IVUS) trials.

As RVX-208 continues to progress through the clinic, Resverlogix's dedication to research and development continues to yield the discovery of new molecules in other important areas including inflammatory diseases. Currently, there is a significant unmet medical need for safe, effective and economical therapies for specific

*The total direct and indirect costs of CVD and stroke in the US for 2009 is estimated at*

**\$475.3 billion**

*(Cancer was \$228 billion) \**



inflammation markets. Current therapies for rheumatoid arthritis can range in price from US \$180 – US \$30,000 per person per annum depending if the drug is an economical small molecule or a more expensive biologic. In 2007, the global market for rheumatoid arthritis was estimated to be in excess of US \$11 billion a year and is expected to grow to US \$27 billion by the year 2015.

In addition to the many scientific presentations made at key cardiovascular conferences around the globe, Resverlogix continued to receive recognition from other industry heavyweights as an important world leader of ApoA-1 technologies. RVX-208 was selected as one of the top 10 most promising cardiovascular disease drugs available for strategic partnering by an independent committee assembled by Windhover Information. RVX-208 was also the only ApoA-1 drug to be prominently featured in an article written by Drs. Pollex, Joy and Hegele which appeared in the highly esteemed scientific journal, *Expert Opinion of Emerging Drugs*. Drs. Duffy and Rader included RVX-208 in their article titled “Update on Strategies to increase HDL quantity and function” which appeared in *Nature Reviews Cardiology* journal in June 2009. *The Wall Street Journal* picked up on the buzz around RVX-208 when a reporter covered a session at the American College of Cardiology Annual meeting in which RVX-208 was mentioned by Dr. Steven Nissen as one of the top 7 up and coming HDL drugs to watch.

## TOP 7

*RVX-208 was mentioned by Dr. Steven Nissen as one of the top 7 up and coming HDL drugs to watch.*

Our employees have consistently kept focus on the ultimate goal which is to bring innovative and effective therapies to market. Through our expertise in research and development, we continue our diligent efforts to develop and deliver new ApoA-1 breakthrough medicines and remain committed to our employees. As it was in the beginning, it remains today – Resverlogix’s employees are our most significant asset.

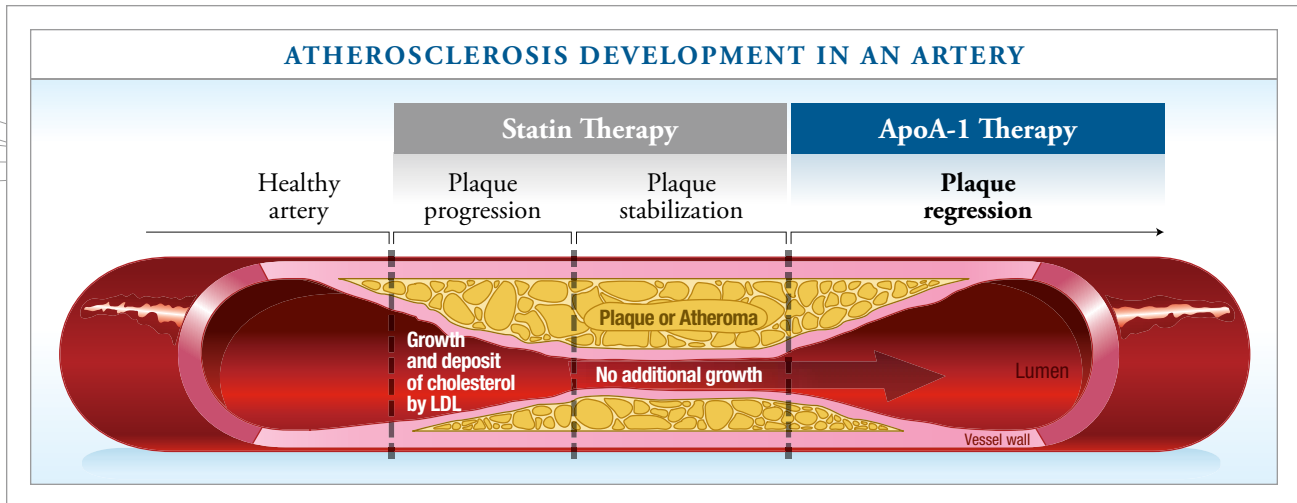
It is important to note that the environment for our industry is complex; the economy has endured a difficult crisis, one of many factors beyond our control. In spite of these uncertainties, we remain focused on what we need to do to succeed. It is our strong belief that first-in-class therapies that change the standard of treatment for life-threatening diseases will have tremendous value for patients and shareholders alike.

Sincerely yours,

A handwritten signature in black ink that reads "Donald J. McCaffrey". The signature is written in a cursive, flowing style.

Donald J. McCaffrey

October 15, 2009

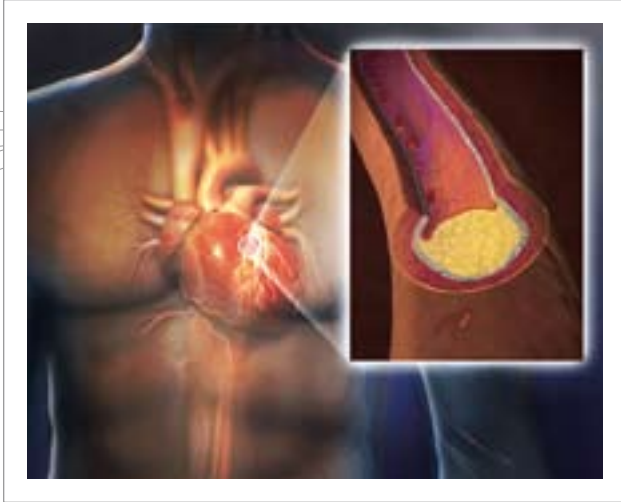


## WORLD LEADING TECHNOLOGY

Apolipoprotein A-I (ApoA-1) is the primary protein found in high density lipoprotein (HDL) cholesterol, the “good cholesterol” and the key cardioprotective protein of HDL – a vital feature for a cardiovascular drug.

ApoA-1 research conducted over the past 50 years has led to key observations from epidemiological and intervention studies that have demonstrated that with higher levels of ApoA-1, an individual has a greater reduction in the risk of cardiovascular disease (CVD). Landmark trials, such as AMORIS and INTERHEART, clearly illustrate and validate the importance of ApoA-1 and its role in reducing the risk for CVD. These studies, with more than 200,000 subjects, have established that ApoA-1 is a modifiable, clinically valid target for treatment of CVD.

The distinguishing feature of ApoA-1 elevating technologies from other emerging HDL therapies is the finding that an increase in the production of ApoA-1 is accompanied by changes in functional HDL. Functional HDL refers to the sub particles of HDL such as pre-beta and alpha HDL, that have the ability to promote the efflux of cholesterol from cells found in fatty lesions within arteries, and facilitate its transport for elimination or breakdown. This process is known as reverse cholesterol transport (RCT). Resverlogix’s lead drug candidate RVX-208 currently has a world lead in an emerging class of novel small molecules that enhances ApoA-1 production.



Courtesy of Cleveland Clinic – Intravascular ultrasound (IVUS)

## BLOCKBUSTER AND COMPETITIVE OPPORTUNITIES

- + Resverlogix's ApoA-1 technology has potential in multiple indications;
- + Heart disease is the leading cause of death in the Western world. Chronic conditions (including atherosclerosis and dyslipidemia) affect more than 350 million people worldwide;
- + Limited number of existing competitive programs in ApoA-1 enhancement;
- + Resverlogix is partnering with the renowned Cleveland Clinic to conduct Intravascular Ultrasound (IVUS) studies for the Company's upcoming clinical trials;
- + Small molecule drugs are advantageous in their delivery, manufacture and cost effectiveness;
- + Elevated ApoA-1 levels are beneficial in both acute and chronic management of CVD;
- + Acute coronary syndromes afflict 20 million people globally and represent a US \$10 billion market opportunity in the cardiovascular space;
- + CVD costs Canada \$22.2 billion annually in direct and indirect costs for physician services, hospital costs, lost wages and decreased productivity;
- + Conservative studies estimate the cost of cardiovascular disease to the US health system at US \$475.3 billion, of which 66% is in direct medical costs;
- + A recent pharmacoeconomic study published by Destum Partners estimates that using an ApoA-1 increasing therapy could potentially save the US health care system, society, and employers between US \$22.9 billion and US \$76.8 billion annually, for 1% and 5% regression of atherosclerosis, versus the current standards of care; and
- + Statins used to reduce "bad cholesterol" in patients with dyslipidemia accounted for US \$21 billion in sales (2005). The leading statin on the market, Pfizer's Lipitor, will go off patent in 2010. Most of the patents protecting other statins have already expired.

## CORPORATE INFORMATION

### DIRECTORS

Dr. William A. Cochrane,  
O.C., M.D., F.R.C.P., F.A.C.P., Chairman

Wayne Chiu

Jan Gray, C.A.

Dr. Peter Johann, Ph.D.

Donald J. McCaffrey

Stella M. Thompson

Whitney O. Ward

### MANAGEMENT TEAM

Donald J. McCaffrey,  
President and CEO, Co-founder and Secretary

Dr. Norman C.W. Wong, M.D., FRCP,  
Chief Scientific Officer, Co-founder,  
Chairman Scientific Advisory Board

Kelly McNeill, B.Comm (Hons), M.Acc., C.A.,  
Chief Financial Officer

Dr. Jan O. Johansson, M.D., Ph.D.,  
Senior VP, Medical Affairs

Kenneth Lebioda, B.A.,  
Senior VP Business & Corporate Development

Dr. Gregory S. Wagner, Ph.D., DABT,  
Senior VP Research & Development

Dr. Allan Gordon, M.D., Ph.D.,  
Senior VP Clinical Development

Theresa Kennedy, B.Sc.,  
VP Corporate Communications

### SHAREHOLDER INFORMATION

AUDITORS:

KPMG LLP  
Calgary, AB

LEGAL COUNSEL:

Fraser Milner Casgrain LLP  
Calgary, AB

Michael R. Rempel Professional Corporation  
Calgary, AB

PATENT COUNSEL:

Finnegan, Henderson, Farabow, Garrett & Dunner, LLP  
Cambridge, MA

REGISTRAR AND TRANSFER AGENT:

Valiant Trust Company  
Calgary, AB

TORONTO STOCK EXCHANGE:

Stock ticker: RVX

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Sarah Zapotichny,  
Manager, Investor Relations  
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#### FORWARD-LOOKING STATEMENTS AND CAUTIONARY FACTORS THAT MAY AFFECT FUTURE RESULTS

Information which is included in this 2009 Annual Report contains estimates and assumptions which management is required to make concerning future events, and may constitute forward-looking statements under applicable Canadian securities legislation. Statements contained herein that are not based on historical fact, including without limitation statements containing the words "believes", "anticipates", "plans", "intends", "will", "should", "expects", "continue", "estimate", "forecasts" and other similar expressions, constitute forward-looking statements. Such statements include: our vision to be a leader in the research, development and commercialization of novel therapeutics that reduce the risk of cardiovascular disease referred to on page 2 of 8 and inflammatory diseases stated on page 5 of 8; our intention to advance our know-how related to the increase of ApoA-1 production will provide the Company with a significant competitive advantage as described on page 6 of 8; our belief that RVX-208 is the only known orally available novel small molecule that increases ApoA-1 production and HDL functionality referred to on page 6 of 8; our plans to establish RVX-208 and regression of atherosclerosis with the evaluation of intravascular ultrasound (IVUS) referred to on under Blockbuster and Competitive Opportunities on pages 4 and 7 of 8. That RVX-208 has the potential in multiple indications on page 7 of 8. The Company has entered into human clinical trials that involve inherent risks in the testing of unproven products. A large portion of the risk is mitigated through the highly regulated approval process within the clinical laboratory, as well as clinical insurance coverage, but a certain level of risk remains. Product liability insurance is costly, availability is limited and may not be on terms which would be acceptable to the Company, if at all. An inability to maintain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the continuation of clinical trials and the commercialization of potential products in the future. A product liability claim brought against the Company or withdrawal of a product from the market at a future date, could have a material adverse effect upon the Company and its financial condition. 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 Annual Report, we have made the following key assumptions: RVX-208 is the only known orally available novel small molecule that increases ApoA-1 production and HDL functionality; 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; the Phase 1b/2a will provide data to evaluate the drug properties of RVX-208 in humans through analysis of safety, pharmacokinetics and reverse cholesterol transport markers including ApoA-1, HDL-c, pre-beta-HDL particles, alpha-1 HDL particles and cholesterol efflux via ABCA-1 transport; we have met the applicable end-points of the Phase 1b/2a trials to be able to commence the planned Phase 2 trials including the Phase 2b IVUS trial; we will be able to raise additional capital through external financing or partnering activities that provide additional funding for clinical programs including the planning Phase 2 programs. 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, clinical trial programs, the regulatory approval process, competition, securing and maintaining corporate alliances, market acceptance of the Company's products, the availability of government and insurance reimbursements for the Company's products, 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 our AIF and other documents we file from time to time with securities authorities, which are available through SEDAR at [www.sedar.com](http://www.sedar.com). The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement are made as of the date hereof. The Company disclaims any intention and has 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.