

The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the "United States" (as defined in Regulation S under the U.S. Securities Act). This notice does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States, and the securities offered herein may not be offered or sold in or into the United States or to U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws, or pursuant to an exemption from such registration requirements as described herein. "United States" and "U.S. persons" are as defined in Regulation S under the U.S. Securities Act.



ACERUS PHARMACEUTICALS CORPORATION
("ACERUS")

NOTICE TO SECURITY HOLDERS - OCTOBER 19, 2020

We currently have sufficient working capital to last one month. We require 100% of the offering to last seven months.

The purpose of this notice is to advise holders of common shares in the capital of Acerus (the "Common Shares") of a proposed offering of rights ("Rights") of Acerus (the "Rights Offering").

Reference in this notice to "we", "our", "us" and similar terms means Acerus. Reference in this notice to "you", "your" and similar terms mean to Acerus shareholders.

WHO CAN PARTICIPATE IN THE RIGHTS OFFERING?

Holders of Common Shares of record as at 5:00 p.m. (Toronto time) on October 27, 2020 (the "Record Date") may participate in the Rights Offering. However, as discussed below, the Rights will only be offered to shareholders of Acerus (the "Eligible Holders") in all of the provinces and territories of Canada (the "Eligible Jurisdictions").

WHO IS ELIGIBLE TO RECEIVE RIGHTS?

The Rights will be offered to the Eligible Holders in the Eligible Jurisdictions. You will be presumed to be resident in the place shown in our records as your registered address, unless the contrary is shown to our satisfaction.

This notice is not to be construed as an offering of the Rights, nor are the Common Shares issuable upon exercise of the Rights offered for sale, in any jurisdiction outside the Eligible Jurisdictions or to shareholders who are resident of any jurisdiction other than the Eligible Jurisdictions (the "Ineligible Holders"). The Rights and Common Shares have not been and will not be registered under the laws of any jurisdiction outside the Eligible Jurisdictions.

Ineligible Holders will not receive a Rights Certificate (as defined below), but will be sent a letter describing how Ineligible Holders may participate in the Rights Offering.

HOW MANY RIGHTS ARE WE OFFERING?

Each Eligible Holder will receive one Right for each Common Share held as of the Record Date. Based on the 1,010,988,081 Common Shares outstanding as of the date of this notice, an aggregate of 1,010,988,081 Rights are expected to be issued to subscribe for 526,600,000 Common Shares pursuant to the Rights Offering. The final number of Rights to be issued will depend on the actual number of issued and outstanding Common Shares on the Record Date.

HOW MANY RIGHTS WILL YOU RECEIVE?

Each Eligible Holder will receive one Right for each Common Share held as of the Record Date.

WHAT DOES ONE RIGHT ENTITLE YOU TO RECEIVE?

Each Right entitles you to subscribe for 0.520876566 Common Shares upon payment of the subscription price of \$0.025 (the "**Subscription Price**") for each whole Common Share (the "**Basic Subscription Privilege**"). As a result, you need 1.91984064 Rights to acquire one Common Share. No fractional Common Shares will be issued. Where the exercise of Rights would otherwise have entitled a Rights holder to receive fractional Common Shares, the Rights holder's entitlement will be rounded down to the next lowest whole number of Common Shares, with no additional compensation.

Any Eligible Holder who exercises all of their Rights under the Basic Subscription Privilege will also have the additional privilege of subscribing, on a pro rata basis, for additional Common Shares at the Subscription Price (the "**Additional Subscription Privilege**"). The Common Shares available under the Additional Subscription Privilege will be those Common Shares issuable under the Rights Offering that have not been subscribed and paid for under the Basic Subscription Privilege by November 24, 2020.

Any Eligible Holder who exercises their Rights must enclose payment in Canadian funds by certified cheque, bank draft or money order payable to the order of TSX Trust Company (the "**Rights Agent**"), the rights agent retained by Acerus in connection with the Rights Offering.

HOW WILL YOU RECEIVE YOUR RIGHTS?

If you are a registered holder of Common Shares on the Record Date resident in the Eligible Jurisdictions, you will find a certificate (the "**Rights Certificate**") enclosed with this notice representing the total number of Rights to which you are entitled to as at the Record Date.

Only registered Eligible Holders will be provided with Rights Certificates. For Eligible Holders whose Common Shares are held through a securities broker or dealer, bank or trust company or other participant (each, a "**Participant**") in the book based system administered by CDS Clearing and Depository Services Inc. ("**CDS**") or Depository Trust Company ("**DTC**") (such shareholders being referred to as "**Beneficial Eligible Holders**"), Rights Certificates will be issued in registered form to CDS or DTC, as the case may be, and will be deposited with CDS or DTC, as the case may be. Acerus expects that each Beneficial Eligible Holder will receive a confirmation of the number of Rights issued to it from its Participant in accordance with the practices and procedures of that Participant. Please review Acerus' rights offering circular dated October 19, 2020 for instructions as to how to exercise your Rights.

If you are an Ineligible Holder, you will find enclosed an exempt purchaser status certificate. If you deliver a completed and executed exempt purchaser status certificate to Acerus on or before 5:00 pm (Toronto Time) on November 17, 2020 and your eligibility to participate in the Rights Offering is confirmed by Acerus, the Rights Agent will forward to you a Rights Certificate evidencing the number of Rights you are entitled to. If you do not satisfy Acerus as to your eligibility to participate in the Rights Offering on or before November 17, 2020, the Rights Agent will attempt, on a best efforts basis, to sell your rights on the Toronto Stock Exchange ("**TSX**") prior to the Expiry Time (as defined below). The Rights Agent's ability to sell the rights, and the prices obtained for the rights, are dependent on market conditions. The proceeds received by the Rights Agent, if any, from the sale of the rights, net of any applicable costs, expenses and taxes, will be divided among the Ineligible Holders on a pro rata basis according to the total number of Common Shares held by them on the Record Date.

WHEN AND HOW CAN YOU EXERCISE YOUR RIGHTS?

The Rights may be exercised commencing on November 2, 2020 until 5:00 p.m. (Toronto time) on November 24, 2020 (the "**Expiry Time**"). **Rights not exercised at or before the Expiry Time will be void and of no value.** The Rights will be listed on the TSX under the symbol "ASP.RT" and the holders of the Rights may trade them through the facilities of the TSX. Trading in the rights on the TSX will cease at 12:00 p.m. (Toronto time) on November 24, 2020.

A Beneficial Eligible Holder holding Common Shares through a Participant may subscribe for Common Shares by instructing the Participant holding its Rights to exercise all or a specified number of such Rights and forwarding the aggregate Subscription Price for each Common Share subscribed for in accordance with the terms of the Rights Offering to the Participant which holds the Beneficial Eligible Holder's Rights. Participants may have an earlier deadline for receipt of instructions and payment than the Expiry Time.

WHAT ARE THE NEXT STEPS?

This document contains key information you should know about Acerus. You can find more details in Acerus' rights offering circular dated October 19, 2020. To obtain a copy, visit Acerus' profile on the SEDAR website at www.sedar.com, visit www.aceruspharma.com, ask your dealer representative for a copy or contact Robert Motz, Chief Financial Officer of Acerus at (905) 817-8288 or rmotz@aceruspharma.com. You should read the rights offering circular, along with Acerus' continuous disclosure record, to make an informed decision.

"Edward Gudaitis"

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President and Chief Executive Officer