

## MERUS LABS AND ENVOY UPDATE SHAREHOLDER MEETING MATTERS

VANCOUVER, December 8, 2011 - Merus Labs International Inc. [CNSX: MR] (“**Merus**”) and Envoy Capital Group Inc. [TSX: ECG] [NASDAQ: ECGI] (“**Envoy**”) announced on November 11, 2011 that they entered into a definitive arrangement agreement whereby Envoy and Merus will amalgamate to form a new company (“**Amalco**”) pursuant to a plan of arrangement under the *Business Corporations Act* (British Columbia) (the “**Arrangement**”).

Details with respect to the arrangement are disclosed in a joint management information circular dated November 10, 2011 (the “**Circular**”) which has been mailed to Merus shareholders and Envoy shareholders and filed on www.sedar.com in connection with meetings to be held on December 9, 2011 to approve the Arrangement and various matters in connection with the Arrangement (collectively, the “**Meetings**”).

It is a condition precedent to the Arrangement that Envoy will complete a private placement (the “**Offering**”) of up to 4,500,000 units of Envoy (each, an “**Envoy Unit**”) at a minimum price of \$2.00. Each Envoy Unit consists of one common share of Envoy (an “**Envoy Share**”) and one half of one warrant (a “**Warrant**”), which entitles the holder to purchase an additional Envoy Share at an exercise price of \$3.00 per Envoy Share at any time for a period of 36 months following the date of satisfaction of the Escrow Release Conditions (as defined below) provided, however, that should the closing price at which the Envoy Shares trade on the Toronto Stock Exchange exceed \$4.00 for 20 consecutive trading days at any time, the term of the Warrants may be accelerated to the date which is 30 calendar days following the date a press release is issued announcing the reduced term of the Warrants. It is anticipated that the proceeds from the Offering will be used for Amalco’s general working capital and to implement Amalco’s business plan by providing funds for the expansion of Merus’ marketing initiatives and for strategic acquisitions.

For purposes of considering the matters to be approved at the meeting of shareholders of Envoy and Merus, the following disclosure is made with respect to the Offering in addition to the information disclosed in the Circular:

- (a) The Offering will be sold as subscription receipts (the “**Subscription Receipts**”) whereupon each Subscription Receipt will be automatically exchanged, without payment of any additional consideration and subject to adjustment, for one Unit upon satisfaction of the Escrow Release Conditions (as hereinafter defined) on or before the Escrow Deadline (as hereinafter defined). The gross proceeds of the Offering (less certain applicable expenses in connection with the Offering) will be delivered to and held by a licensed Canadian trust company or other escrow agent (the “**Escrow Agent**”) acceptable to Envoy in an interest bearing account (the “**Escrowed Funds**”). The Escrowed Funds (plus any accrued interest earned thereon) will be released from escrow to Envoy upon satisfaction of the following conditions (together, the “**Escrow Release Conditions**”) on or before 5:00 p.m. (Toronto time) on February 29, 2012 (the “**Escrow Deadline**”):

- (A) the completion or waiver of all conditions precedent to the Amalgamation to the satisfaction of Envoy and Merus;
- (B) the receipt of all required shareholder and regulatory approvals (including, without limitation, the conditional approval of the Toronto Stock Exchange for the Amalgamation and the listing of the common shares of Amalco); and
- (C) the receipt of any third party consents necessary to consummate the Amalgamation.

If the Escrow Release Conditions are not satisfied or waived on or before the Escrow Deadline, the Subscription Receipts will immediately become null, void and of no further force or effect and, as soon as reasonably possible, and in any event within five (5) business days following the Escrow Deadline, the Escrowed Funds will be returned to the holders of Subscription Receipts in an amount per Subscription Receipt equal to: (i) the Subscription Price; and (ii) a pro rata share of interest, if any, actually earned thereon to the date of redemption.

A cash fee equal to 6.0% of the gross proceeds from the Subscription Receipts sold to the purchasers introduced to the Company by such Finder (the “**Finder’s Fee**”) will be paid to the Finders upon satisfaction of the Escrow Release Conditions. In addition, the Company agrees to grant to the Finders upon satisfaction of the Escrow Release Conditions compensation options (the “**Compensation Options**”) entitling the Finders to subscribe for that number of Units as is equal to 6.0% of the total number of the Subscription Receipts issued to the purchasers introduced to the Company by such Finder pursuant to the Offering for a total of up to 270,000 Compensation Options. Each Compensation Option will be exercisable to acquire one Envoy Unit for a period of 36 months following the date the Escrow Release Conditions have been satisfied at an exercise price of \$2.00 per Envoy Unit;

- (b) The Offering could result in up to a total of 7,155,000 common shares of Envoy being issued, being comprised of:
  - (i) 4,500,000 common shares underlying the Subscription Receipts;
  - (ii) 2,250,000 common shares underlying the warrants which underlie the Subscription Receipts;
  - (iii) 270,000 common shares underlying the Compensation Options equal to 6.0% of the Subscription Receipts sold; and
  - (iv) 135,000 common shares underlying the warrants which underlie the Compensation Options.

The 7,155,000 common shares of Envoy issuable pursuant to the Offering represent 89.1% of the 8,028,377 currently issued and outstanding shares of Envoy;

- (c) No subscribers to the offering will acquire sufficient Subscription Receipts pursuant to the Offering to result in a material affect on control;

- (d) Insiders of Envoy intend to subscribe for up to 901,500 Subscription Receipts for which up to 1,352,250 Envoy Shares are issuable representing 16.8% of the 8,028,377 currently issued and outstanding Envoy Shares:

Name & Title of Insider	Ownership of Envoy Shares pre-Arrangement (% based on 8,028,377 common shares outstanding pre-Arrangement)		Subscription Receipts to be Purchased (% based on 8,028,377 common shares outstanding pre-Arrangement)		Ownership of Envoy Shares including Subscription Receipts (% based on 8,028,377 common shares outstanding pre-Arrangement)		Ownership of Amalco Shares post-Arrangement (% based on 25,163,503 common shares outstanding post-Arrangement)	
	Basic	Total Issuable <sup>(1)</sup>	Basic	Total Issuable <sup>(2)</sup>	Basic	Total Issuable <sup>(2)</sup>	Basic	Total Issuable <sup>(3)</sup>
Robert Pollock President, CEO & Director	1,200,000 (14.9%)	1,350,000 (16.8)	750,000 (9.3%)	1,125,000 (14.0%)	1,950,000 (24.3%)	2,325,000 (29.0%)	2,877,250 (11.4%)	3,402,250 (13.5%)
Timothy Sorensen Director	325,000 (4.0%)	475,000 (5.9%)	51,500 (0.6%)	77,250 (0.9%)	376,500 (4.7%)	402,250 (5.0%)	626,500 (2.5%)	802,250 (3.2%)
John Campbell Director	100,000 (1.2%)	250,000 (3.1%)	100,000 (1.2%)	150,000 (1.9%)	200,000 (2.5%)	250,000 (3.1%)	200,000 (0.7%)	400,000 (1.6%)
	<b>1,625,000 (20.2%)</b>	<b>2,075,000 (25.8%)</b>	<b>901,500 (11.2%)</b>	<b>1,352,250 (16.8%)</b>	<b>2,526,500 (31.4%)</b>	<b>2,977,250 (37.1%)</b>	<b>3,703,750 (14.7%)</b>	<b>4,604,500 (18.3%)</b>

Notes:

- (1) Includes Envoy Shares issuable pursuant to Envoy options held by insider.
- (2) Includes Envoy Shares issuable pursuant to common share purchase warrants underlying the Subscription Receipts and excludes Envoy Shares issuable pursuant to Envoy options held by insider.
- (3) Includes Amalco Shares issuable pursuant to Amalco options and common share purchase warrants held by the insider. Robert Pollock and Timothy Sorenson own, respectively, 3,709,000 common shares of Merus (equal to 927,250 Amalco Shares) and 1,000,000 common shares of Merus (equal to 250,000 Amalco Shares).

- (e) Pursuant to policies of the TSX shareholder approval of the Offering is required for the following reasons:

- (i) up to 7,155,000 Envoy Shares underlying 4,500,000 Subscription Receipts and 270,000 Compensation Options being issued pursuant to the Offering exceed 25% of the 8,028,377 currently issued and outstanding shares; and
- (ii) up to 1,352,250 Envoy Shares underlying 901,500 Subscription Receipts being acquired by insiders is an acquisition of more than 10% of the 8,028,377 currently issued and outstanding shares over a six month period;

- (f) The Arrangement will be approved by shareholders of Envoy other than the above-noted insiders who have participated in the Offering with the result that the disinterested shareholders of Envoy will approve the Arrangement.

The closing of the Arrangement and Amalco are subject to a number of risks including the risk that Amalco will face competition from new pharmaceutical and biotech products that treat some of the same diseases and conditions as Amalco's products (please see

page 59 of the joint management information circular filed on SEDAR on November 10, 2011). Recently, Optimer Pharmaceuticals, Inc. (“Optimer”) announced that Health Canada awarded Optimer priority review for its product: DIFICID®. DIFICID® is another method for the treatment of *Clostridium difficile* infection. Optimer asserts that DIFICID® has a slightly lower recurrence rate than Vancocin®. The recent Infectious Diseases Society of America guidelines (the “IDSA Guidelines”) indicate that a tapered and pulsed regimen with Vancocin® is effective in reducing recurrence. The IDSA Guidelines also recommend that Vancocin® be used as a first-line therapy in the treatment of *Clostridium difficile*. If Optimer is able to demonstrate that DIFICID® is preferable to Vancocin®, the business of Amalco could be adversely affected.

#### 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, including statements relating to the anticipated use of proceeds of the private placement of Envoy and the anticipated closing date for the Arrangement. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect Merus’ and Envoy’s current judgment, actual results will almost always vary as a result of various factors, including, but not limited to, the state of the financial markets for the Merus Shares and Envoy Shares; Merus’ and Envoy’s ability to complete the Arrangement for any reason including their inability to obtain any necessary consents or authorizations required; Envoy’s inability to complete the private placement; and other risks associated with the closing of the Arrangement. Except as required by applicable law, Envoy and Merus 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 Merus’ and Envoy’s reports filed from time to time with securities regulatory authorities.

This press release does not constitute an offer of any securities for sale or a solicitation of an offer to purchase any securities. The securities to be issued in connection with the Arrangement have not been and will not be registered under the United States Securities Act of 1933 (the “**1933 Act**”) and may not be offered or sold in the United States absent registration under the 1933 Act or pursuant to an available exemption from the registration requirements of the 1933 Act. In addition, none of the Subscription Receipts, the Envoy Units, the Envoy Shares, the share purchase warrants or the shares issuable upon exercise of the share purchase warrants have been or will be registered under the 1933 Act and may not be offered or sold in the United States absent registration under the 1933 Act or pursuant to an available exemption from the registration requirements of the 1933 Act.

#### **For further information about Merus, please contact:**

Dr. Ahmad Doroudian  
President & Chief Executive Officer  
Tel: 604.805.7783

**For further information about Envoy, please contact:**

Robert Pollock  
President & Chief Executive Officer  
Tel: 416.619.3166