EXECUTION VERSION

July 5, 2016

Acerus Pharmaceuticals Corporation
Acerus Pharmaceuticals (Barbados) Inc.
Acerus Pharmaceuticals SRL
2488 Dunwin Dr.
Mississauga, ON L5L 1J9
Attention: Tom Rossi, President and CEO

RE: **Consent Letter**

Ladies and Gentlemen:

Reference is made to that certain Credit and Security Agreement, dated as of July 16, 2015, by and among Acerus Pharmaceuticals (f/k/a Trimel Pharmaceuticals Corporation), a corporation formed under the laws of the Province of Ontario (the "Borrower") and Acerus Pharmaceuticals SRL (f/k/a Trimel BioPharma SRL), a society with restricted liability established under the *Societies With Restricted Liability Act*, Chapter 318B of the laws of Barbados ("TBS") and Acerus Pharmaceuticals (Barbados) Inc. (f/k/a Trimel BioPharma Holdings Inc.**)**, a company incorporated under the *International Business Companies Act*, Chapter 77 of the laws of Barbados ("TBH", together with TBS and Borrower, each a "Credit Party"), the Lenders party thereto from time to time and Midcap Funding V Trust, as administrative agent (in such capacity, "Agent") and a Lender (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"). All capitalized terms used in this consent letter (this "Consent Letter") and not otherwise defined herein, shall have the respective meanings given such terms in the Credit Agreement.

Borrower has requested Agent's consent to the Borrower entering into that certain Promissory Note, dated July 5, 2016, made by Borrower in favor of Endo Ventures Bermuda Limited, a Bermuda corporation ("Endo") in the original aggregate principal amount of $3,800,000 and in the form attached hereto as Exhibit A (such promissory note, as amended, restated, supplemented or otherwise modified (in each case subject to the restrictions on such modifications as set forth in this Consent Letter), the "Endo Note").

Agent and the Lenders hereby consent to the entering into of the Endo Note by Borrower subject to the following conditions and agreements:

(a) The Endo Note is executed in the form attached hereto as Exhibit A and Borrower shall not be permitted to amend or otherwise modify the Endo Note without the prior written consent of the Agent and Lenders;

(b) Borrower shall not be permitted to make any payments in respect to the ENDO note other than regularly scheduled payments of principal and interest as set forth in the Endo Note (the "Scheduled Payments") and Mandatory Prepayments pursuant to Section 6(b) of the Endo Note (the "Mandatory Prepayments"; and together with the Scheduled Payments, collectively, the "Subject Endo Payments") but, in the case of each Subject Endo Payment, only to the extent that both before and after giving effect to any such Subject

Endo Payment (i) Borrower is in compliance with the monthly minimum cash covenant set forth in Section 8.3(b) of the Credit Agreement both before and after giving effect to any such payment and has provided Agent with evidence of such compliance in form and substance satisfactory to Agent, (ii) no Default or Event of Default exists or would arise as a result of such Subject Endo Payment and (iii) solely in the case of any Mandatory Prepayment, (A) only to the extent that any amounts being used to pay such Mandatory Prepayment are not required to be used to prepay the Obligations pursuant to the Credit Agreement or any Financing Documents and (B) in the case of any Mandatory Prepayment in respect of the proceeds of the issuance or incurrence, as applicable, of equity or debt securities, or Indebtedness (in each case, subject at all times to restrictions on such issuance or incurrence as are set forth in the Credit Agreement or Financing Documents), only after the Obligations have been indefeasibly paid and satisfied in full (other than contingent indemnification obligations that survive repayment and for which no claim has yet been asserted);

(c) Any Default or Event of Default under the Endo Note shall constitute an immediate Event of Default under the Credit Agreement and Borrower agrees to give Agent prompt (and in any event within three (3) Business Days) written notice of any Default or Event of Default under the Endo Note; and

(d) Any Change of Control under and as defined in the Endo Note shall constitute a Change in Control under and as defined in the Credit Agreement and Borrower agrees to give Agent prompt (and in any event within three (3) Business Days) written notice of any such Change of Control under the Endo Note.

Any failure by Borrower or any Credit Party to comply with the foregoing conditions to this consent shall constitute an immediate Event of Default.

Except for the consents and modifications expressly set forth above, the Credit Parties agree and acknowledge that the Credit Agreement and the other Financing Documents shall remain unchanged and in full force and effect, and this Consent Letter shall be limited precisely and expressly as drafted. This Consent Letter shall constitute a Financing Document for all purposes of the Credit Agreement and the other Financing Documents.

Credit Parties hereby represent and warrant that (i) each of the representations and warranties contained in the Credit Agreement and the other Financing Documents, is true, correct and complete in all material respects as of the date hereof; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further, that those representations and warranties expressly referring to a specific date shall be true, correct and complete in all material respects as of such date and (ii) no Default or Event of Default exists.

This Consent Letter shall not become effective until Agent has received an executed and delivered signature page to this Consent Letter from each Lender and the Credit Parties, and Agent has distributed a fully executed copy of the Consent Letter to all such parties.

In consideration of the agreements of Agent and Lenders contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each of Borrower and each Credit Party, on behalf of itself and each of their

Affiliates and Subsidiaries and each of their respective successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably releases, remises and forever discharges Agent and each Lender and their respective successors and assigns, and their respective present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, attorneys, employees, agents and other representatives (Agent, Lenders and all such other persons being hereinafter referred to collectively as the "Releasees" and individually as a "Releasee"), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defenses, rights of set off, demands and liabilities whatsoever (individually, a "Claim" and collectively, "Claims") of every name and nature, known or unknown, suspected or unsuspected, both at law and in equity, which Borrower, any other Credit Party or any of their respective successors, assigns, or other legal representatives may now or hereafter own, hold, have or claim to have against the Releasees or any of them for, upon, or by reason of any circumstance, action, cause or thing whatsoever which arises at any time on or prior to the date of this Consent Letter, including, without limitation, for or on account of, or in relation to, or in any way in connection with the Credit Agreement or any of the other Financing Documents or transactions thereunder or related thereto. Borrower and each Credit Party understand, acknowledge and agree that their release set forth above may be pleaded as a full and complete defense and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release. Borrower and each Credit Party agree that no fact, event, circumstance, evidence or transaction which could now be asserted or which may hereafter be discovered shall affect in any manner the final, absolute and unconditional nature of the release set forth above.

Borrower and the Credit Parties and each of their successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably, covenants and agrees with and in favor of each Releasee that it will not sue (at law, in equity, in any regulatory proceeding or otherwise) any Releasee on the basis of any Claim released, remised and discharged by Borrower or any other Credit Party pursuant to the immediately preceding paragraph. If Borrower, any other Credit Party or any of their successors, assigns or other legal representatives violates the foregoing covenant, Borrower and the Credit Parties and each of their successors, assigns and legal representatives, agrees to pay, in addition to such other damages as any Releasee may sustain as a result of such violation, all attorneys' fees and costs incurred by any Releasee as a result of such violation.

Borrower and each Credit Party represents that it has discussed this Agreement with its counsel.

THIS CONSENT LETTER SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

This Consent Letter may be executed in multiple counterparts, each of which shall constitute an original hereof, and all of which taken together shall constitute one and the same agreement. One or more counterparts of this Consent Letter may be delivered by facsimile or electronic (including "PDF") transmission, with the intention that delivery by such means shall have the same effect as delivery of an original counterpart thereof.

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IN WITNESS HEREOF, as of the date above-written, the undersigned hereby agree to the terms and conditions set forth in this Consent Letter.

Very truly yours,

MIDCAP FUNDING V TRUST, as Agent

By: Apollo Capital Management, L.P.,
its investment manager

By: Apollo Capital Management GP, LLC,
its general partner

By: _____(signed) "*Maurice Amsellem*"_________
Name: Maurice Amsellem
Title: Its Authorized Signatory

[*Additional signature pages follow*]

ACCEPTED AND AGREED TO:

MIDCAP FUNDING V TRUST, as Lender

By: Apollo Capital Management, L.P.,
its investment manager

By: Apollo Capital Management GP, LLC,
its general partner

By: _____(signed) "*Maurice Amsellem*"____
Name: Maurice Amsellem
Title: Its Authorized Signatory

[*Additional signature pages follow*]

ACCEPTED AND AGREED TO:

ACERUS PHARMACEUTICALS CORPORATION

By: (signed) "*Tom Rossi*"
Name: Tom Rossi
Title: President and CEO

ACERUS PHARMACEUTICALS SRL

By: (signed) "*Arlene Quintyne*"
Name: Arlene Quintyne
Title: Vice President Finance

ACERUS PHARMACEUTICALS (BARBADOS) INC.

By: (signed) "*Arlene Quintyne*"
Name: Arlene Quintyne
Title: Vice President Finance

EXHIBIT A

ENDO NOTE

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED OR OTHERWISE DISTRIBUTED FOR VALUE UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT COVERING THIS SECURITY OR UNLESS SUCH SALE, TRANSFER, ASSIGNMENT, PLEDGE OR DISTRIBUTION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SUCH ACT AND APPLICABLE STATE SECURITIES LAWS.

PROMISSORY NOTE

Principal Amount: $3,800,000.00 Effective Date: July 5, 2016
Maturity Date: June 30, 2020

FOR VALUE RECEIVED, the undersigned, Acerus Pharmaceuticals Corporation, a Canadian corporation (**"Maker"**), hereby, promises to pay to the order of Endo Ventures Bermuda Limited, a Bermuda corporation, or any subsequent holder or holders (**"Holder"**) of this Promissory Note (this **"Note"**), at Holder's payment office located at Canons Court 22, Victoria St., Hamilton HM 12 Bermuda, or at such other place as Holder may from time to time designate in writing, the principal sum of THREE MILLION EIGHT HUNDRED THOUSAND dollars ($3,800,000.00), in lawful money of the United States of America and in immediately available funds, together with all accrued interest on such outstanding and unpaid balance, in accordance with the terms and provisions of this Note. Capitalized terms in this Note shall have the meanings indicated in Section 15.

1. Interest Payments. Interest on the unpaid principal amount of this Note shall accrue from and after the date hereof at the rate of LIBOR plus nine and a half percent (9.5%) per annum. Payments of interest hereunder shall be payable (a) quarterly in arrears on the last Business Day of each quarter, commencing on March 31, 2017 (the "**Initial Interest Payment Date**") and occurring each March 31st, June 30th, September 30th and December 31st thereafter (or if such date is not a Business Day, the preceding Business Day), and (b) on the earlier of (i) June 30, 2020 (or if such date is not a Business Day, the preceding Business Day) or (ii) the date on which the Obligations under this Note has been satisfied or terminated in accordance with the terms of this Note (such payment date, the **"Maturity Date"**). Interest will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the Effective Date. Interest to be paid on the Initial Interest Payment Date shall include all interest accrued from the Effective Date. Interest shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

In no event shall the amount of interest due or payable hereunder exceed the maximum rate of interest allowed by applicable law, and in the event any such payment is inadvertently paid by Maker or inadvertently received by Holder, then such excess sum shall be credited as a payment of principal, unless Maker shall notify Holder, in writing, that Maker elects to have such excess sum returned to it forthwith. It is the express intent hereof that Maker not pay and that Holder not receive, directly or indirectly, in any manner whatsoever, interest in excess of that which may be lawfully paid by Maker under applicable law.

2. Principal Repayment and Amortization.

(a) Maker shall repay the outstanding principal balance of this Note (i) on the last Business Day of each month set forth in the table below (each , a "**Scheduled Principal Repayment Date**"), the principal amount described opposite such Scheduled Principal Repayment Date and (ii) on the Maturity Date, the remaining outstanding principal balance of this Note, together with all interest accrued and unpaid thereon and all other charges provided for herein:

Scheduled Principal Repayment Dates	Amount
December 2016	$500,000.00
March 2017	$235,715.00
June 2017	$235,715.00
September 2017	$235,715.00
December 2017	$235,715.00
March 2018	$235,715.00
June 2018	$235,715.00
September 2018	$235,715.00
December 2018	$235,715.00
March 2019	$235,715.00
June 2019	$235,715.00
September 2019	$235,715.00
December 2019	$235,715.00
March 2020	$235,715.00
Maturity Date	All remaining outstanding principal balance of this Note, together with all interest accrued and unpaid thereon and all other charges provided for herein.

(b) Holder shall maintain a ledger or account (the **"Register"**) in which it shall record (i) the amount of any principal or interest due and payable or to become due and payable from Maker to Holder and (ii) the amount of any sum received by Holder hereunder.

(c) Maker hereby irrevocably and unconditionally authorizes Holder to make entries on the Register at any time with respect to any payments and resulting balances due and/or paid hereunder.

(d) The entries made in the Register shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the Obligations of Maker therein recorded, but the failure of any Holder to maintain the Register or any such account, or any error therein, shall not in any manner affect the obligation of Maker to repay (with applicable interest) this Note.

3. LIBOR Rate. Any reference to **"LIBOR"** in this Note means the London Interbank Offered Rate in the London market based on quotations at 16 major banks reported from time to time in The Wall Street Journal under "Money Rates" as of the relevant date(s). In the event that The Wall Street Journal shall cease to announce LIBOR or in the event that the practice of lenders, generally, to determine interest based upon a published "LIBOR" rate shall be adjudged improper by a court of competent jurisdiction in an action wherein Maker shall have been a party, then the interest rate of this Note shall be a fixed annum rate equal to the sum of the weighted average of the current cost of funds to federally insured banks in the New York Federal Reserve, based upon the most current data available, plus nine and a half percent (9.5%); provided that, notwithstanding the foregoing, in no event shall LIBOR, at any time, be less than 1.0% per annum.

4. Default Interest Rate. Upon the occurrence of an Event of Default under this Note, and until payment in full of the amount due hereunder, the rate of interest accruing on the unpaid principal balance shall be increased by five percent (5.0%) per annum, from and after the date of, and during the continuance of, the Event of Default. This Section 4 shall not be construed as an agreement or privilege to extend the date upon which payment in full is due hereunder, nor a waiver of any other right or remedy available to Holder hereunder.

5. Payments.

(a) All payments by Maker hereunder or proceeds received pursuant to Section 9 shall be applied (i) first to any amount due to Holder pursuant to Section 17 of this Note, (ii) then to the interest due and unpaid under this Note, and (iii) thereafter, to any principal owing under this Note.

(b) All payments of principal and interest of this Note shall be made in lawful money of the United States of America in same day funds to a bank account designated in writing to Maker for such purpose from time to time.

6. Prepayment.

(a) Optional Prepayments. Maker shall have the right to prepay, in part or in full, without penalty or additional charge, this Note (together with all accrued interest to the date of optional prepayment on the amount of principal thus prepaid) at any time or times.

(b) Mandatory Prepayments. (i) If there is a Change of Control, Maker shall have the obligation to repay this Note in full (including all principal then outstanding together with all accrued interest to the date of mandatory prepayment on the amount of principal thus prepaid) within five (5) Business Days of such Change of Control, (ii) in the event and on each occasion that any Net Proceeds are received by or on behalf of Maker, then Maker shall, within five (5) Business Days after such Net Proceeds are received, prepay the Note in an amount equal to 50% of such Net Proceeds, (iii) so long as the Senior Obligations have been indefeasibly paid and satisfied in full in cash (other than contingent indemnification obligations that survive repayment and for which no claim has yet been asserted), in the event and on each occasion that any proceeds are received by or on behalf of Maker from any issuance of equity or equity-linked securities by Maker or any of its subsidiaries (net of all Taxes and fees, in each case incurred in connection with such issuance), then Maker shall, within five (5) Business Days after such proceeds are received, prepay the Note in an amount equal to 50% of such proceeds, and (iv) commencing with the fiscal quarter ending March 31, 2017, Maker shall, within five (5) Business Days after the end of each fiscal quarter of Maker, prepay the Note in an amount equal to 100% of any cash and cash equivalents of Maker and its subsidiaries in excess of the Available Cash (as defined below) set forth in the projected cash balance statement delivered pursuant to Section 12(j)(y).

Notwithstanding anything in this Section 6(b) to the contrary, no payments under this Section 6(b) shall be made, nor shall such payments be required to be made, in the event that (i) any default or event of default has occurred under any Senior Credit Documents, (ii) Maker shall not be in compliance with its minimum cash covenant in its Senior Credit Documents both before and after giving effect to such payment or (iii) any such proceeds required to be paid pursuant to this Section 6(b) are also required to be paid to any Senior Creditor under any Senior Credit Document.

7. Waiver Regarding Notice. Maker waives presentment, demand and presentation for payment, protest and notice of protest, and, except as otherwise specifically provided herein, any other notices of whatever kind or nature, bringing of suit and diligence in taking any action to collect any sums owing hereunder. From time to time, without in any way affecting the obligation of Maker to pay the outstanding principal balance of this Note and any interest accrued thereon and fully to observe and perform the covenants and obligations of Maker under this Note, without affecting any other duties and obligations of Maker under this Note, without giving notice to, or obtaining the consent of, Maker, and without any liability whatsoever on the part of Holder, Holder may, at its option, extend the time for payment of interest hereon and/or principal of this Note, reduce the payments hereunder, release anyone liable on this Note, accept a renewal of this Note, join in any extension or subordination, or exercise any right or election hereunder. No one or more of such actions shall constitute a novation or operate to release any party liable for or under this Note, either as Maker or otherwise.

8. Events of Default. Each of the following shall constitute an event of default hereunder (each an **"Event of Default"**):

(a) Maker's failure to make any required payment of principal or interest under this Note, or any other amount due and payable under this Note on or before the date on which such payment is due under this Note;

(b) Maker's failure to perform any other obligation required under this Note, and the continuation of such failure for a period of thirty (30) days after Holder gives Maker written notice of such failure to perform or Maker's knowledge and continuation of such failure;

(c) Maker's insolvency, general assignment for the benefit of creditors, or the commencement by or against Maker of any case, proceeding, or other action seeking reorganization, arrangement, adjustment, liquidation, dissolution, or composition of Maker's debts under any law relating to bankruptcy, insolvency, or reorganization, or relief of debtors, or seeking appointment of a receiver, trustee, custodian, or other similar official for Maker or for all or any substantial part of Maker's assets; and

(d) Maker’s failure to pay, or admits in writing its inability to pay, its debts as they become due.

9. Acceleration. Upon the occurrence of an Event of Default pursuant to Section 8, the outstanding principal amount of this Note (together with accrued and unpaid interest) and all other amounts owing under this Note, shall become and be immediately due and payable without any declaration or other act on the part of Holder.

10. Remedies. Upon the occurrence of an Event of Default, Holder may avail itself of any legal or equitable rights which Holder may have at law or in equity or under this Note, including, but not limited to, the right to accelerate the indebtedness due under this Note as described in the preceding Section. The remedies of Holder as provided herein shall be distinct and cumulative, and may be pursued singly, successively or together, at the sole discretion of Holder, and may be exercised as often as occasion therefor shall arise. Failure to exercise any of the foregoing options upon the occurrence of an Event of Default shall not constitute a waiver of the right to exercise the same or any other option at any subsequent time in respect to the same or any other Event of Default, and no single or partial exercise of any right or remedy shall preclude other or further exercise of the same or any other right or remedy. Holder shall have no duty to exercise any or all of the rights and remedies herein provided or contemplated. The acceptance by Holder of any payment hereunder that is less than payment in full of all amounts due and payable at the time of such payment shall not constitute a waiver of the right to exercise any of the foregoing rights or remedies at that time, or nullify any prior exercise of any such rights or remedies without the express written consent of Holder.

11. Representations and Warranties. Maker hereby represents and warrants on date hereof:

(a) it is a duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation. It has the requisite corporate power and authority to conduct its business as presently being conducted;

(b) it has the requisite corporate power and authority to enter into this Note and to perform its obligations hereunder. It has taken all corporate actions necessary for authorization, execution, delivery and performance by it and of this Note;

(c) the execution, delivery and performance by Maker of this Note and the underlying transaction shall not (i) violate (x) the certificate or articles of incorporate or other constitutive documents or by-laws of Maker, (y) any provision of law, statute, rule or regulation, or any applicable order of any court or any rule, regulation or order of any governmental authority or (z) any provision of any indenture, agreement or other instrument to which Maker is a party or by which any of its property is bound or (ii) be in conflict with, result in a breach of, constitute a default under, give rise to a right of, result in any cancellation or acceleration of any right or obligation to, or result in a loss of a material benefit under any such indenture, agreement or other instrument;

(d) the full legal name of Maker is as set forth on Schedule 1 and it does not do business under any other name (including any trade-name or fictitious business name) except for those names set forth on Schedule 1 (as such schedule may be amended or supplemented from time to time);

(e) this Note has been duly executed and delivered by Maker and constitutes a legal, valid and binding obligation of Maker enforceable against it in accordance with its terms;

(f) no action, consent or approval of, registration or filing with or any other action by any governmental authority is or will be required in connection with this Note;

(g) Maker and its properties or assets are not in violation of (nor will the continued operation of its material properties and assets as currently conducted violate) any law (including the USA PATRIOT Act), rule or regulation or is in default with respect to any judgment, writ, injunction or decree of any governmental authority;

(h) (i) Maker is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock and (ii) no part of the proceeds of this Note will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, (x) to purchase or carry Margin Stock or to extend credit to others for the purpose of purchasing or carrying Margin Stock or to refund indebtedness originally incurred for such purpose, or (y) for any purpose that entails a violation of, or that is inconsistent with, the provisions of the Regulations of the Federal Reserve Board, including Regulation U or Regulation X;

(i) no Default or Event of Default has occurred and is continuing;

(j) Maker is not, and after giving effect to this Note will not be, an "investment company," or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended;

(k) (i) none of Maker, its affiliates or its officers, directors, employees, brokers or agents has violated or is in violation of any applicable Anti-Money Laundering Laws and (ii) none of Maker, its affiliates, or its officers, directors, employees, brokers or agents (x) is an Embargoed Person or (y) except as otherwise authorized by OFAC, otherwise permitted for U.S. persons by a U.S. governmental authority or by any rule, regulation or order of a U.S. governmental authority, will use any proceeds of the Note, or lend, contribute or otherwise make available such proceeds to any Person for the purpose of financing the activities of or with any Person or in any country or territory that is an Embargoed Person; and

(l) None of Maker, its affiliates or its officers, directors, employees, brokers or agents is aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of the FCPA or any other applicable anti-corruption laws, including, without limitation, knowingly making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an illegal offer, payment, promise to pay or authorization or approval of the payment of any money, or other property, gift, promise to give or authorization of the giving of anything of value, directly or indirectly, to any “foreign official” (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office in contravention of the FCPA or any other applicable anti-corruption laws. Each of Maker and its affiliates has conducted its business in compliance with applicable anti-corruption laws and the FCPA and will maintain policies and procedures designed to promote and achieve compliance with such laws and with the representation and warranty contained therein.

12. Covenants. Maker hereby covenants and agrees that Maker will, and will cause its affiliates, to:

(a) do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence;

(b) do or cause to be done all things necessary to (i) lawfully obtain, preserve, renew, extend and keep in full force and effect the permits, franchises, authorizations, patents, trademarks, service marks, trade names, copyrights, licenses and rights with respect thereto necessary to the normal conduct of its business and (ii) at all times maintain and preserve all property necessary to the normal conduct of its business and keep such property in good repair, working order and condition and from time to time make, or cause to be made, all needful and proper repairs, renewals, additions, improvements and replacements thereto necessary in order that the business carried on in connection therewith, if any, may be property conducted at all times;

(c) pay and discharge promptly when due all Taxes imposed upon it or upon its income or profits in respect of its property, before the same shall become delinquent or in default, as well as all lawful claims which, if unpaid, might give rise to a lien upon such properties or any part therefore; provided, however, that such payment and discharge shall not be required with respect to any such Tax, assessment, charge, levy, or claim so long as the validity or amount thereof shall be contested in good faith by appropriate proceedings;

(d) provide, promptly, from time to time, such information regarding the operations, business affairs and financial condition of Maker and its affiliates (including without limitation compliance with the USA PATRIOT Act), or compliance with the terms of this Note, as Holder may reasonably request;

(e) comply with all laws, rules, regulations and orders of any governmental authority applicable to it or its property (including the Economic Sanctions Laws), except that Maker and its affiliates need not comply with any laws, rules, regulations and orders of any governmental authority then being contested by any of them in good faith by appropriate proceedings;

(f) not change Maker's name, identity, corporate structure (including by merger, consolidation or amalgamation), sole place of business, chief executive office or jurisdiction of organization or establish any trade names unless it shall have notified Holder in writing at least thirty (30) days prior to any such change, identifying such new proposed name, identity, corporate structure, sole place of business, chief executive office, jurisdiction of organization or trade name and providing such other information in connection therewith as Holder may reasonably request;

(g) not amend or modify in any manner adverse to Holder, the articles or certificate of incorporation, by-laws or other organizational documents of Maker or its affiliates;

(h) provide to Holder within 21 days after the end of each fiscal quarter of Maker during the term of this Note, the end of the first such fiscal quarter being March 31, 2017, a consolidated balance sheet and related statements of operations, stockholders' equity and cash flows for Maker and its consolidated subsidiaries as of the end of and for such fiscal quarter, certified by one of the Financial Officers of Maker as presenting fairly in all material respects the financial condition and results of operations of Maker and its consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(i) concurrently with any delivery of the quarterly financial statements under clause (h) above, provide to Holder a certificate of a Financial Officer of Maker certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto

(j) 5 days after the end of each fiscal quarter commencing with the fiscal quarter ending March 31, 2017, a Financial Officer of Maker to provide to Holder reasonably detailed calculations of the available balance of cash and cash equivalents of Maker and its subsidiaries;

(k) as soon as available, but in any event not more than sixty (60) days after the start of each fiscal year of Maker, beginning with the fiscal year commencing January 1, 2017, (x) a copy of the plan and forecast (including a projected balance sheet, income statement and cash flow statement) for each month of that fiscal year and (y) a statement of the projected available cash and cash equivalents of Maker and its subsidiaries ("**Available Cash**") for each fiscal quarter in that fiscal year, in each case of the foregoing clauses (x) and (y), in form reasonably satisfactory to Holder;

(l) upon knowledge thereof by any officer of Maker, furnish to Holder prompt written notice of (x) the occurrence of any Default and (y) any development that results in, or could reasonably be expected to result in, a Material Adverse Effect;

(m) not create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except for Permitted Liens without obtaining not-to-be-unreasonably withheld approval to do so from Holder; and

(n) not sell, transfer, lease or otherwise dispose of any of its assets or any of the equity interests of any of its subsidiaries (in each case, whether now owned or hereafter acquired), except for Permitted Asset Sales, or liquidate, dissolve or wind-up.

13. No Deduction, Etc.

(a) All payments made by Maker under this Note shall be without deduction or withholding (whether in respect of setoff, counterclaim, duties, charges or otherwise howsoever).

(b) All payments made by Maker under this Note or with respect to the Notes will be made free and clear of, and without withholding or deduction for, or on account of, any present or future Taxes unless withholding or deduction of such Taxes is then required by law. If Maker is required by law to make any deduction or withholding for Taxes Maker shall pay to the relevant taxation or other authorities the applicable amount of Tax as required by applicable law. Maker will pay such additional amounts as may be necessary in order that the net amounts received and retained by Holder after such withholding, deduction or imposition will equal the respective amounts of cash that would have been received and retained in respect of such payments in the absence of such withholding or deduction.

14. Further Assurances and Power of Attorney.

(a) Maker hereby irrevocably appoints Holder as such Maker's attorney-in-fact, with full authority in the place and stead of such Maker and in the name of such Maker, Holder or otherwise, from time to time in Holder's discretion to take any action and to execute any instrument that Holder may deem reasonably necessary or advisable to accomplish the purposes of this Note.

15. Definitions.

(a) Interpretation.

(i) The terms defined in this Section and elsewhere in this Note include the plural as well as the singular.

(ii) The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Note as a whole and not to any particular Section or other subdivision.

(iii) References to "Sections" and "Schedules" shall be to Sections and Schedules, as the case may be, of this Note unless otherwise specifically provided. Section headings in this Note are included herein for convenience of reference only and shall not constitute a part of this Note for any other purpose or be given any substantive effect.

(iv) The use herein of the word “include” or “including”, when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as “without limitation” or “but not limited to” or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter.

(v) All references to US Dollars or $ shall mean the lawful currency of the United States of America.

(b) Definitions.

(i) “**Business Day**” shall mean any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed.

(ii) “**Change of Control**” shall mean the occurrence of one or more of the following events:

(1) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of Maker to any Person or group of related Persons for purposes of Section 13(d) of the Securities and Exchange Act of 1934, as amended (a “**Group**”); or

(2) the acquisition by any Person or Group of the power, directly or indirectly, to vote or direct the voting of securities having more than 50% of the ordinary voting power for the election of directors of Maker.

(iii) “**Default**” shall mean any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

(iv) “**Economic Sanction**” shall mean the Trading with the Enemy Act (50 U.S.C. App. §§ 5(b) and 16, as amended), the International Emergency Economic Powers Act, (50 U.S.C. §§ 1701-1706, as amended), Executive Order 13224 (effective September 24, 2001), as amended from time to time and any successor thereto, and the regulations administered and enforced by OFAC and (ii) any and all other laws, judgments, orders, executive orders, decrees, ordinances, rules, regulations, statutes, case law or treaties applicable to Maker or its affiliates relating to economic sanctions and terrorism financing.

(v) “**Embargoed Person**” shall mean (i) any country or territory that is the subject of a comprehensive sanctions program administered by OFAC, Syria, and North Korea or (ii) any Person that (x) is publicly identified on the most current list of “Specially Designated Nationals and Blocked Persons” published by OFAC or (y) resides, is organized or chartered, or has a place of business in a country or territory that is the subject of a comprehensive sanctions program administered by OFAC.

(vi) “**Financial Officer**” shall mean the Chief Financial Officer, principal accounting officer, Treasurer, Assistant Treasurer or Controller of such person.

(vii) “**GAAP**” shall mean generally accepted accounting principles in the United States of America.

(viii) “**Lien**” shall mean, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset and (b) the interest of a vendor or lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing agreement having substantially the same economic effect as any of the foregoing) relating to such asset.

(ix) “**Material Adverse Effect**” shall mean a material adverse effect on (a) the business, assets, property or condition (financial or otherwise) of Maker and its subsidiaries taken as a whole or (b) the validity or enforceability of this Note or the rights or remedies of Holder hereunder.

(x) “**Net Proceeds**” shall mean proceeds received by Maker or any of its affiliates from (1) (x) any asset sale, disposition, lease, exchange or transfer (“**Asset Sale**”) or (y) any casualty or other insured damage to any property or asset of Maker or any of its affiliates (“**Casualty Event**”), net of (i) any fees associated with such Asset Sale or Casualty Event payable by Maker and (ii) Taxes paid or payable as a result thereof or (2) the incurrence, issuance or sale by Maker or any of its affiliates of any indebtedness, net of all Taxes and fees, in each case incurred in connection with such issuance or sale.

(xi) “**Note**” shall have the meaning specified in the preamble hereto, and shall include all Schedule attached hereto.

(xii) “**Obligations**” shall mean all obligations of every nature of Maker from time to time owed to Holder under this Note whether for principal, interest (including interest which, but for the filing of a petition in bankruptcy with respect to such Maker, would have accrued on any Obligation, whether or not a claim is allowed against such Maker for such interest in the related bankruptcy proceeding), fees, expenses, indemnification or otherwise.

(xiii) “**OFAC**” shall mean the U.S. Treasury Department’s Office of Foreign Assets Control

(xiv) “**Permitted Asset Sales**” shall mean (1) sales, transfers and other dispositions of inventory in the ordinary course of business, (2) sales, transfers and other dispositions of used, worn out, obsolete property in the ordinary course of business, (3) the discount or sale, in each case without recourse and in the ordinary course of business, of past due receivables arising in the ordinary course of business but only in connection with the compromise or collection thereof consistent with customary industry practice (and not as part of any bulk sale or financing of receivables), (4) leases or subleases of property to other Persons in the ordinary course of business not materially interfering with the business of Maker and its subsidiaries, and (5) any sale, transfer or other disposition permitted under any Senior Credit Document or consented to by any Senior Creditor.

(xv)

(xvi) “**Permitted Liens**” shall mean (1) Liens imposed by law for taxes that are not yet due or payable, (2) carriers’, warehousemen’s, mechanics’ and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue for more than thirty (30) days, (3) pledges and deposits made in the ordinary course of business in compliance with workers’ compensation, unemployment insurance and other social security laws or regulations or employment laws, (4) deposits and other liens to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds and performance bonds, in each case in the ordinary course of business, (5) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affect property or interfere with the ordinary conduct of business, (6) bankers’ liens, rights of setoff or similar rights and remedies as to deposit accounts; provided that such deposit accounts are not established or deposited for the purpose of providing collateral for any indebtedness, (7) Liens arising by virtue of Uniform Commercial Code financing statement filings regarding operating leases entered into in the ordinary course of business, (8) Liens permitted pursuant to any Senior Credit Document or consented to by any Senior Creditor, and (9) Liens granted to any Senior Creditor pursuant to any Senior Credit Document.

(xvii) “**Person**” shall mean an individual, partnership, corporation, limited liability company, unincorporated organization, trust or joint venture, or a governmental agency or political subdivision thereof.

(xviii) “**Related Party**” shall mean, with respect to any specified Person, such Person’s affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s affiliates.

(xix) “**Securities**” shall mean any stock, shares, partnership interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or arrangement, options, warrants, bonds, debentures, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as “securities” or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

(xx) “**Senior Credit Documents**” means any credit agreement, security agreement, promissory note or other document that evidences any Senior Obligations, in each case, as the same may be amended, restated, replaced, supplemented or otherwise modified as of the date hereof.

(xxi) “**Senior Creditor**” shall mean any agent, lender or other holder of any Senior Obligations, together with any successor or assign.

(xxii) "**Senior Obligations**" shall mean any and all obligations owing to MidCap Funding V Trust ("MidCap") or any of its affiliates, successors or assignees pursuant to that certain Credit Agreement, dated as of July 16, 2014, by and among MidCap as agent and a lender, the other lenders party thereto from time to time, the Maker, as borrower and certain subsidiaries of Maker as credit parties and each of the other documents executed in connection therewith, as any such document shall be amended, restated, replaced, supplemented or otherwise modified as of the date hereof.

(xxiii) "**Tax**" shall mean any tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and any other liabilities related thereto, and, for the avoidance of doubt, including any withholding or deduction for or on account of any of the foregoing). "Taxes" shall be construed to have a corresponding meaning.

(c) Other Defined Terms. The following defined terms shall have the meaning specified in the Section indicated.

Defined Term	**Section Definition Specified**
Asset Sale	15
Available Cash	12
Casualty Event	15
Event of Default	8
Group	15
Holder	Preamble
Indemnitee	18
LIBOR	3
Maker	Preamble
Maturity Date	1
Register	2
Scheduled Principal Repayment Date	2

16. Successors and Assigns. This Note shall be binding upon the parties hereto and their respective successors and assigns including all persons who become bound as a Maker to this Note. No Maker shall, without the prior written consent of Holder, assign any right, duty or obligation hereunder (and any attempted assignment or transfer by Maker without such consent shall be null and void).

17. Other Charges. If any remedies under this Note are pursued, whether or not suit has been filed or any other action instituted or taken to enforce or collect under this Note, Maker shall pay all of Holder's costs, fees (including reasonable attorneys' fees) and expenses in connection with such referral.

18. Judgment.

(a) Rate of Exchange. If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum due hereunder from another currency into US Dollars, the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which, in accordance with normal banking procedures, a Holder could purchase such other currency with US Dollars, in New York City, New York at the close of business on the Business Day immediately preceding the day on which final judgment is given, together with any premiums and costs of exchange payable in connection with such purchase.

(b) Indemnity.

(i) The obligation of Maker in respect of any sum due from it to Holder hereunder shall, notwithstanding any judgment in a currency other than US Dollars, be discharged only to the extent that on the Business Day next succeeding receipt by Holder of any sum adjudged to be so due in such other currency, Holder may, in accordance with normal banking procedures, purchase US Dollars with such other currency. If the US Dollars so purchased are less than the sum originally due to Holder in US Dollars, Maker agrees, as a separate obligation and notwithstanding any such judgment, to indemnify Holder against such loss, and if the US Dollars so purchased exceed the sum originally due to Holder in US Dollars, Holder agrees to remit to Maker such excess.

(ii) Maker shall indemnify Holder and each Related Party of Holder (each such Person being called an "**Indemnitee**") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (1) the execution or delivery of this Note or any agreement or instrument contemplated thereby, the performance by Maker of its obligations thereunder or the any other transactions contemplated hereby or (2) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto or such matter is initiated by a third party or by Holder or any of its affiliates; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee. Maker shall not assert and hereby waives any claim against any Indemnitee on any theory of liability for special, indirect, consequential or punitive damages arising out of, in connection with, or as a result of this Note or any agreement or instrument contemplated hereby or thereby.

19. Governing Law. The provisions of this Note shall be governed and construed according to the laws of New York, including Section 5-1401 of the New York General Obligations Law.

20. JURISDICTION; WAIVER OF JURY TRIAL. ANY SUIT, ACTION OR PROCEEDING SEEKING TO ENFORCE ANY PROVISION OF, OR BASED ON ANY MATTER ARISING OUT OF OR IN CONNECTION WITH, THIS NOTE OR THE TRANSACTIONS CONTEMPLATED HEREBY MAY BE BROUGHT IN ANY FEDERAL OR STATE COURT LOCATED IN THE COUNTY AND STATE OF NEW YORK, AND MAKER HEREBY CONSENTS TO THE JURISDICTION OF SUCH COURTS (AND OF THE APPROPRIATE APPELLATE

COURTS THEREFROM) IN ANY SUCH SUIT, ACTION OR PROCEEDING AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY SUCH COURT OR THAT ANY SUCH SUIT, ACTION OR PROCEEDING WHICH IS BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING MAY BE SERVED ON MAKER ANYWHERE IN THE WORLD, WHETHER WITHIN OR WITHOUT THE JURISDICTION OF ANY SUCH COURT. MAKER HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS NOTE OR THE TRANSACTIONS CONTEMPLATED HEREBY.

21. Amendment; No Waiver. Subject to Section 7, no amendment or modification to or under this Note shall be effective unless in writing signed by Maker and Holder. Neither any course of dealing by Holder nor any failure or delay on its part to exercise any right, power or privilege hereunder shall operate as a waiver of any right or remedy of Holder hereunder unless said waiver is in writing and signed by Holder, and then only to the extent specifically set forth in said writing. A waiver as to one event shall not be construed as a continuing waiver by Holder or as a bar to or waiver of any right or remedy by Holder as to any subsequent event.

22. Transfer or Exchange of Note.

(a) Upon receipt of evidence satisfactory to Maker of the loss, theft, destruction or mutilation of this Note, and, in the case of any such loss, theft or destruction, upon receipt of an affidavit of loss from Holder reasonably satisfactory to Maker, or, in the case of any such mutilation, upon surrender and cancellation of this Note, Maker will make and deliver, in lieu of this Note, a new Note of like tenor and unpaid principal amount and dated as of the date to which the last payment has been paid on this Note.

(b) This Note may be assigned or transferred by Holder to any other person without restriction. Maker may deem and treat the person in whose name any Note is registered as the owner and holder of such Note for the purpose of receiving payment of principal and interest of such Note and for all other purposes whatsoever, whether or not such Note shall be overdue. With respect to any Note at any time outstanding, the term "Holder" as used herein, shall be deemed to mean the person in whose name such Note is registered as aforesaid at such time. Maker may not assign or transfer this Note to any other person without the prior written consent of Holder.

23. Notices.

(a) All notices hereunder shall be in writing and shall either be hand delivered, with receipt therefor, or sent by Federal Express or similar courier, with receipt therefor, or by certified or registered mail, postage prepaid, return receipt requested, as follows:

If to Maker: Acerus Pharmaceuticals Corporation
2486 Dunwin Drive
Mississauga, Ontario
L5L 1J9
Attention: President and Chief Executive Officer
Fax: **[Redacted – contact information]**
Email: **[Redacted – contact information]**

If to Holder: ENDO Ventures Bermuda Limited

Estera Services (Bermuda) Ltd.
Canons Court 22, Victoria Street
Hamilton HM 12
Bermuda
Attention: **[Redacted – contact information]**

With copy to: Endo Health Solutions
1400 Atwater Drive
Malvern, PA 19355
Attention: Chief Legal Officer

Notices shall be effective when received; provided, however, that if any notice sent by courier or by certified or registered mail is returned as undeliverable, such notice shall be deemed effective when mailed or given to such courier.

(b) Any of the foregoing persons may change the address to which notices are to be delivered to it hereunder by giving written notice to the others as provided in this Section 24.

24. Severability. In the event that any one or more of the provisions of this Note shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Note, and this Note shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

25. Indebtedness. Maker and Holder acknowledge that this Note is intended to and is properly characterized as indebtedness for all applicable federal, state, local and foreign income and other tax purposes, and Maker and Holder shall file all tax returns and other filings and documents consistent with, and shall not take any position (whether in any filings, financial statements, books and records, or otherwise) inconsistent with, this position.

26. No Setoff. Maker shall not offset against any principal, interest or other amounts payable hereunder, any claims or defenses (by way of abatement, setoff, defense, counterclaim, recoupment or otherwise).

27. Counterparts. This Note may be executed in any number of counterparts, each of which when executed, shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument binding upon all of the parties hereto notwithstanding the fact that all parties are not signatory to the original or the same counterpart. Delivery of an executed counterpart of a signature page of this Note by facsimile or by email as a ".pdf" or ".tif" attachment shall be effective as delivery of a manually executed counterpart of this Note.

28. Time of the Essence. It is expressly agreed that time is of the essence in the performance of the obligations set forth in this Note.

[Execution Page Follows]

IN WITNESS WHEREOF, Maker has executed this Note on this 5th day of July, 2016.

MAKER:
ACERUS PHARMACEUTICALS CORPORATION

By:________________________
Name:
Title:

Schedule 1

Name of Organization: Acerus Pharmaceuticals Corporation

Type of Organization: publically traded Ontario Corporation

Jurisdiction of Organization: Ontario, Canada

Location of chief executive office or its sole place of business:
2486 Dunwin Drive, Mississauga, Ontario L5L 1J9

ALLONGE

This Allonge to that certain Promissory Note effective as of July 5, 2016 (as it may be amended, restated or modified from time to time, the "**Note**") issued by ACERUS PHARMACEUTICALS CORPORATION, a Canadian corporation, and payable to ENDO VENTURES BERMUDA LIMITED, a Bermuda corporation, in the principal amount of THREE MILLION EIGHT HUNDRED THOUSAND DOLLARS ($3,800,000.00) shall be attached thereto and made part thereof.

For value received, ENDO VENTURES BERMUDA LIMITED hereby sells, assigns and transfers unto __________________________ the Note, and does hereby irrevocably constitute and appoint any officer or director thereof as attorney to transfer the Note with full power of substitution in the premises.

[Remainder of this page intentionally left blank.]

DATED: _______________ ____, _____

ENDO VENTURES BERMUDA LIMITED

By: ____
Name:
Title: