HESS CORP
Form 4
March 08, 2007

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB Number:	3235-0287
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(Print or Type Responses)

1. Name and Address of Reporting Person *
HESS JOHN B

(Last) (First) (Middle)

HESS CORPORATION, 1185 AVENUE OF THE AMERICAS

(Street)

NEW YORK, NY 10036

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
HESS CORP [HES]

3. Date of Earliest Transaction (Month/Day/Year)
03/07/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director __X__ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Chairman of the Board and CEO

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock, $1.00 par value	03/07/2007		S (1)		100	D	$ 51.35	1,913,899	D	
Common Stock, $1.00 par value	03/07/2007		S		100	D	$ 51.5	1,913,799	D	
Common Stock, $1.00 par value	03/07/2007		S		100	D	$ 52.5	1,913,699	D	

Common Stock, $1.00 par value	03/07/2007	S	100	D	$ 51.78	1,913,599	D
Common Stock, $1.00 par value	03/07/2007	S	100	D	$ 51.7	1,913,499	D
Common Stock, $1.00 par value	03/07/2007	S	100	D	$ 51.8	1,913,399	D
Common Stock, $1.00 par value	03/07/2007	S	100	D	$ 53.09	1,913,299	D
Common Stock, $1.00 par value	03/07/2007	S	100	D	$ 51.54	1,913,199	D
Common Stock, $1.00 par value	03/07/2007	S	100	D	$ 52.54	1,913,099	D
Common Stock, $1.00 par value	03/07/2007	S	100	D	$ 51.45	1,912,999	D
Common Stock, $1.00 par value	03/07/2007	S	200	D	$ 52.45	1,912,799	D
Common Stock, $1.00 par value	03/07/2007	S	100	D	$ 51.43	1,912,699	D
Common Stock, $1.00 par value	03/07/2007	S	100	D	$ 51.41	1,912,599	D
Common Stock, $1.00 par value	03/07/2007	S	100	D	$ 52.49	1,912,499	D
	03/07/2007	S	100	D		1,912,399	D

Common Stock, $1.00 par value					$ 52.41		
Common Stock, $1.00 par value	03/07/2007	S	100	D	$ 51.37	1,912,299	D
Common Stock, $1.00 par value	03/07/2007	S	300	D	$ 52.37	1,911,999	D
Common Stock, $1.00 par value	03/07/2007	S	100	D	$ 51.47	1,911,899	D
Common Stock, $1.00 par value	03/07/2007	S	100	D	$ 52.47	1,911,799	D
Common Stock, $1.00 par value	03/07/2007	S	100	D	$ 51.55	1,911,699	D
Common Stock, $1.00 par value	03/07/2007	S	200	D	$ 51.59	1,911,499	D
Common Stock, $1.00 par value	03/07/2007	S	100	D	$ 52.51	1,911,399	D
Common Stock, $1.00 par value	03/07/2007	S	100	D	$ 52.59	1,911,299	D
Common Stock, $1.00 par value	03/07/2007	S	100	D	$ 51.76	1,911,199	D
Common Stock, $1.00 par value	03/07/2007	S	100	D	$ 52.76	1,911,099	D
	03/07/2007	S	200	D		1,910,899	D

Common Stock, $1.00 par value							$ 52.28		
Common Stock, $1.00 par value	03/07/2007		S		100	D	$ 52.31	1,910,799	D
Common Stock, $1.00 par value	03/07/2007		S		200	D	$ 52.39	1,910,599	D
Common Stock, $1.00 par value	03/07/2007		S		100	D	$ 52.29	1,910,499	D
Common Stock, $1.00 par value	03/07/2007		S		100	D	$ 52.21	1,910,399 [(2)](#)	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HESS JOHN B HESS CORPORATION 1185 AVENUE OF THE AMERICAS NEW YORK, NY 10036	X	X	Chairman of the Board and CEO	

Signatures

George C. Barry for John B. Hess	03/08/2007
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The sales of shares set forth herein are made in connection with a selling plan dated August 1, 2006, as amended February 5, 2007, that is intended to comply with Rule 10b5-1(c).

(2) This amount includes 715,000 shares held in escrow pursuant to the Corporation's Second Amended and Restated 1995 Long-Term Incentive Plan. The reporting person has only voting power of these shares until the lapsing of the period set by the Committee administering the Plan at which time the shares plus accrued dividends will be delivered to the reporting person if he is still an employee of the Corporation.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. /td>24,140,199 $4,647,740 $- $-

Principal repayments to maturity by fiscal year are as follows:

2013	$	-
2014		1,388,889
2015		1,666,667
2016		1,666,667
2017		277,777
		5,000,000
Less deferred debt issue expenses (net of accumulated amortization of $117,981)		352,260
	$	4,647,740

In September 2007, the Company entered into a debt financing agreement with Birmingham Associates Ltd. ("Birmingham"), an affiliate of Elliott Associates, L.P. ("Elliott") for proceeds of US$25 million. Under the terms of the agreement, Birmingham was to receive payments based on a percentage of AGGRASTAT net sales. Birmingham was entitled to a return of 20 percent on the first US$15 million in AGGRASTAT revenues, 17.5 percent on the next US$10 million, 15 percent on the next US$5 million and 5 percent thereafter, subject to an escalating minimum annual return, until May 31, 2020. The minimum annual payments started at US$2.5 million in 2008 and were to escalate to US$6.9 million in 2017. The total minimum payments over the life of the agreement in aggregate were US$49.7 million. The annual minimum payments were reflected in the effective interest rate calculation of the debt.

As at May 31, 2011, the Company was in default of the terms of its debt financing obligations. The portion of the minimum payments that were past due included in the accrued interest on long-term debt at May 31, 2011 was $4,804,788, or US$4,933,471. The debt agreement contained no express provisions to accelerate debt payments in an event of default, however under the agreement the lender could have exercised its security rights at any time while in default. Accordingly, for financial reporting purposes, the outstanding long term debt of US$25 million that was in default was classified as a current liability at May 31, 2011 and June 1, 2010.

On July 18, 2011, the Company settled the Birmingham long-term debt in exchange for; i) $4,750,000 in cash; ii) 32,640,043 common shares of the Company; and iii) a royalty on future AGGRASTAT sales until May 1, 2023. The royalty is based on four percent of the first $2,000,000 of quarterly AGGRASTAT sales, six percent of quarterly sales between $2,000,000 and $4,000,000 and eight percent of quarterly sales exceeding $4,000,000 payable within 60 days of the end of the preceding quarter. The previous lender has a one-time option to switch the royalty payment from AGGRASTAT to a royalty on MC-1 sales. Management has determined there is no value to the option to switch the royalty.

In accordance with the terms of the agreement, if the Company were to dispose of its AGGRASTAT rights, the acquirer would be required to assume the obligations under the royalty agreement.

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8. Long-term debt (continued):

The difference between the carrying amount of the long-term debt extinguished and the consideration paid, comprising cash, equity instruments and the royalty obligation assumed, has been recognized as a gain on the settlement of debt in the statement of net income for the year ended May 31, 2012. In accordance with IFRIC 19 Extinguishing financial liabilities with equity instruments, the shares issued in partial consideration for the settlement of the debt have been included in consideration paid and measured at their fair value at the date of the settlement of $652,801.

As at July 18, 2011 the Company had total Canadian dollar book value of long-term debt of $22,254,966, net of unamortized deferred financing fees of $941,454. The Company also had accrued interest payable of $8,145,865 for a total carrying value of the debt settled on July 18, 2011 of $30,400,831.

The gain on the settlement of debt totals $23,931,807 and consideration paid comprised $4,750,000 cash paid, common shares with a value of $652,801 and a royalty obligation valued at $901,915, in addition to legal costs associated with the debt settlement transaction of $164,308.

The initial value assigned to the royalty obligation, based on an expected value approach, was estimated at $901,915. The royalty obligation is recorded at amortized cost with the associated cash flows being revised each period resulting in a carrying value at May 31, 2012 of $640,996 (May 31, 2011 - nil and June 1, 2010 - nil). The net accretion of the royalty obligation for the year ended May 31, 2012 of ($217,973) (2011 - nil) is recorded within finance expense on the Consolidated Statements of Net Income (Loss) and Comprehensive Income (Loss). Royalties for the year ended May 31, 2012 total $99,965 in regards to the royalty obligation (2011 - nil), with payments made in fiscal 2012 being $84,784 (2011 - nil).

The Company borrowed $5,000,000 from the Government of Manitoba, under the Manitoba Industrial Opportunities ("MIOP") Program, to assist in the settlement of the Birmingham long-term debt. The loan bears interest annually at the crown company borrowing rate plus two percent and matures on July 1, 2016. The loan is payable interest only for the first 24 months, with blended principal and interest payments made monthly thereafter until maturity. The loan is secured by the Company's assets and guaranteed by the Chief Executive Officer of the Company and entities controlled by the Chief Executive Officer. The Company issued 20,000,000 common shares of the Company with a fair value of $371,834, net of share issue costs of $28,166, in consideration for the guarantee to the Company's Chief Executive Officer and entities controlled by the Chief Executive Officer. In connection with the guarantee the Company entered into an indemnification agreement with the CEO under which the Company shall pay the Guarantor on demand all amounts paid by the Guarantor pursuant to the guarantee. In addition, under the indemnity agreement the Company agreed to provide certain compensation upon a change in control of the Company. The Company relied on the financial hardship exemption from the minority approval requirement of Multilateral Instrument (MI) 61-101. Specifically, pursuant to MI 61-101, minority approval is not required for a related party transaction in the event of financial hardship in specified circumstances.

The Company is required to maintain certain financial and non-financial covenants under the terms of the MIOP loan. As at May 31, 2012, management believes it is in compliance with the terms of the loan.

The effective interest rate on the MIOP loan for the year ended May 31, 2012 was 7.0%.

9. Capital stock:

(a) Authorized:

The Company has authorized share capital of an unlimited number of common voting shares, an unlimited number of class A common shares and an unlimited number of preferred shares. The preferred shares may be issued in one or more series, and the directors may fix prior to each series issued, the designation, rights, privileges, restrictions and conditions attached to each series of preferred shares.

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MEDICURE INC.
Notes to the Consolidated Financial Statements
(expressed in Canadian dollars)

9. Capital stock (continued)

(b) Shares issued and outstanding:

Shares issued and outstanding are as follows:

	Number of Common Shares	Amount
Balance, June 1, 2010	130,307,552	$ 116,014,623
Balance, May 31, 2011	130,307,552	$ 116,014,623
Shares issued on July 18, 2011	52,640,043	1,018,635
Balance, May 31, 2012	182,947,595	$ 117,033,258

On July 18, 2011, the Company issued 32,640,043 common shares as part of the consideration of the settlement of the Company's existing debt. These shares had a value of $646,801, net of share issue costs of $6,000 (note 8).

On July 18, 2011, the Company issued 20,000,000 common shares of the Company in consideration for the guarantee of long-term debt by the Company's Chief Executive Officer and entities controlled by the Chief Executive Officer. These shares had a value of $371,834, net of share issue costs of $28,166 and have been recorded as deferred debt issue costs and are being amortized using the effective interest method (note 8).

(c) Stock option plan:

The Company has a stock option plan which is administered by the Board of Directors of the Company with stock options granted to directors, management, employees and consultants as a form of compensation. The number of common shares reserved for issuance of stock options is limited to a maximum of ten percent of the outstanding common shares of the Company at any time. The stock options generally are subject to vesting over a period up to three years and have a maximum term of ten years.

On July 18, 2011, the Company issued 12,542,000 stock options to employees and consultants of the Company, including the Chief Executive Officer and Chief Operating Officer, at an exercise price of $0.10 per common share. The options vested immediately and expire after ten years.

Changes in the number of options outstanding during the year ended May 31, 2012 and 2011 are as follows:

	May 31, 2012		May 31, 2011	
	Shares	Weighted average exercise price	Shares	Weighted average exercise price
Balance, beginning of period	2,322,192	$ 0.74	5,032,192	$ 0.71
Granted	12,542,000	0.10	-	-

Forfeited, cancelled or expired	(425,000)		0.09	(2,710,000)		0.64
Balance, end of period	14,439,192	$	0.20	2,322,192	$	0.74
Options exercisable, end of period	14,439,192	$	0.20	2,322,192	$	0.74

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MEDICURE INC.
Notes to the Consolidated Financial Statements
(expressed in Canadian dollars)

9. Capital stock (continued)

(c) Stock option plan: (continued):

Options outstanding at May 31, 2012 consist of the following:

Range of exercise prices	Number outstanding	Weighted average remaining contractual life	Options outstanding weighted average exercise price	Number exercisable
$0.03 - $0.50	13,197,000	8.96 years	$0.10	13,197,000
$0.51 - $1.00	470,025	5.52 years	$0.85	470,025
$1.01 - $1.68	772,167	3.88 years	$1.63	772,167
$0.03 - $1.68	14,439,192	8.58 years	$0.20	14,439,192

The compensation expense related to stock options granted during the period and in previous periods under the stock option plan for the year ended May 31, 2012 was $224,445 (2011 - $77,057).

The compensation expense was determined based on the fair value of the options at the date of measurement using the Black-Scholes option pricing model. There were no options issued during fiscal 2011.

	May 31, 2012	
Expected option life	4.1 years	
Risk free interest rate	1.90	%
Dividend yield	nil	
Expected volatility	193.05	%

(d) Warrants:

Changes in the number of warrants outstanding during years ended May 31, 2012, and 2011 are as follows:

Issue	Original granted	Exercise price	June 1, 2010	Granted (Expired)	May 31, 2011	Granted (Expired)	May 31, 2012

(Expiry date)		per share					
4,000,000 units							
(May 9, 2011)	4,000,000	USD $2.10	4,000,000	(4,000,000)	-	-	-
3,984,608 units							
(December 22, 2011)	3,984,608	USD $1.70	3,984,608	-	3,984,608	(3,984,608)	-
1,000,000 units							
(December 31, 2016)	1,000,000	USD $1.26	1,000,000	-	1,000,000	-	1,000,000
4,373,913 units							
(October 5, 2012)	4,373,913	USD $1.50	4,373,913	-	4,373,913	-	4,373,913

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MEDICURE INC.
Notes to the Consolidated Financial Statements
(expressed in Canadian dollars)

9. Capital stock (continued)

(d) Warrants: (continued):

IFRS requires warrants with an exercise price denominated in a currency other the entity's functional currency to be treated as a liability measured at fair value. The warrants, all with U.S. dollar exercise prices, are recorded at fair value within accounts payable and accrued liabilities as at May 31, 2012 and total $35,053 (May 31, 2011 - $10,597 and June 1, 2010 - $37,971). Changes in fair value of the warrants for the year ended May 31, 2012 of $24,490 (2011 - ($27,374) are recorded within finance expense.

The warrants, with the exception of the warrants expiring on December 31, 2016, were issued together with common shares either under prospectus offerings or private placements with the net proceeds allocated to common shares and warrants based on their relative fair values using the Black-Scholes model. The warrants expiring on December 31, 2016 were issued with the debt financing agreement in September 2007.

The warrants expiring on October 5, 2012, and December 31, 2016 may be exercised, upon certain conditions being met, on a cashless basis based on a formula described in the warrant agreements.

(e) Shareholder rights plan:

The Company had a shareholder rights plan, the primary objective of which was to ensure, to the extent possible, that all shareholders of the Company are treated fairly in connection with any takeover offer for the Company and to ensure that the Board of Directors is provided with sufficient time to evaluate unsolicited takeover bids and to explore and develop alternatives to maximize shareholder value. The shareholder rights plan expired on November 22, 2011 and was not renewed by the Company.

(f) Per share amounts

The weighted average number of common voting shares outstanding for the year ended May 31, 2012 and 2011 was 176,187,808 and 130,307,552, respectively. For the year ended May 31, 2012, the dilution created by options and warrants has been reflected in the per share amounts. For the period ended May 31, 2011, the dilution created by options and warrants has not been reflected in the per share amounts as the effect would be anti-dilutive.

MEDICURE INC.
Notes to the Consolidated Financial Statements
(expressed in Canadian dollars)

10. Income taxes:

The Company recognized no income taxes in the statements of net income (loss) and comprehensive income (loss), as it has been incurring losses since inception, excluding the gain on the settlement of debt during the year ended May 31, 2012, and it is not probable that future taxable profits will be available against which the accumulated tax losses can be utilized.

As at May 31, 2012 and 2011, deferred tax assets have not been recognized with respect to the following items:

		2012		2011
Non-capital loss carry-forwards	$	6,816,000	$	7,008,000
Scientific research and experimental development		3,793,000		3,793,000
Share issue costs		56,000		99,000
Other		771,000		701,000
		11,436,000		11,601,000

The reconciliation of the Canadian statutory rate to the income tax rate applied to the net income (loss) for the period to the income tax recovery is as follows:

		2012		2011
Loss for the year:				
Canadian	$	(1,699,690)	$	(1,537,114)
Foreign		25,085,469		(97,660)
	$	23,385,779	$	(1,634,774)
Canadian federal and provincial income taxes at 27.00% (2011 - 27.00%)	$	(6,314,000)	$	544,000
Permanent differences and other items		(74,000)		(42,000)
Gain on settlement of debt		598,000		-
Foreign tax rate in foreign jurisdiction		6,097,000		(120,000)
Change in unrecognized deferred tax assets		165,000		(838,000)
Other		(472,000)		456,000
	$	-	$	-

The foreign tax rate differential is the difference between the Canadian federal and provincial statutory income tax rate and the tax rates in Barbados (2.5 percent) and the United States (38 percent) that are applicable to losses incurred by the Company's wholly-owned subsidiaries, Medicure International Inc. and Medicure Pharma Inc.

At May 31, 2012, the Company has the following Canadian non-capital losses available for application in future years:

Expires in:		
2014	$	171,296
2026		939,620

2027	1,111,169
2029	5,288,028
2030	2,711,408
2031	1,893,976
2032	1,485,583
	$ 13,601,080

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MEDICURE INC.
Notes to the Consolidated Financial Statements
(expressed in Canadian dollars)

10. Income taxes (continued):

Scientific research and development tax credits of $3,826,000 (2011 - $3,826,000), which can be applied against Canadian income taxes otherwise payable, with expiry by 2028.

At May 31, 2012, the Company has the following United States net operating losses available for application in future years:
Expires in:

2029	$ 1,247,857
2030	430,846
2032	383,595
	$ 2,062,298

At May 31, 2012, the Company has the following Barbados losses available for application in future years:
Expires in:

2013	$ 3,329,175
2014	10,891,624
2015	9,092,149
2016	24,076,128
2017	37,271,739
2018	6,889,185
2019	1,876,026
2020	962,247
	$ 94,388,273

11. Revenue:

During the year ended May 31, 2012 and 2011, the Company earned revenues as follows:

	May 31, 2012	May 31, 2011
Sale of finished products - AGGRASTAT	$ 2,881,378	$ 3,628,274
Sale of unfinished products	1,915,433	-
	$ 4,796,811	$ 3,628,274

On July 6, 2011, the Company entered into an agreement with Iroko Cardio, LLC ("Iroko") to advance AGGRASTAT in each of the Company's and Iroko's respective territories. Iroko owns rights to AGGRASTAT outside of the Company's territory. Under the terms of the agreement, the Company transferred to Iroko AGGRASTAT unfinished product from inventory on hand and the rights to purchase additional quantities from a third party. In turn, Iroko paid Medicure International Inc. US$1,059,000 on July 6, 2011 and agreed to pay an additional US$850,000 on or before November 1, 2011, subject to certain conditions, which were satisfied prior to November 1, 2011 and full payment was received. The Company recognized $1,915,433 of revenue during the year ended May 31, 2012 in relation to this sale.

In addition, Iroko made available to the Company certain analytical methods for testing of AGGRASTAT drug product and provided the Company the option, exercisable by the Company within one year, to obtain certain data used by Iroko to obtain changes to the approved use of AGGRASTAT in Europe. If the Company exercised its option to obtain the data and was successful in getting changes to the approved use of AGGRASTAT in the United States, Iroko would have been entitled to receive a royalty of up to US$3,500,000 on future AGGRASTAT sales based on three percent of sales per year. Management has determined the value of the option received to obtain such data used by Iroko is not significant. Subsequent to May 31, 2012, the option to obtain the data expired without the Company exercising its rights thereunder. As a result the Company has no ongoing or potential royalty obligation in connection with this agreement.

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MEDICURE INC.
Notes to the Consolidated Financial Statements
(expressed in Canadian dollars)

12. Finance Costs:

During the year ended May 31, 2012 and 2011, the Company incurred finance costs as follows:

	May 31, 2012	May 31, 2011
Interest on Birmingham long-term debt	385,663	3,122,364
Interest on MIOP loan	348,838	-
Revaluation of warrant liability	24,490	(27,374)
Revaluation of royalty obligation	(217,973)	-
Other interest and banking fees	12,716	5,185
	$ 553,734	$ 3,100,175

During the year ended May 31, 2012 and 2011, the Company paid finance costs as follows:

	May 31, 2012	May 31, 2011
Interest paid on MIOP loan	208,562	-
Other interest and banking fees paid	12,716	5,185
	$ 221,278	$ 5,185

13. Commitments and contingencies:

(a) Commitments:

As at May 31, 2012 and in the normal course of business the Company has obligations to make future payments, representing contracts and other commitments that are known and committed.

	Purchase agreement commitments
Contractual obligations payment due by fiscal period ending May 31:	
2013	1,467,833
2014	690,000
2015	690,000
2016	345,000
	$ 3,192,833

The Company entered into manufacturing and supply agreements, as amended, to purchase a minimum quantity of AGGRASTAT from a third party totaling a minimum of $2,907,000 or US$2,814,000 (based on current pricing) over the term of the agreement, which expires in fiscal 2016. Subsequent to May 31, 2012, the Company made an AGGRASTAT purchase resulting in $492,000 of the contractual obligation for fiscal 2013 being paid.

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13. Commitments and contingencies (continued):

(a) Commitments (continued):

Effective October 1, 2009, the Company entered into a business and administration services agreement with Genesys Venture Inc. ("GVI"), a company controlled by the Chief Executive Officer (note 14), under which the Company committed to pay $25,000 per month or $300,000 per annum. On October 1, 2010, an amendment was made to the agreement thereby reducing the fees to $15,000 per month, or $180,000 per year effective November 1, 2010. On January 1, 2012, the Company entered into a new agreement with GVI under which the Company committed to pay $15,833 per month, or $190,000 per year effective January 1, 2012. Either party may terminate this agreement at any time after June 30, 2012 upon 90 days written notice.

In addition to the contractual obligations disclosed above, the Company and its wholly-owned subsidiaries have ongoing research and development agreements with third parties in the ordinary course of business.

Contracts with contract research organizations ("CROs") are payable over the terms of the trials and timing of payments is largely dependent on various milestones being met, such as the number of patients recruited, number of monitoring visits conducted, the completion of certain data management activities, trial completion, and other trial-related activities.

(b) Guarantees:

The Company periodically enters into research agreements with third parties that include indemnification provisions customary in the industry. These guarantees generally require the Company to compensate the other party for certain damages and costs incurred as a result of claims arising from research and development activities undertaken on behalf of the Company. In some cases, the maximum potential amount of future payments that could be required under these indemnification provisions could be unlimited. These indemnification provisions generally survive termination of the underlying agreement. The nature of the indemnification obligations prevents the Company from making a reasonable estimate of the maximum potential amount it could be required to pay. Historically, the Company has not made any indemnification payments under such agreements and no amount has been accrued in the accompanying financial statements with respect to these indemnification obligations.

(c) Royalties:

As a part of the Birmingham debt settlement described in note 8, beginning on July 18, 2011, the Company is obligated to pay a royalty to the previous lender based on future commercial AGGRASTAT sales until 2023. The royalty is based on four percent of the first $2,000,000 of quarterly AGGRASTAT sales, six percent of quarterly sales between $2,000,000 and $4,000,000 and eight percent of quarterly sales exceeding $4,000,000 payable within 60 days of the end of the preceding quarter. The previous lender has a one-time option to switch the royalty payment from AGGRASTAT to a royalty on MC-1 sales. Management has determined there is no value to the option to switch the royalty. Royalties for the year ended May 31, 2012 total $99,965 in regards to the royalty obligation (2011 - nil), with payments made in fiscal 2012 being $84,784 (2011 - nil).

As part of the sale of unfinished product as described in note 11, if the Company exercised its option to obtain AGGRASTAT data and was successful in getting changes to the approved use of AGGRASTAT in the United States, the Company would be obligated to pay a three percent royalty of up to US$3,500,000 on future AGGRASTAT sales. Subsequent to May 31, 2012, the option to obtain the data expired without the Company exercising its rights thereunder. As a result the Company has no ongoing or potential royalty obligation in connection with this agreement.

The Company is obligated to pay royalties to third parties based on any future commercial sales of MC-1, aggregating up to 3.9 percent on net sales. To date, no royalties are due and/or payable.

(d) Contingencies:

In the normal course of business the Company may from time to time be subject to various claims or possible claims. Although management currently believes there are no claims or possible claims that if resolved would either individually or collectively result in a material adverse impact on the Company's financial position, results of operations, or cash flows, these matters are inherently uncertain and management's view of these matters may change in the future.

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MEDICURE INC.
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(expressed in Canadian dollars)

14. Related party transactions:

(a) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Board of Directors, Chief Executive Offer, and President and Chief Operating Officer are key management personnel.

In addition to their salaries, the Company also provides non-cash benefits and participation in the Stock Option Plan. The following table details the compensation paid to key management personnel for the years ended May 31:

	2012	2011
Salaries, fees and short-term employee benefits	$ 380,250	$ 690,320
Share-based payments	182,713	14,615
	$ 562,963	$ 704,935

The Company has $253,310 (May 31, 2011 - $307,000) recorded within accounts payable and accrued liabilities relating to amounts payable to the members of the Company's Board of Directors for services provided.

(b) Transactions with related parties

Directors and key management personnel control 16 percent of the voting shares of the Company as at May 31, 2012.

During the year ended May 31, 2012, the Company paid GVI, a company controlled by the Chief Executive Officer, a total of $184,167 (2011 - $225,000) for business administration services, $19,563 (2011 - $17,671) in rental costs and $46,275 (2011 - nil) for commercial support services. As described in note 13, the Chief Financial Officer's services are provided through a consulting agreement with GVI. In addition, accounting, payroll, human resources and information technology services are provided to the Company through the GVI agreement.

Clinical research services are provided through a consulting agreement with GVI Clinical Development Solutions ("GVI CDS"), a company controlled by the Chief Executive Officer. Pharmacovigilance and safety, regulatory support, quality control and clinical support are provided to the Company through the GVI CDS agreement. During the year ended May 31, 2012, the Company paid GVI CDS $146,154 (2011 - $169,762) for clinical research services.

Research and development services are provided through a consulting agreement with CanAm Bioresearch Inc. ("CanAm"), a company controlled by a close family member of the Chief Executive Officer. During the year ended May 31, 2012, the Company paid CanAm $254,493 (2011 - $138,817) for research and development services. In addition, during the year ended May 31, 2011, the Company received $400,000 from CanAm relating to recoveries of amounts previously provided for. This amount is recorded as a reduction in selling, general and administration expenses for the year ended May 31, 2011. There were no similar recoveries during fiscal 2012.

These transactions were in the normal course of business and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

As of November 30, 2011, included in accounts payable and accrued liabilities is $7,862 (May 31, 2011 - $2,471) payable to GVI, $10,403 (May 31, 2011 - $11,200) payable to GVI CDS and $51,705 (May 31, 2011 - $24,043) payable to CanAm, which are unsecured and payable on demand.

On July 18, 2011, the Company renewed its consulting agreement with its Chief Executive Officer for a term of five years, at a rate of $180,000 annually. The Company may terminate this agreement at any time upon 120 days written notice.

On July 18, 2011, the Company issued 20,000,000 common shares of the Company in consideration for the guarantee of long-term debt by the Company's Chief Executive Officer and entities controlled by the Chief Executive Officer. These shares had a value of $371,834, net of share issue costs of $28,166 and have been recorded as deferred debt issue costs and are being amortized using the effective interest method (see note 8).

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15. Expenses by nature:

Expenses incurred for the years ended May 31, 2012 and 2011 are as follows:

	May 31, 2012	May 31, 2011
Personnel expenses		
Wages and salaries	$ 1,106,603	$ 1,456,888
Short-term benefits and insurance premiums	35,341	155,351
Share-based payments	224,445	77,057
	1,366,389	1,689,296
Amortization and derecognition	1,093,560	1,179,166
Research and development	538,076	197,911
Manufacturing	130,957	-
Inventory material costs	227,515	380,572
Write-off of inventory	109,194	292,950
Medical affairs	38,971	150,834
Administration	291,175	(87,389)
Selling and logistics	516,872	470,821
Professional fees	474,786	596,191
	$ 4,787,495	$ 4,870,352

16. Financial instruments:

(a) Financial assets and liabilities:

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies. The carrying values of current monetary assets and liabilities approximate their fair values due to their relatively short periods to maturity. The fair value of the Company's long-term debt is estimated to approximate its carrying value, based on the terms of the long-term debt, as described in note 8, and because the loan bears interest at a variable rate. The carrying value of the royalty obligation approximates its fair value as the royalty obligation is recorded at amortized cost with the associated cash flows being revised each period.

(b) Risks arising from financial instruments and risk management:

The Company's activities expose it to a variety of financial risks; market risk (including foreign exchange and interest rate risks), credit risk and liquidity risk. Risk management is the responsibility of the Company, which identifies, evaluates and, where appropriate, mitigates financial risks.

(i) Market risk:

(a) Foreign exchange risk is the risk that the fair value of future cash flows for financial instruments will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risks primarily due to its U.S

dollar denominated cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and royalty obligation. On July 18, 2011, the Company settled its US dollar denominated long-term as described in Note 8. The Company has not entered into any foreign exchange hedging contracts.

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MEDICURE INC.
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16. Financial instruments (continued):

(c) Risks arising from financial instruments and risk management (continued):

(i) Market risk (continued):

The Company is exposed to U.S. dollar currency risk through the following U.S. denominated financial assets and liabilities:

(Expressed in USD $)	May 31, 2012	May 31, 2011
Cash and cash equivalents	$ 988,734	$ 694,351
Accounts receivable	376,796	362,235
Accounts payable and accrued liabilities	(700,340)	(673,066)
Royalty obligation	(521,124)	-
Accrued interest on long-term debt	-	(8,123,015)
Long term debt	-	(25,000,000)
	$ 144,066	$ (32,739,495

Based on the above net exposures as at May 31, 2012, assuming that all other variables remain constant, a five percent appreciation or deterioration of the Canadian dollar against the U.S. dollar would not have a significant impact on net income (loss) (2011 - $1,600,000).

(b) Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk arising primarily from fluctuations in interest rates on its cash and cash equivalents and long-term debt.

An increase in interest rates of one percent during the year ended May 31, 2012, with all other variables held constant, would have increased net income by approximately $9,400 (2011 - $2,900). An increase in the crown company borrowing rate of one percent during the year ended May 31, 2012, with all other variables held constant, would have decreased net income by approximately $ 44,000 (2011 - nil).

(ii) Credit risk:

Credit risk is the risk of financial loss to the Company if a partner or counterparty to a financial instrument fails to meet its contractual obligation and arises principally from the Company’s cash and cash equivalents, and accounts receivable. The carrying amounts of the financial assets represents the maximum credit exposure.

The Company limits its exposure to credit risk on cash and cash equivalents by placing these financial instruments with high-credit quality financial institutions.

The Company is subject to a concentration of credit risk related to its accounts receivable as amounts are owing primarily from four customers. At May 31, 2012, the outstanding accounts receivable were within normal payment terms and the Company had recorded no allowance for doubtful accounts.

(iii) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages its liquidity risk by continuously monitoring forecasted and actual cash flows, as well as anticipated investing and financing activities and to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due and to fund future operations.

The majority of the Company's accounts payable and accrued liabilities are due within the current operating period. For long-term debt repayments see note 8.

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16. Financial instruments (continued):

(d) Capital management:

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern (note 2c) and to provide capital to pursue the development and commercialization of its products.

In the management of capital, the Company includes cash and cash equivalents, long-term debt, capital stock, stock options, warrants and contributed surplus.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share and warrant issuances, granting of stock options, the issuance of debt or by undertaking other activities as deemed appropriate under the specific circumstance. The Company's overall strategy with respect to capital risk management remains unchanged for the year ended May 31, 2012.

17. Determination of fair values:

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following models. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Intangible assets

The fair value of intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

(b) Share-based payment transactions

The fair value of the employee share options is measured using the Black-Scholes formula. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

(c) Warrant liability

The warrant liability is measured by reference to the fair value of the warrants at the date at which they were granted and is subsequently revalued at each reporting date. Estimating fair value for these warrants required determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the warrants, volatility and dividend yield and making assumptions about them.

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MEDICURE INC.
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18. Segmented information:

The Company operates in one business segment, the biopharmaceutical industry. Substantially all of the Company's assets and operations are located in; Canada, the United States and Barbados. During the year ended May 31, 2012, 100 percent of revenues from the sale of finished product were generated from sales of AGGRASTAT in the United States, which was to six customers. Customer A accounted for 35 percent, Customer B accounted for 28 percent, Customer C accounted for 25 percent, Customer D accounted for 11 percent and the remaining two customers accounted for one percent of revenues. Additionally during fiscal 2012, the Company recorded a sale of unfinished product to a European pharmaceutical company as described in note 11.

Property and equipment and intangible assets are located in the following countries:

	May 31, 2012	May 31, 2011	June 1, 2010
Canada	9,256	32,218	40,871
Barbados	2,500,928	3,284,196	4,397,819
United States	21,489	28,814	44,944
	2,531,673	3,345,228	4,483,634

19. Transition to IFRS:

As stated in note 2(a), these are the Company's first consolidated financial statements prepared in accordance with IFRS.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended May 31, 2012, the comparative information presented in these financial statements for the year ended May 31, 2011 and in the preparation of an opening IFRS statement of financial position at June 1, 2010 (the Company's date of transition).

In preparing its opening IFRS statement of financial position, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous Canadian Generally Accepted Accounting Principles ("GAAP"). An explanation of how the transition from previous Canadian GAAP to IFRS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

(a) Transition elections

Business combinations

The Company has elected not to apply IFRS 3, Business Combinations, retrospectively to the acquisition of businesses as defined under IFRS 3 that occurred prior to the transition date.

Cumulative translation adjustment exemption

In accordance with IFRS 1, the Company has elected to deem all foreign currency translation differences that arose prior to the date of transition in respect of all foreign operations to be nil at the date of transition.

Share-based payment transaction exemption

IFRS 2 is effective for the Company as of June 1, 2010 and is applicable to stock options and grants that are unvested at that date. The transition rules in IFRS 1 and IFRS 2 as applied by the Company result in the following:

- Share options prior to November 7, 2002 are not taken into account for IFRS 2; and
- From June 1, 2010, all share options and other share-based payments will be expensed in accordance with the policy stated in Note 3 to the August 31, 2011 condensed consolidated interim financial statements.

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MEDICURE INC.
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19. Transition to IFRS (continued):

(a) Transition elections (continued):

Estimates

Hindsight is not used to create or revise estimates. The estimates previously made by the Company under Canadian GAAP were not revised for application of IFRS.

(b) Reconciliation of Deficiency as Previously Reported Under Canadian GAAP to IFRS
As at June 1, 2010

	Ref	CDN GAAP	Transition Adjustments	Reclasses	IFRS
Assets					
Current assets:					
Cash		$ 371,262	$ -	$ -	$ 371,262
Accounts receivable		390,923	-	-	390,923
Inventories		550,975	-	-	550,975
Prepaid expenses		176,280	-	-	176,280
Total current assets		1,489,440	-	-	1,489,440
Non-current assets					
Property and equipment		68,752	-	-	68,752
Intangible assets		4,414,882	-	-	4,414,882
Total non-current assets		4,483,634	-	-	4,483,634
Total assets		$ 5,973,074	$ -	$ -	$ 5,973,074
Liabilities and Deficiency					
Current liabilities:					
Accounts payable and accrued liabilities	1	$ 1,320,185	$ 37,971	$ -	$ 1,358,156
Accrued interest on long-term debt		5,469,343	-	-	5,469,343
Current portion of long-term debt		24,140,199	-	-	24,140,199
Total current liabilities		30,929,727	37,971	-	30,967,698
Deficiency:					
Share capital		116,014,623	-	-	116,014,623
Contributed surplus		4,044,810	-	-	4,044,810
Warrants	1	9,065,720	(9,065,720)	-	-
Deficit	1	(154,081,806)	9,027,749	-	(145,054,057)

Total deficiency	(24,956,653)	(37,971)	-	(24,994,624)
Total liabilities and deficiency	$ 5,973,074	$ -	$ -	$ 5,973,074

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MEDICURE INC.
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19. Transition to IFRS (continued):

(b) Reconciliation of Deficiency as Previously Reported Under Canadian GAAP to IFRS (continued)
As at May 31, 2011

	Ref	CDN GAAP	Transition Adjustments	Reclasses	IFRS
Assets					
Current assets:					
Cash		$ 750,184	$ -	$ -	$ 750,184
Accounts receivable		365,490	-	-	365,490
Inventories	2	460,886	(11,012)	-	449,874
Prepaid expenses	2	248,065	(9,603)	-	238,462
Total current assets		1,824,625	(20,615)	-	1,804,010
Non-current assets					
Property and equipment	2	50,996	(4,054)	-	46,942
Intangible assets		3,298,286	-	-	3,298,286
Total non-current assets		3,349,282	(4,054)	-	3,345,228
Total assets		$ 5,173,907	$ (24,669)	$ -	$ 5,149,238
Liabilities and Deficiency					
Current liabilities:					
Accounts payable and accrued liabilities	1	$ 1,729,517	$ 10,597	$ -	$ 1,740,114
Accrued interest on long-term debt		7,869,577	-	-	7,869,577
Current portion of long-term debt		22,468,518	-	-	22,468,518
Total current liabilities		32,067,612	10,597	-	32,078,209
Deficiency:					
Share capital		116,014,623	-	-	116,014,623
Contributed surplus	1	8,177,365	(4,055,498)	-	4,121,867
Warrants	1	5,010,222	(5,010,222)	-	-
Accumulated other comprehensive income	2	-	(376,630)	-	(376,630)
Deficit	1, 2	(156,095,915)	9,407,084	-	(146,688,831)
Total deficiency		(26,893,705)	(35,266)	-	(26,928,971)
Total liabilities and deficiency		$ 5,173,907	$ (24,669)	$ -	$ 5,149,238

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Explanation of Responses:

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19. Transition to IFRS (continued):

(b) Reconciliation of Equity as Previously Reported Under Canadian GAAP to IFRS (continued)

1. Warrants

IFRS requires warrants with an exercise price denominated in a currency other than the entity's functional currency to be treated as a liability measured at fair value. Changes in fair value are to be recorded in the consolidated statement of net income (loss) and comprehensive income (loss).

At June 1, 2010, the warrants had a fair value of $37,971, which was recorded within accounts payable and accrued liabilities. Within equity, warrants decreased by $9,065,720, and deficit decreased by $9,027,749.

At May 31, 2011, the warrants had a fair value of $10,597, which was recorded within accounts payable and accrued liabilities. Within equity, warrants decreased by $5,010,222, contributed surplus decreased by $4,055,498 and deficit decreased by $9,055,123.

2. Functional currency

IFRS requires the impact of fluctuations in foreign currency exchange rates relating to the Company's U.S. dollar subsidiaries and any foreign currency effects on the translation of these subsidiary's financial statements to be recorded as a separate component of equity and other comprehensive income (loss). Under Canadian GAAP, the Company treated a subsidiary as an integrated foreign operation with translation differences recorded as part of profit and loss. The result of the transition to IFRS is as follows:

At June 1, 2010, translation differences were insignificant and no adjustments were made.

At May 31, 2011, translation differences resulted in a decrease in inventory by $11,012, a decrease in prepaid expenses by $9,603, a decrease in property and equipment by $4,054, cumulative translation adjustments of ($376,630) and a decrease in the deficit by $351,961.

MEDICURE INC.
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19. Transition to IFRS (continued):

(c) Reconciliation of Comprehensive Income (Loss) as Previously Reported Under Canadian GAAP to IFRS

For the year ended May 31, 2011	Ref	CDN GAAP	Transition Adjustments	Reclasses	IFRS
Revenue					
Product sales, net		3,628,274	-	-	3,628,274
Expenses:					
Cost of goods sold, excluding depreciation	2	673,522	-	839,725	1,513,247
Selling, general and administrative	2	2,818,159	-	15,058	2,833,217
Research and development	2	204,690	-	319,198	523,888
Write-down of fixed and intangible assets	2	280,235	-	(280,235)	-
Amortization	2	898,931	-	(898,931)	-
Operating loss		(1,247,263)	-	5,185	(1,242,078)
Finance expenses (income):					
Finance income		(473)	-	-	(473)
Finance expense	1, 2	3,122,364	(27,374)	5,185	3,100,175
Foreign exchange gain, net	3	(2,355,045)	(351,961)	-	(2,707,006)
Net finance costs		766,846	(379,335)	5,185	392,696
Net loss for the year		(2,014,109)	379,335	-	(1,634,774)
Foreign currency translation differences for foreign operations	3	-	(376,630)	-	(376,630)
Total comprehensive loss for the year		(2,014,109)	2,705	-	(2,011,404)
Basic and diluted loss per share for the year		(0.02)	-	-	(0.01)

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19. Transition to IFRS (continued):

(c) Reconciliation of Comprehensive Income (Loss) as Previously Reported Under Canadian GAAP to IFRS (continued)

1. Warrants

IFRS requires warrants with an exercise price denominated in a currency other than the entity's functional currency to be treated as a liability measured at fair value. Changes in fair value are to be recorded in the consolidated statement of loss and comprehensive loss.

As a result of applying this change finance expense has decreased by $27,374 for the year ended May 31, 2011.

2. Presentation of Statement of Loss and Comprehensive Loss

Under Canadian GAAP, the statement of loss and comprehensive loss was presented using a combination of function and nature of expenses. The Company has elected to present expenses in the consolidated statements of loss and comprehensive loss by function under IFRS.

For the year ended May 31, 2011, the following reclassifications were made:

- $839,725 of amortization relating to AGGRASTAT® intangible assets was reclassified from amortization to cost of goods sold.
- $38,963 of amortization relating to intangible assets was reclassified from amortization to research and development.
- $20,243 of amortization relating to fixed assets was reclassified from amortization to selling, general and administration.
- $280,235 of write-downs of intangible assets was reclassified from write-down of fixed and intangible assets to research and development.
    - $5,185 of bank charges was reclassified from selling, general and administrative to interest expense.

3. Functional currency

IFRS requires the impact of fluctuations in foreign currency exchange rates relating to the Company's U.S. dollar subsidiary and any foreign currency effects on the translation of this subsidiary's financial statements to be recorded as a separate component of equity and other comprehensive income (loss). Under Canadian GAAP, the Company treated this subsidiary as an integrated foreign operation with translation differences recorded as part of profit and loss. The result of the transition to IFRS is as follows:

For the year ended May 31, 2011, translation differences resulted in a net increase in foreign exchange gains of $351,961 and translation adjustments recorded in other comprehensive loss of ($376,630).

(d) Reconciliation of Statement of Cash Flows as Previously Reported Under Canadian GAAP to IFRS

There are no material differences between the statement of cashflows presented under IFRS and the statement of cash flows presented under previous Canadian GAAP. The reconciling items between Canadian GAAP and IFRS presentation have no material effect on the cash flows generated.

ITEM 19. EXHIBITS

Number Exhibit

1. Articles of Incorporation and Bylaws:

1.1 Medicure's Articles of Incorporation dated September 15, 1997 [1];
1.2 Lariat's Articles of Incorporation dated June 3, 1997 [1];
1.3 Medicure's Certificate of Continuance from Manitoba to Alberta dated December 3, 1999 [1];
1.4 Certificate of Amalgamation for Medicure and Lariat dated December 22, 1999 [1];
1.5 Medicure's Certificate of Continuance from Alberta to Canada dated February 23, 2000 [1];
1.6 Amended Certificate of Continuance and Articles of Continuance dated February 20, 2003 [3];
1.7 Bylaws [5];
1.8 Bylaw No. 2 **
1.9 Bylaw No. 1A

4. Material Contracts and Agreements:

4.1 Transfer Agency Agreement between Montreal Trust Company of Canada and the Company dated as of January 26, 2000, whereby Montreal Trust Company of Canada agreed to act as transfer agent and registrar with respect to the Shares [1];

4.2 Medicure International Licensing Agreement between the Company and Medicure International Inc. dated June 1, 2000, wherein the Company granted Medicure International, Inc. a license with regard to certain intellectual property [1];

4.3 Development Agreement between Medicure International, Inc. and CanAm Bioresearch Inc. dated June 1, 2000, wherein CanAm Bioresearch Inc. agreed to conduct research and development activities for Medicure International, Inc. [1];

4.4 Amendment to the Consulting Services Agreement dated February 1, 2002 between A.D. Friesen Enterprises Ltd. and the Company whereby consulting services will be provided to the Company by Dr. Albert D. Friesen [2];

4.5 Stock Option Plan approved February 4, 2002 [3];

4.5 Amendment dated March 1, 2002 to the Development Agreement between Medicure International, Inc. and CanAm Bioresearch Inc. [5];

4.7 Amendment dated August 7, 2003 to the Development Agreement between Medicure International, Inc. and CanAm Bioresearch Inc. [3];

4.8 Amendment to the Consulting Services Agreement dated October 1, 2003 between A.D. Friesen Enterprises Ltd. and the Company whereby consulting services will be provided to the Company by Dr. Albert D. Friesen [4];

4.9 Employment Agreement with Dawson Reimer dated October 1, 2001 [4];

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4.10 Amendment to Employment Agreement dated April 5, 2005 between A.D. Friesen Enterprises Ltd. and the Company [5];

4.11 Amendment to Employment Agreement dated April 5, 2005 between Dawson Reimer and the Company [5];

4.12 Amendment to Employment Agreement dated April 5, 2005 between Derek Reimer and the Company [5];

4.13 Amendment dated July 8, 2005 to the Development Agreement between Medicure International, Inc. and CanAm Bioresearch Inc. [5];

4.14 Amendment to Employment Agreement dated October 1, 2005 between A.D. Friesen Enterprises Ltd. and the Company [6];

4.15 Amendment to Development Agreement dated June 1, 2000 between CanAm Bioresearch Inc. and Medicure International, Inc. dated July 4, 2006 [6];

4.16 Amended Stock Option Plan approved October 25, 2005 [6];

4.17 Amendment to Employment Agreement dated October 1, 2006 between A.D. Friesen Enterprises Ltd. and the Company [7];

4.18 Amended License Agreement between Medicure and the University of Manitoba dated November 24, 2006, originally dated August 30, 1999, wherein the University of Manitoba granted to Medicure an exclusive license with regard to certain intellectual property (the “U of M Licensing Agreement”) [7];

4.19 Amendment to Employment Agreement dated October 1, 2007 between A.D. Friesen Enterprises Ltd. and the Company [8];

4.20 Amended Stock Option Plan approved October 2, 2007 as filed on October 9, 2007 Form S-8 #333-146574

4.21 Employment Agreement with Dwayne Henley June 10, 2008 [8]

4.22 Debt financing agreement between Birmingham Associates Ltd. and the Company dated September 17, 2007 [8].

4.23 Business and administration services agreement between Genesys Venture Inc. and the Company dated October 1, 2010.

4.24 Master services agreement between GVI Clinical Development Solutions Inc. and the Company dated June 9, 2009.

4.25 Debt settlement agreement between Birmingham Associates Ltd. And the Company dated July 18, 2011.

4.26 Royalty and guarantee agreement between Birmingham Associates Ltd. And the Company dated July 18, 2011.

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4.27 Business and administration services agreement between Genesys Venture Inc. and the Company dated January 1, 2012.

11. Code of Ethics [4].

12.1 Certification of CEO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 **.

12.2 Certification of CFO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 **.

13.1 Certification of CEO and CFO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 **.

[1] Herein incorporated by reference as previously included in the Company's Form 20-F registration statement filed on January 30, 2001.

[2] Herein incorporated by reference as previously included in the Company's Form 20-F annual report filed on December 31, 2002.

[3] Herein incorporated by reference as previously included in the Company's Form 20-F annual report filed on October 20, 2003.

[4] Herein incorporated by reference as previously included in the Company's Form 20-F annual report filed on September 15, 2004.

[5] Herein incorporated by reference as previously included in the Company's Form 20-F annual report filed on August 19, 2005.

[6] Herein incorporated by reference as previously included in the Company's Form 20-F annual report filed on August 10, 2006.

[7] Herein incorporated by reference as previously included in the Company's Form 20-F annual report filed on August 22, 2007.

[8] Herein incorporated by reference as previously included in the Company's Form 20-F annual report filed on August 27, 2008.

[9] Herein incorporated by reference as previously included in the Company's Form 20-F annual report filed on September 2, 2009.

[10] Herein incorporated by reference as previously included in the Company's Form 20-F annual report filed on September 28, 2010.

[11] Herein incorporated by reference as previously included in the Company's Form 20-F annual report filed on September 28, 2011.

23.1 Consent of Independent Registered Pubic Accounting Firm **

** Filed Herewith

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SIGNATURE PAGE

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the Company certifies that it meets all of the requirements for filing on Form 20-F and has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: September 17, 2012

ON BEHALF OF THE CORPORATION,
MEDICURE INC.

per:

/s/ Albert Friesen

____

Albert D. Friesen, Ph.D.
Chairman, & CEO

EXHIBIT 12.1 – CERTIFICATION OF CEO PURSUANT TO SECTION 302

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CERTIFICATION

I, Albert D. Friesen, certify that:

1. I have reviewed this Annual Report on Form 20-F of Medicure Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-(15)(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: September 17, 2012 /s/ Albert Friesen

Chief Executive Officer
(Principal Executive Officer)

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EXHIBIT 12.2 – CERTIFICATION OF CFO PURSUANT TO SECTION 302

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CERTIFICATION

I, James F. Kinley, certify that:

1. I have reviewed this Annual Report on Form 20-F of Medicure Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-(15)(f)) for the company and have:

(e) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(f) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(g) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(h) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(c) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(d) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: September 17, 2012 /s/ James Kinley

Chief Financial Officer
(Principal Financial Officer)

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EXHIBIT 13.1 – CERTIFICATION OF CEO AND CFO

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND
PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each of the undersigned officers of Medicure Inc. (the "Company"), does hereby certify with respect to the Annual Report of the Company on Form 20-F for the year ended May 31, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Form 20-F"), that, to the best of his knowledge:

(1) the Form 20-F fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Form 20-F fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 17, 2012 /s/ Albert Friesen

Albert D. Friesen Ph D., Chief Executive Officer
(Principal Executive Officer)

Date: September 17, 2012 /s/ James Kinley

James F. Kinley CA, Chief Financial Officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 23.1 – CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Consent of Independent Registered Public Accounting Firm

The Board of Directors

Medicure Inc.

We consent to the incorporation by reference in the registration statement (File No. 333- 146574) on Form S-8 of Medicure Inc., of our report dated September 14, 2012, with respect to the consolidated statements of financial position of Medicure Inc. as of May 31, 2012 and 2011 and June 1, 2010, and the related consolidated statements of net income (loss) and comprehensive income (loss), changes in deficiency and cash flows for each of the years in the two-year period ended May 31, 2012 which report appears in the May 31, 2012 Annual Report on Form 20-F of Medicure Inc.

Our report dated September 14, 2012 contains an explanatory paragraph that states that the Company has experienced operating losses and has accumulated a deficit of $123,303,052 that raises substantial doubt about its ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ KPMG LLP
Chartered Accountants

September 17, 2012
Winnipeg, Canada

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