

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

MERUS LABS INTERNATIONAL INC. (the "Company")
Suite 2007 – 1177 West Hastings Street
Vancouver, British Columbia V6E 2K3
Tel: (606) 605-805-7783 Fax (604) 225-0588

Item 2: Date of Material Change

July 5, 2011

Item 3: News Release

A news release was disseminated on July 6, 2011 by way of CNW Group.

Item 4: Summary of Material Change

The Company announced that it entered into a support services agreement with Methapharm Inc. (the "Agreement"). Under the terms of the Agreement, Methapharm has agreed to provide Merus with CDN \$500,000 in working capital in consideration for: (i) being appointed the exclusive provider of certain distribution services of Merus' products in Canada, and (ii) payment of certain fees based on net sales of Merus products, and service fees in line with market rates customary to such services. The Agreement is for a term of five years with automatic renewal terms of two years until terminated.

Item 5: Full Description of Material Change

See the news release attached as Exhibit "A".

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, Chief Executive Officer
Telephone: (604) 805-7783

Item 9: Date of Report

July 6, 2011

Exhibit "A"

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

MERUS LABS INTERNATIONAL INC.

MERUS LABS INTERNATIONAL INC. EXPANDS PARTNERSHIP WITH METHAPHARM

VANCOUVER, July 5, 2011

(CNSX: MR)

Merus Labs International Inc. ("Merus" or the "Company") is pleased to announce that it has entered into a support services agreement with Methapharm Inc. (the "Agreement"). Under the terms of the Agreement, Methapharm has agreed to provide Merus with CDN \$500,000 in working capital in consideration for: (i) being appointed the exclusive provider of certain distribution services of Merus' products in Canada, and (ii) payment of certain fees based on net sales of Merus products, and service fees in line with market rates customary to such services. The Agreement is for a term of five years with automatic renewal terms of two years until terminated.

"We are very pleased to announce the signing of the support services agreement with Methapharm. As we continue our rapid expansion in the specialty pharma space our partnership with Methapharm will greatly enhance our capabilities and will allow us to better service our patients." said Ahmad Doroudian, President and CEO.

Merus Labs is also pleased to announce the launch of its new website: www.meruslabs.com

About Merus Labs International Inc.

Merus is a specialty pharmaceutical company engaged in the 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.

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.

For further information please contact:
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