



SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON AUGUST 13, 2014

**NOTICE OF MEETING
AND MANAGEMENT INFORMATION CIRCULAR**

THIS NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF RESVERLOGIX CORP. OF PROXIES TO BE VOTED AT THE SPECIAL MEETING OF SHAREHOLDERS OF RESVERLOGIX CORP. TO BE HELD ON AUGUST 13, 2014.

**TO BE HELD AT:
Telus Convention Centre
Chinook Room 2/3
120 – 9th Avenue S.E.
Calgary, Alberta**

At 10:00 a.m. (Calgary Time)

Dated: July 14, 2014

RESVERLOGIX CORP.

NOTICE OF SPECIAL MEETING TO BE HELD ON AUGUST 13, 2014

To: The holders of common shares (the "**Common Shares**"):

TAKE NOTICE that a special meeting (the "**Meeting**") of the shareholders of Resverlogix Corp. (the "**Corporation**") will be held on Wednesday, August 13, 2014 at 10:00 a.m. (Calgary time), at the Telus Convention Centre, Chinook Room 2/3, 120 – 9th Avenue S.E., Calgary, Alberta for the following purposes:

1. to consider, and if thought fit, pass an ordinary resolution approving: (i) amendments to the loan and security documents among the Corporation, Citibank, N.A. ("**Citibank**") and Eastern Capital Limited ("**Eastern**") to increase the loan amount from Citibank by \$30 million to \$68.8 million, to indemnify Eastern for amounts drawn under letters of credit arranged by Eastern to secure the full amount of the loan and to grant a security interest in the patents and other assets of the Corporation to Eastern to secure the Corporation's indemnity obligations; and (ii) the issuance of 5,000,000 common share purchase warrants to Eastern in connection with the loan transaction (collectively, the "**Loan Transaction**"), as more particularly described in the accompanying management information circular (the "**Management Information Circular**"); and
2. to transact such other business that may properly come before the Meeting or adjournments thereof.

The details of the Loan Transaction are set forth in the Management Information Circular accompanying this Notice of Meeting. At the Meeting, shareholders will be asked to approve the Loan Transaction.

The board of directors has fixed the close of business on July 14, 2014 as the record date for determining holders of Common Shares who are entitled to notice of and to attend and vote at the Meeting.

Holders of Common Shares who are unable to be present at the Meeting are requested to date, execute and return the accompanying form of proxy to the Corporation's registrar and transfer agent, Valiant Trust Company, pursuant to the instructions noted therein, prior to 10:00 a.m., Calgary time, on August 11, 2014, or at least forty-eight (48) hours, excluding Saturdays, Sundays and statutory holidays, preceding any adjournment of the Meeting. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

Your participation as a shareholder is very important to the Corporation. Please ensure your Common Shares are represented at the Meeting.

DATED at Calgary, Alberta, this 14th day of July, 2014.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "*Donald J. McCaffrey*"

Donald J. McCaffrey
President, CEO and Secretary

RESVERLOGIX CORP.

MANAGEMENT INFORMATION CIRCULAR

**For the Special Meeting of Shareholders
to be held on August 13, 2014**

PROXIES

Solicitation of Proxies

This Management Information Circular is furnished in connection with the solicitation of proxies by the management of Resverlogix Corp. (the "**Corporation**") for use at the special meeting of the holders (the "**Shareholders**") of common shares (the "**Common Shares**") of the Corporation to be held on Wednesday, August 13, 2014, at the Telus Convention Centre, Chinook Room 2/3, 120 – 9th Avenue S.E., Calgary, Alberta at 10:00 a.m. (Calgary time) and at any adjournment thereof (the "**Meeting**"), for the purposes set forth in the accompanying Notice of Meeting. Only Shareholders of record at the close of business on July 14, 2014 (the "**Record Date**") are entitled to notice of, and to attend and vote at, the Meeting, unless a Shareholder has transferred any Common Shares subsequent to that date and the transferee Shareholder establishes ownership to the Common Shares and demands, not later than 10 days before the Meeting, that the transferee's name be included on the list of Shareholders.

Notice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to many Shareholders of the Corporation, as a substantial number of the Shareholders do not hold Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to herein as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). 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 brokers/nominees are prohibited from voting Common Shares for their clients. The Corporation does not know for whose benefit the Common Shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of securityholders' 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 Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered Shareholders; however, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining voting instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a scanable "voting instruction form" in lieu of the form of proxy. Beneficial Shareholders are requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free telephone number or access Broadridge's dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and vote the Common Shares held by them. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Beneficial Shareholder receiving a voting instruction form cannot use that voting instruction form to vote Common Shares directly at the Meeting. The voting instruction form must

be returned as directed by Broadridge well in advance of the Meeting in order to have the Common Shares voted. Beneficial Shareholders who receive forms of proxies or voting materials from organizations other than Broadridge should complete and return such forms of proxies or voting materials in accordance with the instructions on such materials in order to properly vote their Common Shares at the Meeting.

Beneficial Shareholders who wish to appear in person and vote at the Meeting must appoint themselves as proxy by inserting their name in the blank space on the Form of Proxy or voting instruction form provided to them and return same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.

Management of the Corporation does not intend to pay for intermediaries to forward to objecting beneficial owners under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* the Meeting materials and Form 54-101F7 – Request for Voting Instructions Made by Intermediary, and in the case of an objecting beneficial owner, the objecting beneficial owner will not receive the Meeting materials unless the objecting beneficial owner's intermediary assumes the cost of delivery.

Appointment and Revocation of Proxies

Shareholders that cannot attend the Meeting in person are requested to complete, sign, date and return the accompanying form of proxy ("**Form of Proxy**") in the envelope provided. The instrument appointing a proxy shall be in writing and shall be executed by the Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. In order to be effective, the proxy must be deposited at the office of the Corporation's transfer agent, Valiant Trust Company, 310, 606 – 4th Street SW, Calgary, Alberta, Canada, T2P 1T1, or by fax at 403-233-2857, not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting.

The persons named in the Form of Proxy are officers of the Corporation. A person or corporation submitting the form of proxy has the right to appoint a person (who does not have to be a Shareholder) to be their representative at the Meeting, other than the persons designated in the Form of Proxy furnished by the Corporation. Such appointment may be exercised by inserting the name of the appointed representative in the blank space provided for that purpose. A Shareholder should notify the nominee of his or her appointment, obtain his or her consent to act as proxy and should instruct him or her as to how the Shareholder's Common Shares are to be voted.

A Shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited at the Corporation's registered office at 600, 815 - 8th Avenue SW, Calgary, Alberta, T2P 3P2, at any time prior to 4:30 p.m. (Calgary time) on the last business day preceding the day of the Meeting at which the proxy is to be used, or with the chairman of the Meeting on the day of the Meeting, and upon either of such deposits, the proxy is revoked.

Voting by Internet

The Corporation's Shareholders may also use the internet site at www.valianttrust.com to transmit their voting instructions. Shareholders should have the form of proxy in hand when they access the web site. Shareholders will be prompted to enter their Control Number, which is located on the form of proxy. If Shareholders vote by internet, their vote must be received not later than 10:00 a.m. (Calgary time) on August 11, 2014 or 48 hours prior to the time of any adjournment of the Meeting. **The website may be used to appoint a proxy holder to attend and vote on a Shareholder's behalf at the Meeting and to convey a Shareholder's voting instructions. Please note that if a Shareholder appoints a proxy**

holder and submits their voting instructions and subsequently wishes to change their appointment, a 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.

Persons Making the Solicitation

This solicitation is made on behalf of management of the Corporation. The costs incurred in the preparation and mailing of the Form of Proxy, Notice of Meeting and this Management Information Circular and the solicitation of proxies will be borne by the Corporation. In addition to the use of mail, proxies may be solicited by personal interviews, or by other means of communication or by the directors, officers and employees of the Corporation, who will not be remunerated therefor.

Exercise of Discretion by Proxies

The Common Shares represented by proxies in favour of management nominees will be voted or withheld from voting on any poll at the Meeting and where the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted in accordance with the specification so made.

In the absence of such specification, such Common Shares will be voted IN FAVOUR of the matters to be acted upon as set out herein. The persons appointed under the Form of Proxy furnished by the Corporation are conferred with discretionary authority with respect to amendments or variations of those matters specified in the Form of Proxy and Notice of Meeting and with respect to any other matters which may properly be brought before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting or any other matters are properly brought before the Meeting, it is the intention of the persons designated in the enclosed Form of Proxy to vote in accordance with their best judgment on such matter. At the time of printing this Management Information Circular, the management of the Corporation knows of no such amendment, variation or other matter.

Quorum

The by-laws of the Corporation provide that a quorum of Shareholders is present at a meeting of shareholders of the Corporation if at least two persons are present in person or by proxy representing not less than five percent (5%) of the outstanding shares of the Corporation entitled to be voted at the meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares, an unlimited number of Preferred Shares and 75,202,620 Royalty Preferred Shares. As at the effective date of this Management Information Circular (the "**Effective Date**"), which is July 14, 2014, the Corporation has 85,289,247 Common Shares issued and outstanding, nil Preferred Shares issued and outstanding and 75,202,620 Royalty Preferred Shares issued and outstanding.

The Common Shares are the only shares entitled to be voted at the Meeting. Holders of Common Shares of record at the close of business on the Record Date are entitled to vote such Common Shares at the Meeting on the basis of one vote for each Common Share held except to the extent that, (a) the holder has transferred the ownership of any of his Common Shares after the Record Date, and (b) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he owns the Common Shares, and demands not later than (10) days before the day of the Meeting that his name be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote his Common Shares at the Meeting.

Except as set forth below, to the knowledge of the directors and the executive officers of the Corporation, as at the Effective Date, no person or company beneficially owns or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation.

Beneficial Owner	Number of Common Shares Held	Percentage of Outstanding Common Shares
Eastern Capital Limited Cayman Islands	14,965,307	17.55%

BUSINESS OF THE MEETING

On July 3, 2014, the Corporation announced that it had entered into an amended and restated loan agreement with Citibank, N.A. ("**Citibank**") to increase the amount of the existing loan granted by Citibank to the Corporation by \$30 million (the "**Proposed Loan Increase**") to \$68.8 million (the "**Loan**"). The Loan will be repayable upon maturity on August 28, 2017 and may be prepaid in whole or in part without penalty. Interest on the Loan will be payable annually in arrears at a rate equal to the per annum Canadian one-year LIBOR swap rate plus 3.14%, to be reset annually. The Corporation intends to use the net proceeds from the Proposed Loan Increase to fund clinical trials in targeted high risk patient groups as well as research and development activities, general and administrative expenses and other general corporate purposes.

The Proposed Loan Increase will be secured by an additional \$30 million letter of credit (or by an increase of \$30 million to the existing \$38.8 million letter of credit) (the "**Additional Letter of Credit**") arranged by Eastern Capital Limited ("**Eastern**"), the Corporation's largest shareholder, so that the full amount of the Loan will be secured by one or more irrevocable standby letters of credit arranged by Eastern in the aggregate amount of \$68.8 million ("**Letter of Credit**"). The Corporation will indemnify Eastern for any amount that Citibank draws on the Letter of Credit in the event that the Corporation defaults in repayment of the Loan. As with previous loans from Citibank, the Corporation will pledge its patents and certain tax losses and pools to Eastern as security for its indemnity obligations to Eastern. The Corporation would also issue to Eastern an additional 5,000,000 common share purchase warrants exercisable at a price of \$0.75 per share (the "**Warrants**") in consideration for arranging the Additional Letter of Credit that is required by Citibank to secure the Proposed Loan Increase. The Proposed Loan Increase from Citibank and the concurrent transactions with Eastern in support of the Proposed Loan Increase are described collectively herein as the "**Loan Transaction**".

The Loan Transaction is conditional upon approval being obtained from Shareholders at the Meeting and all necessary approvals being obtained from the Toronto Stock Exchange. The terms of the Loan Transaction and the approvals required are described in further detail below.

Background

Original Loan

On August 27, 2012, the Corporation entered into a loan agreement with Citibank which provided for a \$25 million loan to the Corporation (the "**Original Loan**") at an interest rate of 4.5% per annum for the first year and thereafter at a rate equal to the per annum Canadian one-year LIBOR swap rate plus 3.14%, to be reset annually. The maturity date of the Original Loan was August 28, 2017.

The Original Loan was secured by an irrevocable \$25 million standby letter of credit arranged by Eastern and to be maintained until maturity of the loan. The Corporation agreed to indemnify Eastern for all liabilities, costs and expenses arising from any payments made to Citibank under the letter of credit and

the Corporation pledged its issued patents and certain tax losses and pools to Eastern as security for its obligations under the indemnity.

The Corporation issued 1,320,000 common share purchase warrants to Eastern in connection with the Original Loan and agreed to pay a guarantee fee to Eastern in the amount of 0.03% per annum on the average daily aggregate principal amount of the issued and undrawn letter of credit. Each warrant was exercisable at a price of \$1.58 for a period of five years. The exercise price of such warrants was subsequently adjusted to \$1.44 in connection with the Arrangement (as defined below).

First Loan Increase

On March 8, 2013, the Corporation entered into an amended and restated loan agreement with Citibank which provided for the amount of the Original Loan to be increased from \$25 million to \$38.8 million (the "**First Loan Increase**"). The interest rate and maturity date remained as set forth in the Original Loan agreement. The letter of credit arranged by Eastern to secure the loan was also increased from \$25 million to \$38.8 million. The Corporation agreed to indemnify Eastern for all liabilities, costs and expenses arising from any payments made to Citibank under the letter of credit for the increased loan amount of \$38.8 million and its issued patents and certain tax losses and pools continued to secure its obligations to Eastern under the indemnity.

The Corporation issued 728,640 common share purchase warrants to Eastern in connection with the First Loan Increase and agreed to pay a guarantee fee to Eastern in the amount of 0.03% per annum on the average daily aggregate principal amount of the issued and undrawn letter of credit. Each warrant was exercisable at a price of \$2.38 for a period of five years. The exercise price of such warrants was subsequently adjusted to \$2.16 in connection with the Arrangement.

Additional Covenants

On June 3, 2013, the Corporation completed a plan of arrangement (the "**Arrangement**") whereby it retained its research and development activities related to the development of compounds for applications with indications involving a therapeutic increase in Apolipoprotein A-1, including the clinical program related to RVX-208, and it spun-out all other research and development activities related to its epigenetic platform technology to Zenith Epigenetics Corp.

The Arrangement required the consent of Eastern pursuant to the security agreement that secures the indemnity obligations of the Corporation to Eastern in connection with the Original Loan and First Loan Increase. In consideration for Eastern providing its consent to the Arrangement, the Corporation entered into a covenant agreement with Eastern dated effective April 29, 2013 whereby the Corporation agreed that it would not enter into a licensing agreement or licensing arrangement with respect to compounds with indications involving a therapeutic increase in Apolipoprotein A-1, including RVX-208, without the consent of Eastern, and that such consent may reasonably be withheld unless the proceeds from such transaction are sufficient to repay, and the Corporation uses such proceeds to repay, its obligations to Citibank and Eastern and any outstanding letter of credit is cancelled.

Proposed Loan Increase

On July 3, 2014, the Corporation entered into a Second Amended and Restated Loan Agreement with Citibank (the "**Second Amended Loan Agreement**") which provided for the Proposed Loan Increase from \$38.8 million to \$68.8 million. The interest rate would be the per annum Canadian one-year LIBOR swap rate plus 3.14% (4.4473% per annum for the annual period ending August 27, 2014) and the maturity date would continue to be August 28, 2017, all as set forth in the existing loan agreement. The Proposed Loan Increase is subject to certain conditions precedent, including a requirement that Citibank receive the Additional Letter of Credit and that the Proposed Loan Increase be approved by Shareholders of the Corporation.

Concurrent with the Corporation and Citibank entering into the Second Amended Loan Agreement, the Corporation and Eastern entered into an Amended and Restated Agreement and Indemnity dated July 3, 2014 (the “**Amended Agreement and Indemnity**”), an Amended and Restated Intellectual Property Security Agreement and an Amended and Restated Patent Security Agreement, each dated July 3, 2014 (the Amended and Restated Intellectual Property Security Agreement and the Amended and Restated Patent Security Agreement being, collectively, the “**Amended Security Agreements**”).

Pursuant to the Amended Agreement and Indemnity, Eastern agreed to arrange for the Additional Letter of Credit to secure the full amount of the Proposed Loan Increase and the Corporation agreed to indemnify Eastern for all liabilities, costs and expenses arising from any payments made to Citibank under the Letter of Credit, including the Additional Letter of Credit in respect of the Proposed Loan Increase. The Corporation also agreed to issue 5,000,000 Warrants to Eastern in consideration for arranging the Additional Letter of Credit and agreed to pay a guarantee fee to Eastern in the amount of 0.03% per annum on the average daily aggregate principal amount of the issued and undrawn Letter of Credit. Each Warrant will be exercisable at a price of \$0.75 per share for period of five years.

Pursuant to the Amended Security Agreements, the Corporation granted a security interest to Eastern in its patents and patent applications and certain tax losses and pools as security for its obligations to Eastern under the Amended Agreement and Indemnity. The Corporation had previously granted a security interest in its patents and certain tax losses and pools to secure its indemnity obligations in respect of the Original Loan and the First Loan Increase. The Amended Security Agreements extend the existing security interest to the Corporation’s obligations in respect of the Proposed Loan Increase and also grant a security interest to Eastern in patents and patent applications that were not in existence at the time of the previous loans.

The obligation of Eastern to arrange for the Additional Letter of Credit to secure the Proposed Loan Increase and the obligation of the Corporation to issue the Warrants is conditional upon (i) shareholder approval being obtained for the Proposed Loan Increase and the transactions contemplated by the Amended Agreement and Indemnity and the Security Agreements; and (ii) TSX conditionally approving the issuance of the Warrants.

After giving effect to the Loan Transaction, the Corporation would be indebted to Citibank in the aggregate amount of \$68.8 million to be due on August 28, 2017. In the event that the Corporation is unable to make arrangements to repay or refinance the Loan amount on the maturity date, Citibank would draw on the Letter of Credit arranged by Eastern for any unpaid amount. In that event, the Corporation would be obligated to indemnify Eastern for the unpaid amount of the Loan, failing which Eastern would be entitled to enforce its security interest in the Corporation’s patents and other assets that form part of the collateral that secures the indemnity obligation and Eastern may thereby sell or acquire ownership of these assets.

In addition, after giving effect to the Loan Transaction, Eastern would continue to hold 14,965,307 common shares of the Corporation and would hold 7,578,232 common share purchase warrants. In the event of the exercise of all of the warrants, Eastern would hold 24.27% of the outstanding Common Shares of the Corporation, based on the Common Shares outstanding as of July 14, 2014.

Copies of the Amended Loan Agreement, the Agreement and Indemnity and the Amended Security Agreements are available on SEDAR at www.sedar.com.

Multi-lateral Instrument 61-101

The agreement of the Corporation to indemnify Eastern for amounts drawn under the Letter of Credit in the amount of up to \$68.8 million, to grant the security pursuant to the Amended Security Agreements and to issue the Warrants to Eastern would be “related party transactions” pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) as Eastern is an insider that holds more than 10% of the outstanding Common Shares of the Corporation.

Pursuant to MI 61-101, minority shareholder approval must be obtained for related party transactions unless an exemption is available and a formal valuation must be obtained for certain types of related party transactions. The agreement of the Corporation to indemnify Eastern for amounts drawn on the Letter of Credit, to grant the security pursuant to the Amended Security Agreements and to issue the Warrants are not subject to the formal valuation requirement due to the nature of the transactions and the subject matter involved. However, the proposed transactions are subject to the requirement to obtain minority shareholder approval. In connection with the Original Loan in 2012 and the First Loan Increase in 2013, the Corporation relied upon the exemption from minority approval that is available where the fair market value of the subject matter or the consideration for the transaction represents less than 25% of the market capitalization of the issuer. That exemption is not available for the Proposed Loan Increase based on the Corporation's current market capitalization.

MI 61-101 requires that shareholder approval be obtained from a majority of votes cast by Shareholders at the Meeting, excluding votes attached to Common Shares that are beneficially owned or over which control or direction is exercised by the issuer, an "interested party", a "related party" of the interested party or a "joint actor" (all as defined in MI 61-101). To the knowledge of the Corporation after reasonable inquiry, the only party excluded from voting on the Loan Transaction would be Eastern, which owns 14,965,307 Common Shares and would be excluded from voting by virtue of being a party to the Loan Transaction to be considered at the Meeting.

Toronto Stock Exchange Requirements

As indicated above, Eastern currently holds 14,965,307 common shares and 2,578,232 common share purchase warrants and pursuant to the Loan Transaction Eastern would be issued Warrants to purchase an additional 5,000,000 Common Shares of the Corporation. After giving effect to the Loan Transaction, in the event of the exercise of all of the common share purchase warrants by Eastern, it would hold 24.27% of the outstanding Common Shares of the Corporation.

The policies of the TSX require that shareholder approval be obtained for private placements that "materially affect control" of the corporation. Pursuant to the policies of the TSX, "materially affect control" means the ability of any security holder or combination of security holders acting together to influence the outcome of a vote of security holders, including the ability to block significant transactions. Such an ability will be affected by the circumstances of a particular case, including the presence or absence of other large security holdings, the pattern of voting behaviour by other holders at previous security holder meetings and the distribution of the voting securities. A transaction that results, or could result, in a new holding of more than 20% of the voting securities by one security holder or combination of security holders acting together is considered to materially affect control, unless the circumstances indicate otherwise.

As the issuance of the Warrants could result in Eastern holding more than 20% of the outstanding Common Shares of the Corporation, assuming the exercise of the Warrants, TSX requires that shareholder approval be obtained for the issuance of the Warrants. For purposes of the TSX, approval must be obtained from a majority of votes cast at the Meeting.

Recommendation of the Board

On July 3, 2014, the Board of Directors passed a resolution to approve the Loan Transaction. After careful consideration of available financing alternatives, the directors of the Corporation determined that it is in the best interests of the Corporation to proceed with the Loan Transaction. **The Board of Directors unanimously recommends that shareholders vote in favour of the resolution to approve the Loan Transaction.**

Eastern does not currently have any contractual right to appoint nominees for election as directors of the Corporation and it has not been granted any such right in connection with the Loan Transaction.

Text of Shareholder Resolutions

To be effective, the resolution to approve the Loan Transaction must be passed by a majority of the votes cast thereon at the Meeting, excluding votes cast by Eastern. The text of the resolution is set out below. The persons designated in the enclosed form of proxy or voting instruction form, unless instructed otherwise, intend to vote FOR the resolution.

BE IT RESOLVED THAT:

1. The amendments to the loan and security documents among the Corporation, Citibank, N.A. ("Citibank") and Eastern Capital Limited ("Eastern") to increase the loan amount from Citibank by \$30 million to \$68.8 million, to indemnify Eastern for amounts drawn under letters of credit arranged by Eastern to secure the full amount of the loan and to grant security interests in the patents and other assets of the Corporation to Eastern to secure the Corporation's indemnity obligations, as described in the management information circular dated July 14, 2014 ("Management Information Circular") are hereby authorized and approved;
2. The issuance to Eastern of warrants to purchase 5,000,000 common shares of the Corporation at a price of \$0.75 per share and for a term of five years in connection with the loan transactions described in the Management Information Circular is hereby authorized and approved;
3. All actions taken to date by the Board of Directors and management of the Corporation in furtherance of the transactions and amendments contemplated by the foregoing resolutions be and the same are hereby authorized, approved, ratified and confirmed;
4. The Board of Directors of the Corporation is hereby authorized at any time in its absolute discretion to revoke this resolution before it is acted upon or not to proceed with any one or more of the above resolutions without further approval of the shareholders; and
5. Any one director or officer of the Corporation be and is hereby authorized and directed to do such things and to execute and deliver all such instruments, agreements, deeds and documents, and any amendments thereto, under corporate seal or otherwise, as may be necessary or advisable in order to give effect to this resolution.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

To the knowledge of the Board of Directors ("**Board**") and management of the Corporation, no director or executive officer of the Corporation or anyone who has held office as such since the beginning of the last financial year of the Corporation or of any associate or affiliate of any of the foregoing has a material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth elsewhere in this Management Information Circular or below, to the knowledge of the Board and management of the Corporation, none of the Corporation's directors, executive officers or companies or persons that beneficially own or control or direct, directly or indirectly, or a combination of both, more than 10 percent of the Corporation's Common Shares, or any of their respective associates or affiliates, has any material interest in any transaction with the Corporation since the commencement of

the Corporation's last financial year, or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

In August 2013, Eastern subscribed for 1,765,307 units of the Corporation at a price of \$0.90 per unit, each unit being comprised of one Common Share and 0.3 common share purchase warrants. Each whole warrant was exercisable at a price of \$0.90 per share for a period of five years.

On June 10, 2014, NGN BioMed Opportunity II, L.P., a limited partnership that is under the control or direction of Dr. Peter Johann, the chairman of the Corporation, subscribed for 1,230,769 Common Shares of the Corporation at a price of \$0.65 per share and certain other directors and officers of the Corporation subscribed for an aggregate of 1,080,522 Common Shares at a price of \$0.65 per share.

OTHER MATTERS

As of the date of this Management Information Circular, the Board and management know of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting; however, if any other matter properly comes before the Meeting, proxies in favour of management nominees will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

The contents and the sending of this Management Information Circular have been approved by the Board of Directors of the Corporation.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information relating to the Corporation's most recently completed financial year is provided in the Corporation's comparative financial statements and management's discussion and analysis available on SEDAR. A shareholder may contact the Corporation at 300, 4820 Richard Road SW, Calgary, Alberta, T3E 6L1, Attention: CFO, to obtain a copy of the Corporation's most recent financial statements and management's discussion and analysis.

Dated July 14, 2014