

## **MERUS SIGNS DEFINITIVE ACQUISITION AGREEMENT WITH DACHA STRATEGIC METALS INC.**

**Toronto, July 4, 2014 - Merus Labs International Inc.** (“Merus” or the “Company”) [TSX: MSL, NASDAQ: MSLI] today announced that it has entered into a definitive acquisition agreement with Dacha Strategic Metals Inc. (“Dacha”) [TSX-V: DSM] pursuant to which Dacha will complete the balance of the previously announced investment of at least \$11 million in Merus.

As contemplated by the letter agreement between Dacha and Merus which was announced on June 10, 2014, the acquisition agreement provides that Merus will acquire from Dacha, in exchange for common shares of Merus (“Merus Shares”), a new subsidiary to be incorporated by Dacha (“Newco”) and to which Dacha will contribute a minimum of \$6 million cash by way of equity subscriptions. The number of Merus Shares that Dacha will receive in exchange for Newco will equal Newco’s cash on hand at closing divided by \$1.70. Upon closing of the transaction, Merus will pay to Dacha a transaction fee, payable in the common shares of Merus based on a price of \$1.70 per share, equal to 3.5% of the aggregate value of the Merus Shares exchanged for Newco.

Dacha purchased \$5 million of Merus Shares at a price of \$1.70 per share as part of the Merus bought deal financing completed on June 19, 2014. Therefore, upon completion of the transactions contemplated by the acquisition agreement, it is expected that Dacha will have acquired a total of at least \$11 million of Merus Shares at a price of \$1.70 per share.

Completion of the transaction is conditional upon the conditions to closing set forth in the acquisition agreement, which include receipt of all necessary stock exchange approvals, receipt of Dacha shareholder approval and no material adverse change with respect to Merus or Dacha. If the transaction has not been completed by August 31, 2014, either party may terminate the acquisition agreement.

Dacha will be seeking shareholder approval for the sale of Newco to Merus at Dacha’s annual and special meeting of shareholders on August 11, 2014. Certain Dacha shareholders have signed voting support agreements with Merus pursuant to which they have agreed that they will vote their Dacha common shares in favour of the sale of Newco at the meeting.

### **About Merus**

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

### **Commentary Regarding Forward-Looking Statements**

This news release may contain "forward-looking information" as defined in applicable Canadian securities legislation and "forward-looking statements" within the meaning of Section 21E (i) (1) of the United States Securities Exchange Act of 1934. All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding future plans and objectives of Merus, the completion of the Dacha acquisition, constitute forward-looking information that involve various known and unknown risks, uncertainties, and other factors outside management's control. Forward-looking information is based on a number of factors and assumptions which have been used to develop such information but which may prove to be incorrect. There can be no assurance that such

information will prove to be accurate and actual results and future events could differ materially from those anticipated in such forward-looking information.

For additional information with respect to risk factors applicable to Merus, reference should be made to Merus' continuous disclosure materials filed from time to time with securities regulators, including, but not limited to, Merus' Annual Information Form. The forward-looking information contained in this release is made as of the date of this release and Merus does not undertake to update publicly or revise the forward-looking information contained in this release, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

No regulatory authority has approved or disapproved the adequacy or accuracy of this news release.

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