

## FORM 10

### NOTICE OF PROPOSED SIGNIFICANT TRANSACTION (not involving an issuance or potential issuance of a listed security)<sup>1</sup>

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

Trading Symbol: PVO

Issued and Outstanding Securities of the Issuer Prior to Transaction: 73,366,617

Date of News Release Fully Disclosing the Transaction: August 18, 2011

#### 1. Transaction

1. Provide details of the transaction including the date, description and location of assets, if applicable, parties to and type of agreement (eg: sale, option, license, contract for Investor Relations Activities etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material: Contract to provide investor relations services, including but not limited to communications, strategic planning, and competitive analysis, for a one year term (renewable). Please refer to Schedule A for a complete listing of the services to be provided.
  
2. Provide the following information in relation to the total consideration for the transaction (including details of all cash, non-convertible debt securities or other consideration) and any required work commitments:
  - (a) Total aggregate consideration in Canadian dollars: US \$120,000 plus options to acquire 100,000 common shares at \$0.30 per share.
  - (b) Cash: US \$10,000 per month for 12 months
  - (c) Other: Options to acquire 100,000 common shares at an exercise price of \$0.30 (closing price on CNSX on August 17, 2011)
  - (d) Work commitments: Please refer to Schedule A for a complete listing of the services to be provided.

<sup>1</sup> If the transaction involved the issuance of securities, other than debt securities that are not convertible into listed securities, use Form 9.

3. State how the purchase or sale price and the terms of any agreement were determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc): Arm's-length negotiation
4. Provide details of any appraisal or valuation of the subject of the transaction known to management of the Issuer: N/A
5. If the transaction is an acquisition, details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired: N/A
6. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the transaction (including warrants, options, etc.):
- (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the transaction (name, address. If a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): N/A
- (b) Cash N/A
- (c) Other N/A
7. State whether the vendor, sales agent, broker or other person receiving compensation in connection with the transaction is a Related Person or has any other relationship with the Issuer and provide details of the relationship. N/A
8. If applicable, indicate whether the transaction is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months. N/A

## 2. Development

Provide details of the development. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material: N/A

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## 3. 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. To the knowledge of the Issuer, at the time an agreement in principle was reached, no party to the transaction had knowledge of any undisclosed material information relating to the Issuer, other than in relation to the transaction.
3. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
4. 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).
5. All of the information in this Form 10 Notice of Proposed Significant Transaction is true.

Dated: August 18, 2011,

Rachelle MacSweeney  
Name of Director or Senior  
Officer

  
Signature

President  
Official Capacity

## SCHEDULE A

### SERVICES

#### *A. Initial Meeting with the Company*

- Discuss the Company's Vision/Mission Statement
- Discuss the Company's Goals and Expectations
- Review the Company's organization and corporate structure
- Review the Company's capitalization
- Meet key employees

#### *B. Corporate Materials and Communications*

- Review of the Company's Web site
- Review of the Company's business presentations to potential investors
- Review of the Company's press releases
- Strategic advice and counsel on releasing and managing news flow
- Logistics in relation to earnings calls to investors
- Review of the Company's conference call scripts, web casts, and other prepared materials

#### *C. Investor Relations ("IR") Strategy Planning*

- Create and implement a targeted IR strategy centered around key corporate events
- Hold weekly conference calls between Shoreham and the Company
- Develop monthly reports for the Company

#### *D. Day-to-Day IR Activities*

- Answer incoming investor inquiries from retail and institutional investors
- Update investor correspondence lists
- Target specific US and non-US investors

#### *E. Sector and Competitive Landscape Analysis*

- Provide news updates on events affecting the Company's business sector
- Provide the Company with news updates regarding the Company and its peers/competitors, as well as analyst research reports and institutional ownership
- Monitor competitive landscape by speaking to the investment community, monitoring press releases and attending investment conferences

*F. Investors and Analysts*

- Develop and monitor lists of current investors and analysts
- Interact and liaise with current investors and analysts, coordinating these contacts with the Company so that the parties do not duplicate efforts
- Regularly survey opinions of analysts and portfolio managers and provide feedback and strategic consultation

*G. Position the Company for financing*

- Review top funds, bankers and brokers with the Company
- Review other companies that are competing for financing
- Review deals that are being financed today and why

*H. Outreach and Meetings*

- Set up road shows to build institutional base of support in key cities across the U.S.
- Set up select retail broker/shareholder meetings to help build liquidity in stock
- Work with investment banks to obtain invitations to banking and non-banking industry conferences
- Conduct outreach to potential investors via e-mail, and phone
- Regularly set up meetings or calls with potential investment bankers and analysts
- Attend one-one-one meetings and provide backgrounds on the individuals
- Follow up with meetings and provide feedback and insight to the Company
- Create an e-mail release-brief for all press releases to target list

*I. Additional Projects*

- As determined by the Company, any additional "Special Projects" will be agreed upon in writing in an amendment to this agreement or a separate agreement and billed separately.