

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

MERUS LABS INTERNATIONAL INC. (the "Company")

Suite 2000 – 1177 West Hastings Street
Vancouver, British Columbia V6E 2K3
Tel: (606) 605-805-7783 Fax (604) 225-0588

Item 2: Date of Material Change

September 17, 2010

Item 3: News Release

The news release was disseminated on September 21, 2010 by way of CNW Group's Investment Disclosure Bundle, filed with CNSX and SEDAR.

Item 4: Summary of Material Change

The Company is pleased to announce that their wholly owned subsidiary, Merus Labs Inc. ("Merus") announces the execution of a definitive agreement with Innocoll Pharmaceuticals Limited ("Innocoll") to license in, on an exclusive basis, 3 advanced wound care products for the Canadian market. Furthermore, Innocoll agrees to grant to Merus a right of first refusal for all current pipeline advanced wound care products for the Canadian Market.

Item 5: Full Description of Material Change

- See attached news release.

Item 6: Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7: Omitted Information

None

Item 8: Executive Officer

For further information, please contact:

Ahmad Doroudian, President and Chief Executive Officer

Telephone: (604) 805-7783

Item 9: Date of Report

September 21, 2010

Exhibit “A”

The Canadian National Stock Exchange has not approved nor disapproved the contents of this press release.

MERUS LABS INTERNATIONAL INC.

ANNOUNCES EXCLUSIVE LICENSING AGREEMENT BETWEEN MERUS LABS INC. AND INNOCOLL PHARMACEUTICALS LIMITED

VANCOUVER, September 21, 2010

CNSX Symbol: MR

Merus Labs International Inc. is pleased to announce that their wholly owned subsidiary, Merus Labs Inc. (“Merus”) announces the execution of a definitive agreement with Innocoll Pharmaceuticals Limited (“Innocoll”) to license in, on an exclusive basis, 3 advanced wound care products for the Canadian market. Furthermore, Innocoll agrees to grant to Merus a right of first refusal for all current pipeline advanced wound care products for the Canadian Market.

The three products are indicated for the management of painful wounds including diabetic ulcers, venous ulcers, pressure ulcers, full and partial thickness wounds, 1st and 2nd degree burns and dehiscent surgical wounds.

The worldwide advanced wound care market is estimated to be worth \$5.5bn in 2010. This market is expected to grow by approximately 5.7% to 6% out to 2013.

“We are very pleased to announce this strategic partnership with Innocoll to launch such unique products in Canada. Innocoll is an innovator and world leader in the area of drug delivery and advanced wound care. This partnership with Innocoll will greatly enhance Merus' pipeline of, ready to launch, innovative products in the Canadian market place, significantly enhancing patient care.” said Ahmad Doroudian, president & CEO of Merus.

About Innocoll Inc.

Innocoll is an international biopharmaceutical company focused on targeted delivery products primarily in the areas of biodegradable surgical implants and topically applied healthcare products. The company has developed and manufactures a range of pharmaceutical products and medical devices using their proprietary collagen-based technologies, CollaRx® and LiquiColl®.

About Merus Labs International Inc. and Merus Labs Inc. (collectively, “Merus”)

Merus is a specialty pharmaceutical company engaged in acquisition and licensing of pharmaceutical products. The company 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 further enhances the sale and distribution of these products by introduction of a focused marketing and promotion plan.

For further information please contact:

Ahmad Doroudian, Ph.D.
Chief Executive Officer
Merus Labs International Inc.
Tel: (604) 805-7783
adoroudian@meruslabs.com