

FORM 7

MONTHLY PROGRESS REPORT

Name of CNSX Issuer: Pivotal Therapeutics Inc. (the "Issuer").

Trading Symbol: PVO

Number of Outstanding Listed Securities: 69,901,117 common shares

Date: July 7, 2011

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNSX Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the CNSX.ca website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the CNSX Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. **Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.**

Over the previous month, the Issuer has continued to work and deliver on the objectives laid out in the business plan. Specifically, the Issuer has announced and introduced the members of its management team and Board of Directors, announced the opening of its U.S. headquarters at the Research

Park at Florida Atlantic University (FAU), and undertaken an agreement assigning exclusive rights for Nutrasource Diagnostics Inc.'s Omega-3 Diagnostic to Pivotal Therapeutics for prescription through physician offices in the U.S. market. Furthermore, the Issuer launched clinical trials to assess the effectiveness of its lead product VASCAZEN™ as an aid in the dietary management of Omega-3 deficient cardiovascular disease patients through elevating Eicosapentaenoic (EPA) and Docosahexaenoic (DHA) Omega-3 fatty acids. The Issuer has announced plans for the North American Launch of VASCAZEN™, the Company's lead therapeutic formulated as a prescription medical food to meet the dietary Omega-3 deficient needs of patients with cardiovascular disease through elevating EPA and DHA Omega-3 Fatty acids. The product will be launched at both the Canadian Cardiovascular Congress (CCC) Vancouver 2011 Conference and the American Heart Association's (AHA) Scientific Sessions 2011, in October and November 2011 respectively.

2. Provide a general overview and discussion of the activities of management.

Management has continued to work and deliver on the objectives laid out in the business plan to commercialize VASCAZEN™ and increase shareholder value. Management has opened up the company's U.S. headquarters, undertaken an agreement for exclusive rights to an Omega-3 Diagnostic Test, launched a clinical trial and announced plans for VASCAZEN™'s North American Launch.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

This item is not applicable to the Issuer for the month of June 2011.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

This item is not applicable to the Issuer for the month of June 2011.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

The Issuer has undertaken an agreement assigning exclusive rights for Nutrasource Diagnostics Inc.'s (NDI) Omega-3 Diagnostic to Pivotal Therapeutics for prescription through physician offices in the U.S. market. The agreement with NDI enables Pivotal to provide physicians with a

powerful prescription combination for diagnostic testing and a medical food treatment, delivering a comprehensive treatment for patients deficient in omega-3.

6. **Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.**

This item is not applicable to the Issuer for the month of June 2011.

7. **Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.**

This item is not applicable to the Issuer for the month of June 2011.

8. **Describe the acquisition of new customers or loss of customers.**

This item is not applicable to the Issuer for the month of June 2011.

9. **Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.**

This item is not applicable to the Issuer for the month of June 2011.

10. **Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.**

This item is not applicable to the Issuer for the month of June 2011.

11. **Report on any labour disputes and resolutions of those disputes if applicable.**

This item is not applicable to the Issuer.

12. **Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.**

This item is not applicable to the Issuer.

13. **Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.**

This item is not applicable to the Issuer.

14. Provide details of any securities issued and options or warrants granted.

| Security | Number Issued | Details of Issuance | Use of Proceeds⁽¹⁾ |
|-----------------|----------------------|---|--|
| Common Shares | 840,000 | Exercise of warrants issued during initial financing. | The aggregate proceeds from the exercise of the warrants equals \$210,000. The proceeds will be used for operational purposes. |

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

This item is not applicable to the Issuer for the month of June 2011.

16. Provide details of any changes in directors, officers or committee members.

This item is not applicable to the Issuer for the month of June 2011.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

None.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated July 7, 2011

Rachelle MacSweeney
Name of Director or Senior
Officer


Signature
President & Director
Official Capacity

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|------------------------------------|----------------------------|------------------------------|-----------------------|
| Issuer Details | | For Month End | Date of Report |
| <u>Name of Issuer</u> | | June 30, 2011 | (YY/MM/D) |
| Pivotal Therapeutics Inc. | | | 11/07/07 |
| <u>Issuer Address</u> | | | |
| 81 Zenway Blvd., Unit 10 | | | |
| <u>City/Province/Postal Code</u> | <u>Issuer Fax No.</u> | <u>Issuer Telephone No.</u> | |
| Woodbridge, Ontario L4H 0S5 | (905) 856-2177 | (905) 856-9797 | |
| <u>Contact Name</u> | <u>Contact Position</u> | <u>Contact Telephone No.</u> | |
| Rachelle MacSweeney | President & Director | (905) 856-9797 | |
| <u>Contact Email Address</u> | <u>Web Site Address</u> | | |
| rmacsweeney@pivotaltherapeutics.us | www.pivotaltherapeutics.us | | |