

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Nuvo Research Inc.			2 Issuer's employer identification number (EIN) 98-0626110		
3 Name of contact for additional information Investor Relations		4 Telephone No. of contact 905-673-6980		5 Email address of contact ir@nuvoresearch.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 7560 Airport Road, Unit 10			7 City, town, or post office, state, and Zip code of contact Mississauga, Ontario, L4T 4H4, Canada		
8 Date of action March 1, 2016		9 Classification and description Capital Reorganization & Distribution of Shares of Corporation In Separation Arrangement			
10 CUSIP number 67092F	11 Serial number(s) N/A	12 Ticker symbol TSX-NRI	13 Account number(s) N/A		

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **See attached**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **See attached**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **See attached**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See attached

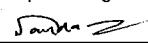
18 Can any resulting loss be recognized? ▶ See attached

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attached

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶  Date ▶ March 30/16
Print your name ▶ Stephen Lemieux Title ▶ VP + CFO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Chait Panday		03/29/16		P01424765
	Firm's name ▶ Ernst & Young LLP	Firm's EIN ▶		98-0092343	
	Firm's address ▶ 222 Bay Street, P.O. Box 251, Toronto, Ontario M5K 1J7, Canada	Phone no.		416-864-1234	

Nuvo Research Inc.
EIN: 98-0626110

ATTACHMENT TO FORM 9913 – PART II
REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES

CONSULT YOUR TAX ADVISOR

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the “Code”), and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects of the Arrangement (as defined below) on the tax basis of Nuvo Pharmaceuticals Inc., (formerly Nuvo Research Inc.), (“Nuvo”), stock and the allocation of tax basis between the stock of Nuvo and Crescita Therapeutics Inc. (“Crescita”) following the Arrangement. The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of stockholders. Neither Nuvo nor Crescita provides tax advice to its stockholders. The example provided below is illustrative and is being provided pursuant to Section 6045B of the Code and as a convenience to stockholders and their tax advisers when establishing their specific tax position. You are urged to consult your own tax adviser regarding the particular consequences of the Arrangement to you, including the applicability and effect of all U.S. federal, state and local tax laws and foreign tax laws. We urge you to read the Management Information Circular (“Circular”), dated December 31, 2015, mailed to Nuvo stockholders and filed with the Toronto Stock Exchange (“TSX”) on January 22, 2016, noting especially the discussion on pages 65-71 therein under the heading “Certain U.S. Federal Income Tax Consequences to Shareholders” in the section of the Circular “Certain Income Tax Consequences” on pages 61-71. You may access the Information Statement at www.sedar.com.

This notice does not apply to shares of Nuvo common stock sold, exchanged or otherwise disposed of prior to the Arrangement.

Line 14. Describe the organizational action and, if applicable, the date of the action or the date against which the stockholders’ ownership is measured from the action.

On March 1, 2016 (the “Arrangement Date”), pursuant to the Plan of Arrangement involving Nuvo and Crescita, Nuvo agreed to distribute to its stockholders, on a pro rata basis, all of the issued and outstanding shares of Crescita’s common stock (the “Arrangement”). Pursuant to the Arrangement, each holder of Nuvo common stock as of the close of business on March 3, 2016 received one (1) share of Crescita common stock for every one (1) share of Nuvo common stock held.

Line 15. Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

As a result of the Arrangement, Nuvo stockholders will be required to allocate the aggregate tax basis in their Nuvo common shares held immediately prior to the Arrangement among the Crescita common shares received in the Arrangement and their Nuvo common shares held immediately after the Arrangement. This allocation should be made in proportion to the relative fair market values of the Crescita common stock and the Nuvo common stock. Stockholders that acquired Nuvo common shares at different times or different prices will need to calculate their tax basis in each block of Nuvo common shares and then allocate a portion of that tax basis to the shares of Crescita common stock received with respect thereto.

Fair market value generally is the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of the facts. U.S. federal income tax law does not specifically prescribe how you should determine the fair market values of the Nuvo common stock and the Crescita common stock for purposes of allocating your tax basis. You should consult your tax advisor to determine what measure of fair market value is appropriate.

There are several possible methods for determining the fair market values of Nuvo common stock and Crescita common stock. One possible approach is to utilize information based on post-Arrangement trading price.

For example, the value of Crescita shares could be determined as an amount equal to the fraction (A)/(B) where:

(A) is the volume weighted average trading price of the Crescita Common Shares on the TSX for the first five trading days commencing on the date upon which the Crescita Common Shares commence trading on the TSX following the completion of the Arrangement; and

(B) is the sum of the amount determined under (A) above, plus the volume weighted average trading price of the Post-Arrangement Nuvo Common Shares on the TSX for the first five trading days commencing on the date upon which the Post-Arrangement Nuvo Common Shares commence trading on the TSX without any entitlement to the Crescita Common Shares.

Based on that approach and the assumptions and calculations set forth in Item 16 below, 78.18% of a Nuvo stockholder's aggregate tax basis in his or her shares of Nuvo common stock immediately prior to the Arrangement would be allocated to such stockholder's shares of Nuvo common stock and 21.82% would be allocated to such stockholder's shares of Crescita common stock received in the Arrangement. Other approaches to determine fair market value may also be possible. You are not bound by the approach illustrated above and may, in consultation with your tax advisor, use another approach in determining fair market values for Nuvo and Crescita common stock.

Line 16. Describe the calculation of the change in basis and the data that supports the calculation, such as the market value of securities and the valuation date.

The following is an example of how the previously-described approach to basis allocation would be applied:

Assumptions:

- Shares of Nuvo common stock owned: 1,000
- Nuvo stockholder's aggregate tax basis (assumed to be \$5.00 per share): \$5,000
- Shares of Crescita common stock received in the Arrangement (1,000 shares of Nuvo common stock multiplied by the Arrangement ratio of 1): 1,000
- The volume weight average trading price ("VWAP") of the Crescita Common Shares and the Post-Arrangement Nuvo Common Shares and the relative percentage value for each company's shares during the five trading days during the period from March 7th to March 11th were as follows:

<u>Company</u>	<u>VWAP</u>	<u>Relative Percentage Value</u>
Crescita VWAP	C\$1.5179	21.82%
Nuvo VWAP	<u>C\$5.4391</u>	78.18%
Total	<u>C\$6.957</u>	

Tax basis allocation:

	# of Shares Owned	Assumed Beginning Basis (A)	Volume Weight Average Price	FMV of Shares Owned Post Arrangement	Percentage of Total FMV (B)	Allocated Tax Basis (A) x (B)
Nuvo common stock	1000	C\$5,000	C\$5.4391 ¹	C\$5,439 ²	78.18% ³	C\$3,909
Crescita common stock	1000		C\$1.5179 ⁴	C\$1,518 ⁵	21.82% ⁶	C\$1,091
Total				C\$6,957	100%	C\$5,000

¹ VWAP of the Nuvo Common Shares for the period March 7th to March 11th

² 1000 shares x C\$5.4391

³ C\$5,439/C\$6,957 = 78.18%

⁴ VWAP of the Crescita Common Shares for the period March 7th to March 11th

⁵ 1000 shares x C\$1.5179

⁶ C\$1,518/C\$6,957 = 21.82%

Line 17. List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.

Nuvo did not receive an opinion regarding whether the Arrangement qualifies as a transaction that is generally tax free, for U.S. federal income tax purposes, under Section 355 of the Code. However, Nuvo believes that the Arrangement may likely so qualify, and if the Arrangement so qualifies:

- Pursuant to Section 355(a)(1)(A) of the Code, Nuvo stockholders will not recognize income, gain or loss for U.S. federal income tax purposes upon their receipt of Crescita common stock pursuant to the Arrangement.
- Pursuant to Section 358 of the Code, Nuvo stockholders must allocate the aggregate tax basis in their Nuvo common shares held immediately before the Arrangement between the Crescita shares received in the Arrangement and their Nuvo shares.
- Pursuant to Section 1223(1) of the Code, the holding period of Crescita common stock received in the Arrangement generally will include the holding period at the time of the Arrangement for the Nuvo common stock with respect to which the Arrangement is made.

You should consult your own tax adviser as to the consequences of the Arrangement, including the applicability and effect of any U.S. federal, state or local tax laws, or foreign tax laws, which may result in the Arrangement being taxable to you.

Line 18. Can any resulting loss be recognized?

It is unlikely that a loss will be recognized by a Nuvo stockholder upon the receipt of Crescita common stock in the Arrangement.

Line 19. Provide any other information necessary to implement the adjustment, such as the reportable tax year.

The Arrangement was effective on March 1, 2016. For a Nuvo stockholder whose tax year is the calendar year, the reportable tax year is 2016.