

FORM 11

NOTICE OF PROPOSED STOCK OPTION GRANT OR AMENDMENT

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

Trading Symbol: PVO

Date: August 18, 2011

1. New Options Granted:

Date of Grant: August 18, 2011

Name of Optionee	Position (Director/ Officer/ Employee/ Consultant/ Management Company)	Insider Yes or No?	No. of Optioned Shares	Exercise Price	Expiry Date	No. of Options Granted in Past 12 Months
The Shoreham Group, LLC	Investor Relations	Yes	100,000	\$0.30	August 18, 2016	100,000

Total Number of optioned shares proposed for acceptance: 100,000.

2. Other Presently Outstanding Options:

Name of Optionee	No. of Optioned Shares ⁽¹⁾	Exercise Price	Original Date of Grant	Expiry Date
Jason Yantha	300,000	\$0.10	January 11, 2011	January 11, 2016
DAG Consulting Corporation	300,000	\$0.10	January 11, 2011	January 11, 2016
Catherine Mahut	50,000	\$0.10	February 7, 2011	February 7, 2016
Hans-Michael Dosch	50,000	\$0.10	February 7, 2011	February 7, 2016
Bruce Holub	50,000	\$0.10	February 7, 2011	February 7, 2016
Donald D. B. McGimpsey	50,000	\$0.10	February 7, 2011	February 7, 2016
Ken Yurichuk	100,000	\$0.10	March 10, 2011	March 10, 2016
Rear Admiral [Ret.] James J. Carey	100,000	\$0.10	March 10, 2011	March 10, 2016
Giuseppe Simeone	100,000	\$0.10	March 10, 2011	March 10, 2016
Angela Bortoluzzi	50,000	\$0.10	March 10, 2011	March 10, 2016
Eric Stanton	50,000	\$0.10	March 10, 2011	March 10, 2016
Gord Peterson	250,000	\$0.10	March 10, 2011	March 10, 2016
Paul Kerth	250,000	\$0.10	March 10, 2011	March 10, 2016
Dynamo Consulting Group Inc.	3,449,306	\$0.10	May 18, 2011	November 18, 2012
Jason Yantha	100,000	\$0.45	May 24, 2011	May 24, 2016
George Jackowski	500,000	\$0.45	May 24, 2011	May 24, 2016
Eugene Bortoluzzi	500,000	\$0.45	May 24, 2011	May 24, 2016
Rachelle MacSweeney	500,000	\$0.45	May 24, 2011	May 24, 2016

(1) Set out number of optioned shares for each grant with different terms.

3. Additional Information

- (a) **If shareholder approval was required for the grant of options (including prior approval of a stock option plan), state the date that the shareholder meeting approving the grant was or will be held.**

No shareholder approval was required for the grant of the options. Prior approval of the stock option plan occurred March 10, 2011.

- (b) **State the date of the news release announcing the grant of options.**

August 18, 2011

- (c) **State the total issued and outstanding share capital at the date of grant or amendment.**

73,366,617 as at August 17, 2011

- (d) **State, as a percentage of the issued and outstanding shares of the Issuer indicated in (c) above, the aggregate number of shares that are subject to incentive stock options, including new options, amended options and other presently outstanding options.**

9.2% of issued shares

- (e) **If the new options are being granted pursuant to a stock option plan, state the number of remaining shares reserved for issuance under the plan.**

The number of remaining shares reserved for issuance under the stock option plan is 4,155,686 shares.

- (f) **If the Issuer has completed a public distribution of its securities within 90 days of the date of grant, state the per share price paid by the public investors.**

Not Applicable

- (g) **Describe the particulars of any proposed material changes in the affairs of the Issuer.**

None

4. 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 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 11 Notice of Proposed Stock Option Grant or Amendment is true.

Dated August 18, 2011.

Rachelle MacSweeney
Name of Director or Senior
Officer


Signature

President
Official Capacity