

# Merus Labs International Inc. announces proceeds of the warrant incentive program and repayment of short term credit facility

(CNSX: MR)

VANCOUVER, Oct. 14, 2011 /CNW/ - Merus Labs International Inc. (the "Company") is pleased to announce that 16,324,250 warrants were exercised pursuant to the warrant incentive program (the "Program") announced by the Company on September 28, 2011 for gross proceed of \$6,529,700. Under the Program the Company granted to holders of its existing warrants one half of a bonus warrant (a "Bonus Warrant") for each existing warrant exercised on or before October 12, 2011. The Bonus Warrant is exercisable at \$0.65 for 18 months. The Company has agreed to pay a 4% cash payment to PowerOne Capital Markets Limited and Primary Capital Inc. in connection with their assistance in having the existing warrant holders exercise their warrants.

The Company also announces that from the proceeds of the Program, it has repaid \$4,444,000 remaining balance of the short-term loan (\$6.0 million) extended by Envoy Capital to the Company earlier this year, inclusive of principal and interest.

"I am very pleased with the results of the warrant incentive program. With our stronger balance sheet we will continue to search for product acquisition and licensing opportunities to increase value for our shareholders in the near future." said Ahmad Doroudian, President and CEO.

## About Merus Labs

Merus is a specialty pharmaceutical company engaged in the acquisition and licensing of pharmaceutical products. Merus Labs utilizes its expertise in the North American pharmaceutical markets and its access to capital to acquire and license niche branded products in Canada and United States. Merus Labs further enhances the sale and distribution of these products by introduction of a focused marketing and promotion plan.

## Forward-looking Statements:

This press release may contain forward-looking statements that involve risks and uncertainties. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology including "could", "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential" and the negative of these terms or other comparable terminology. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested in this report. Except as required by applicable law, we do not intend to update any of the forward-looking statements so as to conform these statements to actual results. Investors should refer to the risks disclosed in the Company's reports filed from time to time with securities regulatory authorities.

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