UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2013**

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: **000-31187**

INTELGENX TECHNOLOGIES CORP.

(Exact name of registrant as specified in its charter)

Delaware	**87-0638336**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
6425 Abrams, Ville Saint Laurent, Quebec	**H4S 1X9**
(Address of principal executive offices)	*(Zip Code)*

(514) 331-7440
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:
None

Securities registered pursuant to Section 12(g) of the Act:
Common Stock, $0.00001 par value per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes [ ] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes [ ] No [X]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer [ ]	Accelerated filer [ ]	Non-accelerated filer [ ] (Do not check if a smaller reporting company)	Smaller reporting company [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).
Yes [ ] No [X]

As of June 30, 2013, the aggregate market value of the registrant's voting and non-voting common equity held by non-affiliates of the registrant was $28,352,182 based on the closing price of the registrant's common shares of U.S. $0.55, as reported on the OTCQX on that date. Shares of the registrant's common shares held by each officer and director and each person who owns 10% or more of the outstanding common shares of the registrant have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Class	Outstanding at March 08, 2014
Common Stock, $.00001 par value	**62,600,656 shares**

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the Company's Proxy Statement for its 2014 Annual Meeting of Shareholders (the "2014 Proxy Statement") are incorporated by reference into Part III

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Terminology and references

In this Annual Report on Form 10-K, the words "Company", "IntelGenx", "we", "us", and "our", refer collectively to IntelGenx Technologies Corp. and IntelGenx Corp., our wholly-owned Canadian subsidiary.

In this Form 10-K, unless otherwise specified, all monetary amounts are in United States dollars, all references to "$", "U.S.$", "U.S. dollars" and "dollars" mean U.S. dollars and all references to "C$", "Canadian dollars" and "CAD$" mean Canadian dollars. To the extent that such monetary amounts are derived from our consolidated financial statements included elsewhere in this Form 10-K, they have been translated into U.S. dollars in accordance with our accounting policies as described therein. Unless otherwise indicated, other Canadian dollar monetary amounts have been translated into United States dollars at the December 31, 2013 closing rate reported by the Bank of Canada, being U.S. $1.00 = CAD$1.0636.

PART I

Cautionary Statement Concerning Forward-Looking Statements

Certain statements included or incorporated by reference in this report constitute forward-looking statements within the meaning of applicable securities laws. All statements contained in this report that are not clearly historical in nature are forward-looking, and the words “anticipate”, “believe”, “continue”, “expect”, “estimate”, “intend”, “may”, “plan”, “will”, “shall” and other similar expressions are generally intended to identify forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All forward-looking statements are based on our beliefs and assumptions based on information available at the time the assumption was made. These forward-looking statements are not based on historical facts but on management’s expectations regarding future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Forward-looking statements involve significant known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from those implied by forward-looking statements. These factors should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this report or incorporated by reference herein are based upon what management believes to be reasonable assumptions, there is no assurance that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this report or as of the date specified in the documents incorporated by reference herein, as the case may be. **We undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statements were made or to reflect the occurrence of unanticipated events, except as may be required by applicable securities laws.** The factors set forth in Item 1A., "Risk Factors", as well as any cautionary language in this report, provide examples of risks, uncertainties and events that may cause our actual results to differ materially from the expectations we describe in our forward-looking statements. Before you invest in the common stock, you should be aware that the occurrence of the events described as risk factors and elsewhere in this report could have a material adverse effect on our business, operating results and financial condition.

ITEM 1. BUSINESS.

Corporate History

Our predecessor company, Big Flash Corp., was incorporated in Delaware on July 27, 1999. On April 28, 2006, Big Flash, through its Canadian holding corporation, completed the acquisition of IntelGenx Corp., a Canadian company incorporated on June 15, 2003. The Company did not have any operations prior to the acquisition of IntelGenx Corp. In connection with the acquisition, we changed our name from Big Flash Corp. to IntelGenx Technologies Corp. IntelGenx Corp. has continued operations as our operating subsidiary.

Overview

We are a drug delivery company focusing on the development of novel, orally administered drug delivery products based on our proprietary oral drug delivery technologies. We have positioned ourselves as a provider of product development services for the pharmaceutical industry, including the branded and generic pharmaceutical markets.

Drug delivery systems are an important tool in the hands of physicians for purposes of optimizing drug therapy. For the pharmaceutical industry, drug delivery systems represent an opportunity to extend the market exclusivity and product lifecycle of drugs whose patent protection is nearing expiration.

A significant portion of our current products under development focus on controlled release delivery systems. Controlled release delivery systems play an important role in the development of orally administered drug delivery systems. Controlled release technology provides patients with the required amount of medication over a pre-determined, prolonged period of time. Because of the reduced fluctuation of the active drug in the blood and the avoidance of plasma spikes, controlled release products are deemed safer and more tolerable than conventional dosage forms, and have shown better patient compliance.

Our primary business strategy is to develop pharmaceutical products based upon our proprietary drug delivery technologies and license the commercial rights to companies in the pharmaceutical industry once the viability of a product has been demonstrated. In exchange for licensing rights to our products, we seek funding consisting of a combination of one or more of the following: advance down payments, milestone fees, reimbursement for development costs, and royalties on sales. In addition, we may receive a manufacturing royalty from our contract manufacturers for the exclusive right to manufacture our products. The companies we partner with are typically responsible for managing the regulatory approval process of the product with the United States Food and Drug Administration (“FDA”) and/or other regulatory bodies, as well as for the marketing and distribution of the products. On a case-by-case basis, we may be responsible for providing all or part of the documentation required for the regulatory submission. In addition to pursuing partnering arrangements that provide for the full funding of a drug development project, we may undertake development of selected product opportunities until the marketing and distribution stage. We would first assess the potential and associated costs for successful development of a product, and then determine at which stage it would be most prudent to seek a partner, balancing costs against the potential for higher returns later in the development process.

Technology Platforms

Our product development efforts are based upon three delivery platform technologies: (1) VersaFilm™, an Oral Film technology, (2) VersaTab™, a Multilayer Tablet technology, and (3) AdVersa™, a Mucoadhesive Tablet technology.

The Oral Film technology consists of a thin (25-35 micron) polymeric film comprised of United States Pharmacopeia (USP) components that are approved by the FDA for use in food, pharmaceutical, and cosmetic products. Derived from the edible film technology used for breath strips and initially developed for the instant delivery of savory flavors to food substrates, the VersaFilm™ technology is designed to provide a rapid response compared to existing conventional tablets. The VersaFilm™ technology is intended for indications requiring rapid onset of action, such as migraine, opioid dependence, motion sickness, erectile dysfunction, and nausea.

Our Multilayer Tablet platform technology allows for the development of oral controlled-release products. It is designed to be versatile and to reduce manufacturing costs as compared to competing oral extended-release delivery technologies. The Oral Film technology allows for the instant delivery of pharmaceuticals to the oral cavity, while the Mucoadhesive Tablet allows for the controlled release of active substances to the oral mucosa.

The Multilayer Tablet platform technology represents a new generation of controlled release layered tablets designed to modulate the release of active compounds. The technology is based on a multilayer tablet with an active core layer and erodible cover layers. The release of the active drug from the core matrix initially occurs in a first-order fashion. As the cover layers start to erode, their permeability for the active ingredient through the cover layers increases. Thus, the Multilayer Tablet can produce quasi-linear (zero-order) kinetics for releasing a chemical compound over a desired period of time. The erosion rate of the cover layers can be customized according to the physico-chemical properties of the active drug. In addition, our multilayer technology offers the opportunity to develop combination products in a regulatory-compliant format. Combination products are made up of two or more active ingredients that are combined into a single dosage form.

The Mucoadhesive Tablet is a drug delivery system capable of adhering to the oral mucosa and releasing the drug onto the site of application at a controlled rate. The Mucoadhesive Tablet is designed to provide the following advantages relative to competing technologies: (i) it avoids the first pass effect, whereby the liver metabolizes the active ingredient and greatly reduces the level of drug in the systemic circulation, (ii) it leads to a higher absorption rate in the oral cavity as compared to the conventional oral route, and (iii) it achieves a rapid onset of action for the drug. The Mucoadhesive Tablet technology is designed to be versatile in order to permit the site of application, residence time, and rate of release of the drug to be modulated to achieve the desired results.

Product Portfolio

Our product portfolio includes a blend of generic and branded products based on our proprietary delivery technology (“generic” drugs are essentially copies of drugs that have already received FDA approval). Of the eleven projects currently in our product portfolio, three utilize our VersaTab™ technology, five utilize our VersaFilm™ technology, one utilizes our AdVersa™ technology and the technology behind two of our projects remains, in accordance with our contractual obligations, confidential.

INT0001/2004: This is the most advanced generic product involving our multilayer tablet technology. Equivalency with the reference product Toprol XL ® and its European equivalent Beloc-ZOK ® has been demonstrated *in-vitro* . The product has been tested in phase I studies. We are working with our partner to progress pivotal development activities.

INT0004/2006: We developed a new, higher strength of the antidepressant Bupropion HCl, the active ingredient in Wellbutrin XL®, and, in November 2011, the FDA approved the drug for patients with Major Depressive Disorder. In February 2012, we entered into an agreement with Edgemont Pharmaceuticals LLC (“Edgemont”) for commercialization of the product in the United States. Under the terms of the agreement, Edgemont obtained certain exclusive rights to market and sell the product in the U.S. In exchange we received a $1.0 million upfront payment, will receive launch related milestones totaling up to $4.0 million, and are eligible for additional milestones upon achieving certain sales and exclusivity targets of up to a further $23.5 million. We also receive tiered double-digit royalties on the net sales of the product. The agreement has no expiry date but may be terminated in the event of, without limitation (i) failure by either us or Edgemont to perform our respective obligations under the agreement; (ii) if either party files a petition for bankruptcy or insolvency or otherwise winds up, liquidates or dissolves its business, or (iii) otherwise by mutual consent of the parties. The agreement also contains customary confidentiality, indemnification and intellectual property protection provisions.

The product was launched in the U.S. in October 2012 under the brand name Forfivo XL®. As of December 31, 2013 we have received an upfront payment of $1 million and a $1 million milestone payment related to the launch. We commenced receiving royalty payments in the first quarter of 2013 and received total royalties of $171 thousand in the year ended December 31, 2013.

In August 2013 we announced receipt of a Paragraph IV Certification Letter from Wockhardt Bio AG, advising of the submission of an Abbreviated New Drug Application ("ANDA") to the FDA requesting authorization to manufacture and market generic versions of Forfivo XL® 450 mg capsules in the United States. We intend to vigorously enforce our intellectual property rights for Forfivo XL® and will pursue all available legal and regulatory pathways in defense of the product, which is currently protected by an issued patent listed in the FDA's Approved Drug Products List (Orange Book).

INT0007/2006: An oral film product based on our proprietary edible film technology is currently in the optimization stage. The product contains the active ingredient Tadalafil and is intended for the treatment of erectile dysfunction (ED). The results of a phase I pilot study that was conducted in the third quarter of 2010 indicate that the product is bioequivalent with the brand product, Cialis ® . A second clinical trial comparing an alternative formulation with the reference listed drug (RLD) was completed in the first quarter of 2013. The results of this study suggest the potential to develop a faster acting Tadalafil using our VersaFilm™ product. An alternative bioequivalent formulation is currently undergoing clinical testing.

INT0008/2007: In March, 2013 we submitted a 505(b)(2) new drug application (“NDA”) to the FDA for our novel oral thin-film formulation of Rizatriptan, the active drug in Maxalt-MLT® orally disintegrating tablets. Maxalt-MLT® is a leading branded anti-migraine product manufactured by Merck & Co. The thin-film formulation of Rizatriptan was developed in accordance with the co-development and commercialization agreement with RedHill Biopharma Ltd. using IntelGenx' proprietary immediate release VersaFilm™ oral drug delivery technology. In December 2011, we received approval by Health Canada to conduct a pivotal bioequivalence study to determine if our product is safe and bioequivalent with the FDA approved reference product, Maxalt-MLT®. The trial was conducted in the second quarter of 2012 and was a randomized, two-period, two-way crossover study in healthy male and female subjects. The study results indicate that the product is safe, and that the 90% confidence intervals of the three relevant parameters Cmax, AUC(0-t) and AUC(0-infinity) are well within the 80 – 125 acceptance range for bioequivalency.

In June, 2013 the FDA assigned a Prescription Drug User Fee Act ("PDUFA") action date of February 3, 2014 for the review of the NDA for marketing approval.

In February, 2014 we received a Complete Response Letter (“CRL”) from the FDA. A CRL is issued by the FDA's Center for Drug Evaluation and Research to inform companies that certain questions and deficiencies remain that preclude the approval of the application in its present form. The questions raised by the FDA in the CRL regarding the NDA for our anti-migraine VersaFilm™ product primarily relate to third party Chemistry, Manufacturing and Controls ("CMC") and to the packaging and labeling of the product. No questions or deficiencies were raised relating to the product's safety and the FDA's CRL does not require additional clinical studies. We believe that the majority of issues raised by the FDA were addressed in an amendment submitted by us to the FDA in January, 2014 that has yet to be reviewed.

On March 3, 2014 we announced that we submitted a response to the CRL which, we believe, addresses all the issues raised in the CRL.

INT0024/2010: An oral tablet product based on our proprietary multilayer tablet technology is currently in the development stage. An interaction study was conducted in the third quarter of 2012 and yielded positive results. The product is intended for the treatment of idiopathic pulmonary fibrosis. The continuation of the project will depend upon further guidance from our development and commercialization partner, Pacific Therapeutics.

INT0027/2011: In accordance with a co-development and commercialization agreement with Par Pharmaceutical Companies, Inc. (“Par”), we developed an oral controlled-release film product based on our proprietary VersaFilm™ technology. The product is a generic formulation of buprenorphine and naloxone Sublingual Film, indicated for maintenance treatment of opioid dependence. The reference listed drug is Suboxone® Sublingual Film. A bioequivalent film formulation was developed, scaled-up, and pivotal batches manufactured and tested during a subsequent pivotal clinical study. An ANDA was filed with the FDA by Par in July 2013.

In August 2013 we learned that, in response to filing of the ANDA, we were named as a codefendant in a lawsuit pursuant to Paragraph IV litigation filed by Reckitt Benckiser Pharmaceuticals and Monosol RX in the U.S. District Court for the District of Delaware alleging infringement of U.S. Patent Nos. 8,475,832 and 8,017,150, each of which relate to Suboxone®. We believe the ANDA product does not infringe those or any other patents, and will vigorously defend ourselves in this matter. In accordance with the terms of the co-development and commercialization agreement, Par is financially responsible for the costs of this defense. Since Paragraph IV litigation is a regular part of the ANDA process, we do not expect any unanticipated impact on our already planned development schedule.

INT0028/2011: We initially entered into an agreement with Cynapsus Therapeutics Inc. (formerly Cannasat Therapeutics Inc., "Cynapsus") for the development of a buccal muco-adhesive tablet product containing a cannabinoid-based drug for the treatment of neuropathic pain and nausea in cancer patients undergoing chemotherapy. A clinical biostudy undertaken in 2009 on the muco-adhesive tablet developed by us and based on our proprietary AdVersa™ technology indicated improved bioavailability and reduced first-pass metabolization of the drug. In the fourth quarter of 2010, we acquired from Cynapsus full control of, and interest in, this project going forward. We also obtained worldwide rights to US Patent 7,592,328 and all corresponding foreign patents and patent applications to exclusively develop and further provide intellectual property protection for this project.

INT0030/2011: An oral film product based on our proprietary edible film technology is currently in the development stage. The product is intended for the animal health market. An initial acceptability study of the placebo in dogs indicated that the product is well accepted.

INT0036/2013: An oral film product based on our proprietary edible film technology is currently in the early development stage. The product is intended for the treatment of central nervous system ("CNS") disorders.

INT0037/2013: A product based on one of our proprietary technologies is currently in the early development stage. The product is being developed in accordance with another development and commercialization agreement with Par Pharmaceutical, Inc. In accordance with confidentiality clauses contained in the agreement, the specifics of the product descriptions, platform technologies and financial terms remain confidential.

INT0039/2013: A product based on one of our proprietary technologies is currently in the early development stage. The product is being developed in accordance with another development and commercialization agreement with Par Pharmaceutical, Inc. In accordance with confidentiality clauses contained in the agreement, the specifics of the product descriptions, platform technologies and financial terms remain confidential.

The current development status of each of our products as of the date of this report is summarized in the following table:

Product	**Indication**	**Status of Development**
INT0001/2004	CHF (Coronary Heart Failure), Hypertension	Pivotal development activities ongoing.
INT0004/2006	Antidepressant	FDA-approved November 2011. Commercially launched in USA as Forfivo XL® in October 2012.
INT0007/2006	Erectile Dysfunction	Pilot biostudy ongoing.
INT0008/2007	Migraine	NDA filed. Preparing response to CRL received from FDA February 2014.
INT0024/2010	Idiopathic pulmonary fibrosis	Interaction study completed. Formulation optimization in preparation.
INT0027/2011	Opioid dependence	ANDA submitted to FDA, awaiting decision on approval for review.
INT0028/2011	Cancer pain	Formulation development ongoing.
INT0030/2011	Animal health	Formulation development ongoing.
INT0036/2012	CNS disorders	Formulation development ongoing.
INT0037/2013	Undisclosed	Formulation development ongoing.
INT0039/2013	Undisclosed	Formulation development ongoing.

Growth Strategy

Our primary growth strategies include: (1) identifying lifecycle management opportunities for existing market leading pharmaceutical products, (2) developing generic drugs with high barriers to entry, and (3) developing new drug delivery technologies.

Lifecycle Management Opportunities

We are seeking to position our delivery technologies as an opportunity for lifecycle management of products for which patent protection of the active ingredient is nearing expiration. While the patent for the underlying substance cannot be extended, patent protection can be obtained for a new and improved formulation by filing an application with the FDA under Section 505(b)(2) of the U.S. Federal Food, Drug and Cosmetic Act. Such applications, known as a "505(b)(2) NDA", are permitted for new drug products that incorporate previously approved active ingredients, even if the proposed new drug incorporates an approved active ingredient in a novel formulation or for a new indication. A 505(b)(2) NDA may include information regarding safety and efficacy of a proposed drug that comes from studies not conducted by or for the applicant. The first formulation for a respective active ingredient filed with the FDA under a 505(b)(2) application may qualify for up to three years of market exclusivity upon approval. Based upon a review of past partnerships between third party drug delivery companies and pharmaceutical companies, management believes that drug delivery companies which possess innovative technologies to develop these special dosage formulations present an attractive opportunity to pharmaceutical companies. Accordingly, we believe "505(b)(2) products" represent a viable business opportunity for us.

Generic Drugs with High Barriers to Entry

We plan to pursue the development of generic drugs that have certain barriers to entry, e.g., where product development and manufacturing is complex and can limit the number of potential entrants into the generic market. We plan to pursue such projects only if the number of potential competitors is deemed relatively insignificant.

Development of New Drug Delivery Technologies

The rapidly disintegrating film technology contained in our VersaFilm™, and our AdVersa™ mucosal adhesive tablet, are two examples of our efforts to develop alternate technology platforms. As we work with various partners on different products, we seek opportunities to develop new proprietary technologies.

Competition

The pharmaceutical industry is highly competitive and is subject to the rapid emergence of new technologies, governmental regulations, healthcare legislation, availability of financing, patent litigation and other factors. Many of our competitors, including Monosol Rx, Tesa-Labtec GmbH, BioDelivery Sciences International, Inc. and LTS Lohmann Therapy Systems Corp., have longer operating histories and greater financial, technical, marketing, legal and other resources than we have. In addition, many of our competitors have significantly greater experience than we have in conducting clinical trials of pharmaceutical products, obtaining FDA and other regulatory approvals of products, and marketing and selling products that have been approved. We expect that we will be subject to competition from numerous other companies that currently operate or are planning to enter the markets in which we compete.

The key factors affecting the development and commercialization of our drug delivery products are likely to include, among other factors:

- The safety and efficacy of our products;
- The relative speed with which we can develop products;
- Generic competition for any product that we develop;
- Our ability to defend our existing intellectual property and to broaden our intellectual property and technology base;
- Our ability to differentiate our products;
- Our ability to develop products that can be manufactured on a cost effective basis;

- Our ability to manufacture our products in compliance with current Good Manufacturing Practices (“cGMP”) and any other regulatory requirements; and

- Our ability to obtain financing.

In order to establish ourselves as a viable industry partner, we plan to continue to invest in our research and development activities and in our manufacturing technology expertise, in order to further strengthen our technology base and to develop the ability to manufacture our products through our manufacturing partners at competitive costs.

Our Competitive Strengths

We believe that our key competitive strengths include:

- Our diversified pipeline;

- Our ability to swiftly develop products through to regulatory approval; and

- The versatility of our drug delivery technology.

Manufacturing Partnership

We currently manufacture products only for testing purposes in our own laboratories, and we do not manufacture products for pivotal clinical trials or for commercial use. In order to establish ourselves as a full-service partner for our thin film products, we plan to establish a pilot plant for the manufacture of larger scale test batches of products developed using our VersaFilm™ drug delivery technology. VersaFilm™ is IntelGenx' immediate release polymeric film technology. It is comprised of a thin polymeric film using United States Pharmacopeia (USP) components that are safe and approved by the FDA for use in food, pharmaceutical and cosmetic products. VersaFilm™ provides a patent-protected method of re-formulating approved pharmaceuticals in a more convenient and discrete oral dosage form. We expect to establish our pilot manufacturing facility by December 31, 2014.

We formed a strategic alliance with LTS Lohmann Therapie-Systeme AG ("LTS") for the manufacturing of certain products developed by us using our VersaFilm™ technology. LTS is regarded as a pioneer in the development and production of transdermal and film form oral systems and has become one of the world's leading suppliers for the international pharmaceutical industry.

We formed a strategic manufacturing partnership with Pillar5 Pharma Inc. (“Pillar5”). This manufacturing partnership secures the production of clinical test batches and commercial products for our VersaTab™ and AdVersa™ tablet products.

We are not currently a manufacturer and we do not usually purchase large quantities of raw materials. Our manufacturing partners, however, may purchase significant quantities of raw materials, some of which may have long lead times. If raw materials cannot be supplied to our manufacturing partners in a timely and cost effective manner, our manufacturing partners may experience delays in production that may lead to reduced supplies of commercial products being available for sale or distribution. Such shortages could have a detrimental effect on sales of the products and a corresponding reduction on our royalty revenues earned.

Dependence on Major Customers

We do not rely on any one or a few major customers for our end products. However, we depend upon a limited number of partners to develop our products, to provide funding for the development of our products, to assist in obtaining regulatory approvals that are required in order to commercialize these products, and to market and sell our products.

Intellectual Property and Patent Protection

We protect our intellectual property and technology by using the following methods: (i) applying for patent protection in the United States and in the appropriate foreign markets, (ii) non-disclosure agreements, license agreements and appropriate contractual restrictions and controls on the distribution of information, and (iii) trade secrets, common law trademark rights and trademark registrations. We plan to file core technology patents covering the use of our platform technologies in any pharmaceutical products.

We have obtained four (4) patents and have an additional five (5) pending patent applications, as described below. The patents expire 20 years after submission of the initial application.

Patent No.	Title	Subject	Date submitted / issued / expiration
US 6,231,957	Rapidly disintegrating flavor wafer for flavor enrichment	The composition, manufacturing, and use of rapidly disintegrating flavored films for releasing flavors to certain substrates	Issued May 15, 2001 Expires May 6, 2019
US 6,660,292	Rapidly disintegrating film for precooked foods	Composition and manufacturing of flavored films for releasing flavors to precooked food substrates	Issued December 9, 2003 Expires June 19, 2021
US 7,132,113	Flavored film	Composition and manufacturing method of multi-layered films	Issued November 7, 2006 Expires April 16, 2022
US Appl. 11/647,033	Multilayer tablet	Formulation of multilayered tablets	Notice of allowance received February 4, 2014
US Appl. 11/782,838	Controlled release pharmaceutical tablets	Formulation of tablets containing bupropion and mecamylamine	Notice of allowance received February 14, 2014
US 7,674,479	Sustained-release bupropion and bupropion / mecamylamine tablets	Formulation and method of making tablets containing bupropion and mecamylamine	Issued March 9, 2010 Expires July 25, 2027
US Appl. 12/836,810	Oral mucoadhesive dosage form	Direct compression formulation for buccal and sublingual dosage forms	Filed July 15, 2010
US Appl. 12/963,132	Oral film dosage forms and methods for making same	Optimization of film strip technology	Filed December 8, 2010
US Appl. 13/079,348	Solid oral dosage forms comprising tadalafil	Formulation of oral films containing tadalafil	Filed April 04, 2011

Government Regulation

The pharmaceutical industry is highly regulated. The products we participate in developing require certain regulatory approvals. In the United States, drugs are subject to rigorous regulation by the FDA. The U.S. Federal Food, Drug, and Cosmetic Act, and other federal and state statutes and regulations, govern, among other things, the research, development, testing, manufacture, storage, record keeping, packaging, labeling, adverse event reporting, advertising, promotion, marketing, distribution, and import and export of pharmaceutical products. Failure to comply with applicable regulatory requirements may subject a company to a variety of administrative or judicially-imposed sanctions and/or the inability to obtain or maintain required approvals or to market drugs. The steps ordinarily required before a new pharmaceutical product may be marketed in the United States include:

- Preclinical laboratory tests, animal studies and formulation studies under FDA’s good laboratory practices regulations, or GLPs;
- The submission to the FDA of an investigational new drug application, or IND, which must become effective before human clinical trials may begin;

- The completion of adequate and well-controlled clinical trials according to good clinical practice regulations, or GCPs, to establish the safety and efficacy of the product for each indication for which approval is sought;

- After successful completion of the required clinical testing, submission to the FDA of a NDA, or an ANDA, for generic drugs. In certain cases, an application for marketing approval may include information regarding safety and efficacy of a proposed drug that comes from studies not conducted by or for the applicant. Such applications, known as a 505(b)(2) NDA, are permitted for new drug products that incorporate previously approved active ingredients, even if the proposed new drug incorporates an approved active ingredient in a novel formulation or for a new indication;

- Satisfactory completion of an FDA inspection of the manufacturing facility or facilities at which the product is produced to assess compliance with cGMPs to assure that the facilities, methods and controls are adequate to preserve the drug's identity, strength, quality and purity; and

- FDA review and approval of the NDA or ANDA.

The cost of complying with the foregoing requirements, including preparing and submitting an NDA or ANDA, may be substantial. Accordingly, we typically rely upon our partners in the pharmaceutical industry to spearhead and bear the costs of the FDA approval process. We also seek to mitigate regulatory costs by focusing on 505(b)(2) NDA opportunities. By applying our drug delivery technology to existing drugs, we seek to develop products with lower research & development ("R&D") expenses and shorter time-to-market timelines as compared to regular NDA products.

Research and Development Expense

Our R&D expenses, net of R&D tax credits, for the year ended December 31, 2013 decreased by $1,162 thousand to $561 thousand, compared with $1,723 thousand for the year ended December 31, 2012. The decrease in R&D expenditure is explained in the section of this report entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations".

Environmental Regulatory Compliance

We believe that we are in compliance with environmental regulations applicable to our research and development facility located in Ville Saint-Laurent, Quebec.

Employees

As of the date of this filing, we have 12 full-time and no part-time employees. None of our employees are covered by collective bargaining agreements. We believe that our relations with our employees are good.

ITEM 1A. RISK FACTORS.

Our business faces many risks. Any of the risks discussed below, or elsewhere in this report or in our other filings with the Securities and Exchange Commission ("SEC"), could have a material impact on our business, financial condition, or results of operations.

Risks Related to Our Business

We continue to sustain losses and our revenues are not sufficient to sustain our operations.

Even though we ceased being a "development stage" company in April 2006, we are still subject to all of the risks associated with having a limited operating history and pursuing the development of new products. Our cash flows may be insufficient to meet expenses relating to our operations and the development of our business, and may be insufficient to allow us to develop new products. We currently conduct research and development using our proprietary platform technologies to develop oral controlled release and other delivery products. We do not know whether we will be successful in the development of such products. We have an accumulated deficit of approximately $16,102 thousand since our inception in 2003 through December 31, 2013. To date, these losses have been financed principally through sales of equity securities. Our revenues for the past five years ended December 31, 2013, December 31, 2012, December 31, 2011, December 31, 2010 and December 31, 2009 were $948 thousand, $1,198 thousand, $440 thousand, $1,337 thousand, and $1,279 thousand respectively. Our revenues in 2013 consisted primarily of royalty income and the amortization of deferred revenue related to the commercialization of Forfivo XL®, our first FDA-approved product, which was commercialized in October 2012, and milestone payments related to the development of our anti-migraine and opioid dependence VersaFilm™ products. Revenue generated to date has not been sufficient to sustain our operations. In order to achieve profitability, our revenue streams will have to increase and there is no assurance that revenues will increase to such a level.

We may incur losses associated with foreign currency fluctuations.

The majority of our expenses are paid in Canadian dollars, while a significant portion of our revenues are in U.S. dollars. Our financial results are subject to the impact of currency exchange rate fluctuations. Adverse movements in exchange rates could have a material adverse effect on our financial condition and results of operations.

We may need additional capital to fulfill our business strategies. We may also incur unforeseen costs. Failure to obtain such capital would adversely affect our business.

We will need to expend significant capital in order to continue with our research and development by hiring additional research staff and acquiring additional equipment. If our cash flows from operations are insufficient to fund our expected capital needs, or our needs are greater than anticipated, we may be required to raise additional funds in the future through private or public sales of equity securities or the incurrence of indebtedness. Additional funding may not be available on favorable terms, or at all. If we borrow additional funds, we likely will be obligated to make periodic interest or other debt service payments and may be subject to additional restrictive covenants. If we fail to obtain sufficient additional capital in the future, we could be forced to curtail our growth strategy by reducing or delaying capital expenditures, selling assets or downsizing or restructuring our operations. If we raise additional funds through public or private sales of equity securities, the sales may be at prices below the market price of our stock and our shareholders may suffer significant dilution.

The loss of the services of key personnel would adversely affect our business.

Our future success depends to a significant degree on the skills, experience and efforts of our executive officers and senior management staff. The loss of the services of existing personnel would be detrimental to our research and development programs and to our overall business.

We are dependent on business partners to conduct clinical trials of, obtain regulatory approvals for, and manufacture, market, and sell our controlled release products.

We depend heavily on our pharmaceutical partners to pay for part or all of the research and development expenses associated with developing a new product and to obtain approval from regulatory bodies such as the FDA to commercialize these products. We also depend on our partners to distribute these products after receiving regulatory approval. Our revenues from research and development fees, milestone payments and royalty fees are derived from our partners. Our inability to find pharmaceutical partners who are willing to pay us these fees in order to develop new products would negatively impact our business and our cash flows.

We have limited experience in manufacturing, marketing and selling pharmaceutical products. Accordingly, if we cannot maintain our existing partnerships or establish new partnerships with respect to our other products in development, we will have to establish our own capabilities or discontinue the commercialization of the affected product. Developing our own capabilities would be expensive and time consuming and could delay the commercialization of the affected product. There can be no assurance that we would be able to develop these capabilities.

Our existing agreements with pharmaceutical industry partners are generally subject to termination by the counterparty on short notice upon the occurrence of certain circumstances, including, but not limited to, the following: a determination that the product in development is not likely to be successfully developed or not likely to receive regulatory approval; our failure to satisfy our obligations under the agreement, or the occurrence of a bankruptcy event. If any of our partnerships are terminated, we may be required to devote additional resources to the product, seek a new partner on short notice, or abandon the product development efforts. The terms of any additional partnerships or other arrangements that we establish may not be favorable to us.

We are also at risk that these partnerships or other arrangements may not be successful. Factors that may affect the success of our partnerships include the following:

- Our partners may incur financial and cash-flow difficulties that force them to limit or reduce their participation in our joint projects;

- Our partners may be pursuing alternative technologies or developing alternative products that are competitive to our product, either on their own or in partnership with others;

- Our partners may reduce marketing or sales efforts, or discontinue marketing or sales of our products, which may reduce our revenues received on the products;

- Our partners may have difficulty obtaining the raw materials to manufacture our products in a timely and cost effective manner or experience delays in production, which could affect the sales of our products and our royalty revenues earned;

- Our partners may terminate their partnerships with us. This could make it difficult for us to attract new partners or adversely affect perception of us in the business and financial communities;

- Our partners may pursue higher priority programs or change the focus of their development programs, which could affect the partner's commitment to us. Pharmaceutical and biotechnology companies historically have re-evaluated their priorities from time to time, including following mergers and consolidations, a common occurrence in recent years; and

- Our partners may become the target of litigation for purported patent or intellectual property infringement, which could delay or prohibit commercialization of our products and which would reduce our revenue from such products.

We face competition in our industry, and many of our competitors have substantially greater experience and resources than we do.

We compete with other companies within the drug delivery industry, many of which have more capital, more extensive research and development capabilities and greater human resources than we do. Some of these drug delivery competitors include Monosol Rx, Tesa-Labtec GmbH, BioDelivery Sciences International, Inc. and LTS Lohmann Therapy Systems Corp. Our competitors may develop new or enhanced products or processes that may be more effective, less expensive, safer or more readily available than any products or processes that we develop, or they may develop proprietary positions that prevent us from being able to successfully commercialize new products or processes that we develop. As a result, our products or processes may not compete successfully, and research and development by others may render our products or processes obsolete or uneconomical. Competition may increase as technological advances are made and commercial applications broaden.

We rely upon third-party manufacturers, which puts us at risk for supplier business interruptions.

We have entered into agreements with third party manufacturers to manufacture certain of our products once we complete development and after we receive regulatory approval. If our third-party manufacturers fail to perform, our ability to market products and to generate revenue would be adversely affected. Our failure to deliver products in a timely manner could lead to the dissatisfaction of our distribution partners and damage our reputation, causing our distribution partners to cancel existing agreements with us and to stop doing business with us.

The third-party manufacturers that we depend on to manufacture our products are required to adhere to FDA regulations regarding cGMP, which include testing, control and documentation requirements. Ongoing compliance with cGMP and other regulatory requirements is monitored by periodic inspection by the FDA and comparable agencies in other countries. Failure by our third-party manufacturers to comply with cGMP and other regulatory requirements could result in actions against them by regulatory agencies and jeopardize our ability to obtain products on a timely basis.

We are subject to extensive government regulation including the requirement of approval before our products may be marketed. Even if we obtain marketing approval, our products will be subject to ongoing regulatory review.

We, our partners, our products, and our product candidates are subject to extensive regulation by governmental authorities in the United States and other countries. Failure to comply with applicable requirements could result in warning letters, fines and other civil penalties, delays in approving or refusal to approve a product candidate, product recall or seizure, withdrawal of product approvals, interruption of manufacturing or clinical trials, operating restrictions, injunctions, and criminal prosecution.

Our products cannot be marketed in the United States without FDA approval. Obtaining FDA approval requires substantial time, effort, and financial resources, and there can be no assurance that any approval will be granted on a timely basis, if at all. We rely on our partners for the preparation of applications and for obtaining regulatory approvals. If the FDA does not approve our product candidates in a timely fashion, or does not approve them at all, our business and financial condition may be adversely affected. Further, the terms of approval of any marketing application, including the labeling content, may be more restrictive than we desire and could affect the marketability of our or our partner`s products. Subsequent discovery of problems with an approved product may result in restrictions on the product or its withdrawal from the market. In addition, both before and after regulatory approval, we, our partners, our products, and our product candidates are subject to numerous FDA requirements covering testing, manufacturing, quality control, cGMP, adverse event reporting, labeling, advertising, promotion, distribution, and export. Our partners and we are subject to surveillance and periodic inspections to ascertain compliance with these regulations. Further, the relevant law and regulations may change in ways that could affect us, our partners, our products, and our product candidates. Failure to comply with regulatory requirements could have a material adverse impact on our business.

Regulations regarding the manufacture and sale of our future products are subject to change. We cannot predict what impact, if any, such changes may have on our business, financial condition or results of operations. Failure to comply with applicable regulatory requirements could have a material adverse effect on our business, financial condition and results of operations.

Additionally, the time required for obtaining regulatory approval is uncertain. We may encounter delays or product rejections based upon changes in FDA policies, including cGMP, during periods of product development. We may encounter similar delays in countries outside of the United States. We may not be able to obtain these regulatory acceptances on a timely basis, or at all.

The failure to obtain timely regulatory acceptance of our products, any product marketing limitations, or any product withdrawals would have a material adverse effect on our business, financial condition and results of operations. In addition, before it grants approvals, the FDA or any foreign regulatory authority may impose numerous other requirements with which we must comply. Regulatory acceptance, if granted, may include significant limitations on the indicated uses for which the product may be marketed. FDA enforcement policy strictly prohibits the marketing of accepted products for unapproved uses. Product acceptance could be withdrawn or civil and/or criminal sanctions could be imposed for our failure to comply with regulatory standards or the occurrence of unforeseen problems following initial marketing.

We may not be able to expand or enhance our existing product lines with new products limiting our ability to grow.

If we are not successful in the development and introduction of new products, our ability to grow will be impeded. We may not be able to identify products to enhance or expand our product lines. Even if we can identify potential products, our investment in research and development might be significant before we could bring the products to market. Moreover, even if we identify a potential product and expend significant dollars on development, we may never be able to bring the product to market or achieve market acceptance for such product. As a result, we may never recover our expenses.

The market may not be receptive to products incorporating our drug delivery technologies.

The commercial success of any of our products that are approved for marketing by the FDA and other regulatory authorities will depend upon their acceptance by the medical community and third party payers as clinically useful, cost-effective and safe. To date, only two products based upon our technologies have been marketed in the United States, which limits our ability to provide guidance or assurance as to market acceptance.

Factors that we believe could materially affect market acceptance of these products include:

- The timing of the receipt of marketing approvals and the countries in which such approvals are obtained;
- The safety and efficacy of the product as compared to competitive products;
- The relative convenience and ease of administration as compared to competitive products;
- The strength of marketing distribution support; and
- The cost-effectiveness of the product and the ability to receive third party reimbursement.

We are subject to environmental regulations and any failure to comply may result in substantial fines and sanctions.

Our operations are subject to Canadian and international environmental laws and regulations governing, among other things, emissions to air, discharges to waters and the generation, handling, storage, transportation, treatment and disposal of raw materials, waste and other materials. Many of these laws and regulations provide for substantial fines and criminal sanctions for violations. We believe that we are and have been operating our business and facility in a manner that complies in all material respects with environmental, health and safety laws and regulations; however, we may incur material costs or liabilities if we fail to operate in full compliance. We do not maintain environmental damage insurance coverage with respect to the products which we manufacture.

We may have to make significant expenditures in the future to comply with evolving environmental, health and safety requirements, including new requirements that may be adopted or imposed in the future. To meet changing licensing and regulatory standards, we may have to make significant additional site or operational modifications that could involve substantial expenditures or reduction or suspension of some of our operations. We cannot be certain that we have identified all environmental and health and safety matters affecting our activities and in the future our environmental, health and safety problems, and the costs to remediate them, may be materially greater than we expect.

Risks Related to Our Intellectual Property

If we are not able to adequately protect our intellectual property, we may not be able to compete effectively.

Our success depends, to a significant degree, upon the protection of our proprietary technologies. While we currently own four U.S. patents and have applied for five U.S. patents, we will need to pursue additional protection for our intellectual property as we develop new products and enhance existing products. We may not be able to obtain appropriate protection for our intellectual property in a timely manner, or at all. Our inability to obtain appropriate protections for our intellectual property may allow competitors to enter our markets and produce or sell the same or similar products.

If we are forced to resort to legal proceedings to enforce our intellectual property rights, the proceedings could be burdensome and expensive. In addition, our proprietary rights could be at risk if we are unsuccessful in, or cannot afford to pursue, those proceedings.

We also rely on trade secrets and contract law to protect some of our proprietary technology. We have entered into confidentiality and invention agreements with our employees and consultants. Nevertheless, these agreements may not be honored and they may not effectively protect our right to our un-patented trade secrets and know-how. Moreover, others may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our trade secrets and know-how.

In 1995, the U.S. Patent and Trademark Office adopted changes to the U.S. patent law that made the term of issued patents 20 years from the date of filing rather than 17 years from the date of issuance, subject to specified transition periods. Beginning in June 1995, the patent term became 20 years from the earliest effective filing date of the underlying patent application. These changes may reduce the effective term of protection for patents that are pending for more than three years. While we cannot predict the effect that these changes will have on our business, they could have a material adverse effect on our ability to protect our proprietary information. Furthermore, the possibility of extensive delays in the patent issuance process could effectively reduce the term during which a marketed product is protected by patents.

We may need to obtain licenses to patents or other proprietary rights from third parties. We may not be able to obtain the licenses required under any patents or proprietary rights or they may not be available on acceptable terms. If we do not obtain required licenses, we may encounter delays in product development or find that the development, manufacture or sale of products requiring licenses could be foreclosed. We may, from time to time, support and collaborate in research conducted by universities and governmental research organizations. We may not be able to acquire exclusive rights to the inventions or technical information derived from these collaborations, and disputes may arise over rights in derivative or related research programs conducted by us or our partners.

If we infringe on the rights of third parties, we may not be able to sell our products, and we may have to defend against litigation and pay damages.

If a competitor were to assert that our products infringe on its patent or other intellectual property rights, we could incur substantial litigation costs and be forced to pay substantial damages. Such litigation costs could be as a result of direct litigation against us, or as a result of litigation against one or more of our partners to whom we have contractually agreed to indemnify in the event that our intellectual property is the cause of a successful litigious action against our partner. Third-party infringement claims, regardless of their outcome, would not only consume significant financial resources, but would also divert our management’s time and attention. Such claims could also cause our customers or potential customers to purchase competitors’ products or defer or limit their purchase or use of our affected products until resolution of the claim. If any of our products are found to violate third-party intellectual property rights, we may have to re-engineer one or more of our products, or we may have to obtain licenses from third parties to continue offering our products without substantial re-engineering. Our efforts to re-engineer or obtain licenses could require significant expenditures and may not be successful.

Our controlled release products that are generic versions of branded controlled release products that are covered by one or more patents may be subject to litigation, which could delay FDA approval and commercial launch of our products.

We expect to file or have our partners file NDAs or ANDAs for our controlled release products under development that are covered by one or more patents of the branded product. It is likely that the owners of the patents covering the brand name product or the sponsors of the NDA with respect to the branded product will sue or undertake regulatory initiatives to preserve marketing exclusivity. Any significant delay in obtaining FDA approval to market our products as a result of litigation, as well as the expense of such litigation, whether or not we or our partners are successful, could have a materially adverse effect on our business, financial condition and results of operations.

Risks Related to Our Securities:

The price of our common stock could be subject to significant fluctuations.

Any of the following factors could affect the market price of our common stock:

- Our failure to achieve and maintain profitability;
- Changes in earnings estimates and recommendations by financial analysts;
- Actual or anticipated variations in our quarterly results of operations;
- Changes in market valuations of similar companies;
- Announcements by us or our competitors of significant contracts, new products, acquisitions, commercial relationships, joint ventures or capital commitments;
- The loss of major customers or product or component suppliers;
- The loss of significant partnering relationships; and
- General market, political and economic conditions.

We have a significant number of convertible securities outstanding that could be exercised in the future. Subsequent resale of these and other shares could cause our stock price to decline. This could also make it more difficult to raise funds at acceptable levels pursuant to future securities offerings.

We have a concentration of stock ownership and control, and a small number of shareholders have the ability to exert significant control in matters requiring shareholder vote and may have interests that conflict with yours.

Directors and Officers hold 17.6% of our common stock. See “Security Ownership of Certain Beneficial Owners and Management” on page 29. As a result, such shareholders, acting together, may have the ability to control matters requiring shareholder approval, including the election of directors and approval of mergers and other significant corporate transactions. This concentration of ownership may have the effect of delaying, preventing or deterring a change in control of our company. It may also deprive our shareholders of an opportunity to receive a premium for their shares as part of a sale of our company and may affect the market price of our common stock. In deciding how to vote on such matters, those shareholders’ interests may conflict with yours.

Changes in the independence of our directors could result in governance risks.

Currently, we have a majority of independent directors, but in the future we cannot guarantee that our Board of Directors (the “Board”) will always have a majority of independent directors. In the absence of a majority of independent directors, our chief executive officer, who is also a principal shareholder and director, could establish policies and enter into transactions without independent review and approval. This could present the potential for a conflict of interest between us and our shareholders generally and the controlling officers, stockholders or directors.

Our common stock is a high risk investment.

Our common stock was quoted on the OTC Bulletin Board under the symbol “IGXT” from January 2007 until June 2012 and, subsequent to our upgrade in June 2012, has been quoted on the OTCQX. Our common stock has also been listed on the TSX Venture Exchange under the symbol “IGX” since May 2008.

There is a limited trading market for our common stock, which may affect the ability of shareholders to sell our common stock and the prices at which they may be able to sell our common stock.

The market price of our common stock has been volatile and fluctuates widely in response to various factors which are beyond our control. The price of our common stock is not necessarily indicative of our operating performance or long term business prospects. In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of our common stock.

In the United States, our common stock is considered a “penny stock”. The SEC has adopted regulations which generally define a “penny stock” to be an equity security that has a market price of less than $5.00 per share or an exercise price of less than $5.00 per share, subject to specific exemptions. This designation requires any broker or dealer selling these securities to disclose certain information concerning the transaction, obtain a written agreement from the purchaser and determine that the purchaser is reasonably suitable to purchase the securities. These rules may restrict the ability of brokers or dealers to sell our common stock and may affect the ability of investors to sell their shares.

As a result of the foregoing, our common stock should be considered a high risk investment.

The application of the “penny stock” rules to our common stock could limit the trading and liquidity of our common stock, adversely affect the market price of our common stock and increase stockholder transaction costs to sell those shares.

As long as the trading price of our common stock is below $5.00 per share, the open market trading of our common stock will be subject to the “penny stock” rules, unless we otherwise qualify for an exemption from the “penny stock” definition. The “penny stock” rules impose additional sales practice requirements on certain broker-dealers who sell securities to persons other than established customers and accredited investors (generally those with assets in excess of $1,000,000 or annual income exceeding $200,000 or $300,000 together with their spouse). These regulations, if they apply, require the delivery, prior to any transaction involving a penny stock, of a disclosure schedule explaining the penny stock market and the associated risks. Under these regulations, certain brokers who recommend such securities to persons other than established customers or certain accredited investors must make a special written suitability determination regarding such a purchaser and receive such purchaser’s written agreement to a transaction prior to sale. These regulations may have the effect of limiting the trading activity of our common stock, reducing the liquidity of an investment in our common stock and increasing the transaction costs for sales and purchases of our common stock as compared to other securities.

We became public by means of a reverse merger, and as a result we are subject to the risks associated with the prior activities of the public company with which we merged. In addition, we may not be able to attract the attention of major brokerage firms or institutional buyers.

Additional risks may exist because we became public through a "reverse merger" with a shell corporation. Although the shell did not have recent or past operations or assets and we performed a due diligence review of the public company, there can be no assurance that we will not be exposed to undisclosed liabilities resulting from the prior operations of our company. Security analysts of major brokerage firms and securities institutions may not cover us since there are no broker-dealers who sold our stock in a public offering who would have an incentive to follow or recommend the purchase of our common stock. No assurance can be given that established brokerage firms will want to conduct any financings for us in the future.

Our limited cash resources restrict our ability to pay cash dividends.

Since our inception, we have not paid any cash dividends on our common stock. We currently intend to retain future earnings, if any, to support operations and to finance the growth and development of our business. Therefore, we do not expect to pay cash dividends in the foreseeable future. Any future determination relating to our dividend policy will be made at the discretion of our Board of Directors and will depend on a number of factors, including future earnings, capital requirements, financial conditions and future prospect and other factors that the Board of Directors may deem relevant. If we do not pay any dividends on our common stock, our shareholders will be able to profit from an investment only if the price of the stock appreciates before the shareholder sells it. Investors seeking cash dividends should not purchase our common stock.

If we are the subject of securities analyst reports or if any securities analyst downgrades our common stock or our sector, the price of our common stock could be negatively affected.

Securities analysts may publish reports about us or our industry containing information about us that may affect the trading price of our common stock. In addition, if a securities or industry analyst downgrades the outlook for our stock or one of our competitors' stocks, the trading price of our common stock may also be negatively affected.

Future sales of our common stock by our existing stockholders may negatively impact the trading price of our common stock.

If a substantial number of our existing stockholders decide to sell shares of their common stock in the public market following the completion of this offering, the price at which our common stock trades could decline. Additionally, the public market's perception that such sales might occur may also depress the price of our common stock.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

We currently occupy 3,500 square feet of leased space at a rate of CAD$8.88/square foot in an industrial zone at 6425 Abrams, Ville St.-Laurent, Quebec, Canada under a five year renewable lease agreement signed in 2004. We expanded our laboratory and office space at this facility to its maximum during the second quarter of 2006. We extended the term of the lease agreement to, most recently, the day immediately preceding the fulfillment of certain conditions relating to the occupation of new leased premises at 6410-6420 Abrams. Before the end of 2014 we plan to occupy approximately 16,000 square feet of leased space at a rate of approximately CAD$11.46/square foot for the first five years of a ten year renewable lease agreement, and at a rate of approximately CAD$12.46/square foot thereafter. We plan to utilize approximately 9,500 square feet of the new facility to establish pilot plant manufacturing capabilities for our thin film VersaFilm™ products, approximately 3,000 square feet for our R&D activities, and approximately 3,500 square feet for administration.

ITEM 3. LEGAL PROCEEDINGS

In August 2013 we announced receipt of a Paragraph IV Certification Letter from Wockhardt Bio AG, advising of the submission of an ANDA to the FDA requesting authorization to manufacture and market generic versions of Forfivo XL® 450 mg capsules in the United States. We intend to vigorously enforce our intellectual property rights for Forfivo XL® and will pursue all available legal and regulatory pathways in defense of the product, which is currently protected by an issued patent listed in the FDA's Approved Drug Products List (Orange Book).

In August 2013 we learned that, in response to the July 2013 filing of an ANDA by Par, for our generic formulation of buprenorphine and naloxone Sublingual Film, indicated for maintenance treatment of opioid dependence, we were named as a codefendant in a lawsuit pursuant to Paragraph IV litigation filed by Reckitt Benckiser Pharmaceuticals and Monosol RX in the U.S. District Court for the District of Delaware alleging infringement of U.S. Patent Nos. 8,475,832 and 8,017,150, each of which relate to Suboxone®. We believe the ANDA product does not infringe those or any other patents, and will vigorously defend ourselves in this matter. In accordance with the terms of the co-development and commercialization agreement, Par is financially responsible for the costs of this defense.

There are no additional material pending legal proceedings to which we are a party or to which any of our property is subject and to the best of our knowledge, no such additional actions against us are contemplated or threatened.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock was quoted on the OTC Bulletin Board under the symbol "IGXT" from January 2007 until June 2012 and, subsequent to our upgrade in June 2012, has been quoted on the OTCQX. Our common stock has also been listed on the TSX Venture Exchange under the symbol "IGX" since May 2008. The table below sets forth the high and low bid prices of our common stock as reported by the OTC Bulletin Board/OTCQX and the TSX for the periods indicated. These prices represent inter-dealer quotations without retail markup, markdown, or commission and may not necessarily represent actual transactions.

	OTCQX/OTCBB		TSX-V	
	High	Low	High	Low
	(U.S.$)	(U.S.$)	(CAD$)	(CAD$)
2013				
Fourth Quarter	$ 0.57	$ 0.48	$ 0.60	$ 0.50
Third Quarter	$ 0.72	$ 0.49	$ 0.74	$ 0.51
Second Quarter	$ 0.70	$ 0.53	$ 0.70	$ 0.55
First Quarter	$ 0.75	$ 0.45	$ 0.73	$ 0.48
2012				
Fourth Quarter	$ 0.73	$ 0.56	$ 0.75	$ 0.54
Third Quarter	$ 0.67	$ 0.46	$ 0.70	$ 0.54
Second Quarter	$ 0.58	$ 0.45	$ 0.59	$ 0.45
First Quarter	$ 0.74	$ 0.45	$ 0.75	$ 0.46

Number of Shareholders

On March 04, 2014 there were approximately 56 holders of record of our common stock, one of which was Cede & Co., a nominee for Depository Trust Company, and one of which was The Canadian Depository for Securities Limited, or CDS. All of our common shares held by brokerage firms, banks and other financial institutions in the United States and Canada as nominees for beneficial owners are considered to be held of record by Cede & Co. in respect of brokerage firms, banks and other financial institutions in the United States, and by CDS in respect of brokerage firms, banks and other financial institutions located in Canada. Cede & Co. and CDS are each considered to be one shareholder of record.

Dividend Policy

We have never declared or paid any cash dividends on our common stock. We currently intend to retain any earnings to support operations and to finance the growth and development of our business. Therefore, we do not expect to pay cash dividends in the foreseeable future. Any future determination relating to our dividend policy will be made at the discretion of our Board of Directors and will depend on a number of factors, including future earnings, capital requirements, financial conditions and future prospect and other factors that the board of directors may deem relevant.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

During the fourth quarter of 2013, there were no purchases or repurchases of our equity securities by us or any affiliated purchasers.

Unregistered Sales of Equity Securities and Use of Proceeds

During fiscal 2013, we did not sell equity securities without registration under the Securities Act of 1933, as amended, except as disclosed on a Current Report on Form 8-K.

ITEM 6. SELECTED FINANCIAL DATA

Not applicable.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Introduction to Management's Discussion and Analysis

The purpose of this section, Management's Discussion and Analysis of Financial Condition and Results of Operations, is to provide a narrative explanation of the financial statements that enables investors to better understand our business, to enhance our overall financial disclosure, to provide the context within which our financial information may be analyzed, and to provide information about the quality of, and potential variability of, our financial condition, results of operations and cash flows. Unless otherwise indicated, all financial and statistical information included herein relates to our continuing operations. Unless otherwise indicated or the context otherwise requires, the words, "IntelGenx, "Company", "we", "us", and "our" refer to IntelGenx Technologies Corp. and its subsidiaries, including IntelGenx Corp. This information should be read in conjunction with the accompanying audited Consolidated Financial Statements and Notes thereto.

Company Background

We are a drug delivery company established in 2003 and headquartered in Montreal, Quebec, Canada. Our focus is on the development of novel oral immediate-release and controlled-release products for the pharmaceutical market. Our business strategy is to develop pharmaceutical products based on our proprietary drug delivery technologies and, once the viability of a product has been demonstrated, to license the commercial rights to partners in the pharmaceutical industry. In certain cases, we rely upon partners in the pharmaceutical industry to fund development of the licensed products, complete the regulatory approval process with the FDA or other regulatory agencies relating to the licensed products, and assume responsibility for marketing and distributing such products.

In addition, we may choose to pursue the development of certain products until the project reaches the marketing and distribution stage. We will assess the potential for successful development of a product and associated costs, and then determine at which stage it is most prudent to seek a partner, balancing such costs against the potential for additional returns earned by partnering later in the development process.

We have also undertaken a strategy under which we will work with pharmaceutical companies in order to develop new dosage forms for pharmaceutical products for which patent protection is nearing expiration. Under Section 505(b)(2) of the Food, Drug, and Cosmetics Act, the FDA may grant market exclusivity for a term of up to three years following approval of a listed drug that contains previously approved active ingredients but is approved in a new dosage, dosage form, route of administration or combination, or for a new use, the approval of which was required to be supported by new clinical trials, other than bioavailability studies, conducted by or for the sponsor.

We are currently continuing to develop the existing products in our pipeline and may also perform research and development on other potential products as opportunities arise.

We currently purchase and/or lease, on an as-needed basis, the equipment necessary for performing research and development activities related to our products.

We plan to hire new personnel in the areas of research and development, manufacturing, and administration on an as-needed basis as we enter into partnership agreements, establish pilot plant VersaFilm™ manufacturing, and increase our research and development activities.

Key Developments

There were a number of key events in the strategic development of our company throughout 2013, and subsequent to the end of the year, most notably:

Product-related

Anti-depressant tablet, Forfivo XL®

Forfivo XL®, our first FDA approved product, was launched in October 2012 and is being marketed in the United States under the terms of a license agreement between us and Edgemont Pharmaceuticals. Forfivo XL® is indicated for the treatment of Major Depressive Disorder ("MDD") and is the only extended-release bupropion HCl product to provide a once-daily, 450mg dose in a single tablet. The active ingredient in Forfivo XL® is bupropion, the same active ingredient used in the well-known antidepressant product Wellbutrin XL®. Prior to the launch of Forfivo XL®, most patients in the US requiring a 450mg dose of bupropion had been taking multiple tablets to achieve their 450mg dose requirement. With Forfivo XL® now available in the US, these patients can simplify their dosing regimen to a single Forfivo XL tablet, once-daily.

The commercialization of Forfivo XL® triggered launch-related milestone payments to us of up to $4.0 million, of which $1 million was received in Q1, 2013, and additional milestones upon achieving certain sales and exclusivity targets of up to a further $23.5 million. We also receive tiered, double-digit, royalties on net sales of Forfivo XL®. We recorded total revenue for Forfivo in 2013 of approximately $492 thousand.

In August 2013 we announced receipt of a Paragraph IV Certification Letter from Wockhardt Bio AG, advising of the submission of an ANDA to the FDA requesting authorization to manufacture and market generic versions of Forfivo XL® 450 mg capsules in the United States. We intend to vigorously enforce our intellectual property rights for Forfivo XL® and will pursue all available legal and regulatory pathways in defense of the product, which is currently protected by an issued patent listed in the FDA's Approved Drug Products List (Orange Book).

Anti-migraine Film

In March, 2013 we submitted a 505(b)(2) NDA to the FDA for our novel oral thin-film formulation of Rizatriptan, the active drug in Maxalt-MLT® orally disintegrating tablets. Maxalt-MLT® is a leading branded anti-migraine product manufactured by Merck & Co. The thin-film formulation of Rizatriptan was developed in accordance with the co-development and commercialization agreement with RedHill Biopharma Ltd. using IntelGenx' proprietary immediate release VersaFilm™ oral drug delivery technology. In December 2011, we received approval by Health Canada to conduct a pivotal bioequivalence study to determine if our product is safe and bioequivalent with the FDA approved reference product, Maxalt-MLT®. The trial was conducted in the second quarter of 2012 and was a randomized, two-period, two-way crossover study in healthy male and female subjects. The study results indicate that the product is safe, and that the 90% confidence intervals of the three relevant parameters Cmax, AUC(0-t) and AUC(0-infinity) are well within the 80 – 125 acceptance range for bioequivalency.

In June, 2013 the FDA assigned a PDUFA action date of February 3, 2014 for the review of the NDA for marketing approval.

Subsequent to the end of the year, in February, 2014 we received a Complete Response Letter ("CRL") from the FDA. A CRL is issued by the FDA's Center for Drug Evaluation and Research to inform companies that certain questions and deficiencies remain that preclude the approval of the application in its present form. The questions raised by the FDA in the CRL regarding the NDA for our anti-migraine VersaFilm™ product primarily relate to third party Chemistry, Manufacturing and Controls ("CMC") and to the packaging and labeling of the product. No questions or deficiencies were raised relating to the product's safety and the FDA's CRL does not require additional clinical studies. We believe that the majority of issues raised by the FDA were addressed in an amendment submitted by us to the FDA in January, 2014 that has yet to be reviewed. We will work with the FDA to address the remaining questions in the CRL and plan to submit the requested information within a few weeks.

Opioid dependence Film

In accordance with a co-development and commercialization agreement with Par, we developed an oral controlled-release film product based on our proprietary VersaFilm™ technology. The product is a generic formulation of buprenorphine and naloxone Sublingual Film, indicated for maintenance treatment of opioid dependence. The reference listed drug is Suboxone® Sublingual Film. A bioequivalent film formulation was developed, scaled-up, and pivotal batches manufactured and tested during a subsequent pivotal clinical study. An ANDA was filed with the FDA by Par in July 2013.

In August 2013we learned that, in response to filing of the ANDA, we were named as a codefendant in a lawsuit pursuant to Paragraph IV litigation filed by Reckitt Benckiser Pharmaceuticals and Monosol RX in the U.S. District Court for the District of Delaware alleging infringement of U.S. Patent Nos. 8,475,832 and 8,017,150, each of which relate to Suboxone®. We believe the ANDA product does not infringe those or any other patents, and will vigorously defend ourselves in this matter. In accordance with the terms of the co-development and commercialization agreement, Par is financially responsible for the costs of this defense. Since Paragraph IV litigation is a regular part of the ANDA process, we do not expect any unanticipated impact on our already planned development schedule.

Two new (undisclosed) projects

Subsequent to the end of the year, in January 2014 we announced the signing of another development and commercialization agreement with Par Pharmaceutical, Inc. for two new products.

Under the terms of the agreement, Par has obtained certain exclusive rights to market and sell our products in the USA. In exchange we will receive upfront and milestone payments, together with a share of the profits upon commercialization. In accordance with confidentiality clauses contained in the agreement, the specifics of the product descriptions, platform technologies and financial terms remain confidential.

Corporate

Leadership succession

In April 2013 we announced that Rajiv Khosla, RPh, PhD, MBA would assume the role of President and Chief Executive Officer, succeeding Horst G. Zerbe, PhD, with effect from January 1, 2014. Dr. Zerbe will remain as Chairman of the Board of Directors and continue to provide expertise in research and development, and manufacturing.

Dr. Khosla held the positions of Chief Operating Officer and Chief Scientific Officer throughout the transitional period of 2013 and was a member of the our Board of Directors for the previous two years. Dr. Khosla has remarkable experience and credentials including, among other senior positions, five years as Vice President of Business Development at Biovail Corporation, a Canadian pharmaceutical company operating internationally. Whilst there, he successfully led the transaction process for more than 75 deal opportunities in a variety of therapeutic areas.

Dr. Khosla holds a Ph.D. in pharmaceutical science, with a thesis on Oral Drug Delivery Technology; an Executive MBA from the Henley Business School in England, a Bachelor of Pharmacy (Honours) from the University of Nottingham, England and is a registered pharmacist in the UK.

Dr. Khosla's biography can be found on our website at http://www.intelgenx.com/aboutus/mngmt.html .

$3.5 Million Public Offering

In December 2013 we announced the closing of a registered public offering raising gross proceeds of approximately $3.5 million.

Earlier in the same month we entered into securities purchase agreements with certain accredited investors for the issuance and sale of an aggregate of 7,920,346 shares of its common stock at $0.4419 per share. Additionally, investors received warrants to purchase up to 7,920,346 shares of common stock at an exercise price of $0.5646 per share for a term of five years.

Net proceeds, after deducting the placement agent's fee and other estimated offering expenses payable by us were approximately $3.0 million. We intend to use the net proceeds from the offering for capital investments in VersaFilm™ manufacturing equipment, leasehold improvements on a new facility, working capital and other general corporate purposes.

H.C. Wainwright & Co., LLC acted as the exclusive placement agent for the transaction.

Currency Rate Fluctuations

Our operating currency is Canadian dollars, while our reporting currency is U.S. dollars. Accordingly, our results of operations and balance sheet position have been affected by currency rate fluctuations. The following management discussion and analysis takes this into consideration whenever material.

Results of Operations – Year ended December 31, 2013 compared to the Year ended December 31, 2012.

In U.S.$ thousands	2013	2012	Increase/ (Decrease)	Percentage Increase/ (Decrease)
Revenue	$ 948	$ 1,198	$ (250)	(21%)
Research and Development Expenses	561	1,723	(1,162)	(67%)
Selling, General and Administrative Expenses	1,954	1,689	265	16%
Amortization of tangible assets	34	37	(3)	(8%)
Amortization of intangible assets	38	9	29	322%
Interest and other income	-	10	(10)	(100%)
Net Loss	(1,639)	(2,250)	(611)	(27%)

Revenue and Other Income

Total revenue in the year ended December 31, 2013 decreased to $948 thousand from $1,198 thousand in the year ended December 31, 2012, representing a decrease of $250 thousand, or 21%.

Revenue recorded in the year ended December 31, 2013 includes $492 thousand (2012 - $1 million) related to Forfivo XL®, our first FDA approved product, which was launched in October 2012 under a licensing partnership with Edgemont Pharmaceuticals LLP (“Edgemont”). Upon entering into the licensing agreement, Edgemont paid us an upfront fee of $1 million, which we recognized as deferred license revenue. The deferred license revenue is amortized in income over the period where sales of Forfivo XL® are expected to be exclusive. As a result of this policy, we recognized $308 thousand (2012 - $77 thousand) in income during the year ended December 31, 2013. In addition, we recognized approximately $171 thousand (2012 - $Nil) of royalty income earned from the sale of Forfivo XL®, and a further $13 thousand (2012 - $Nil) of manufacturing royalty income related to a license to manufacture Forfivo XL® that was granted by us to a contract manufacturing organization. The commercial launch of Forfivo XL® triggered a milestone payment of $1 million, which we invoiced to Edgemont and recognized as revenue in the fourth quarter of 2012. Forfivo XL® is indicated for the treatment of MDD and is the only extended-release bupropion HCl product to provide a once-daily, 450mg dose in a single tablet.

The level of sales achieved for Forfivo XL® in 2013 has been considerably lower than anticipated, resulting in a proportionately lower level of royalty income. Management continues its active involvement to accelerate sales growth of Forfivo XL®, which have grown by an average of approximately 97% per quarter for the past three quarters.

Revenue for the year ended December 31, 2013 includes $250 thousand related to a development milestone for our VersaFilm™ buprenorphine/naloxone product for the treatment of opiate addiction. The milestone became due following the successful completion of the pivotal bioequivalence study.

Also included in revenue for the year ended December 31, 2013 is $200 thousand (2012 - $100 thousand) related to a development milestone for our anti-migraine VersaFilm™ oral film product. The milestone became due following confirmation that our NDA submission to the FDA is sufficiently complete to permit a substantive review in accordance with the FDA's "standard" classification process. The 2012 milestone became due following the successful completion of the pivotal bioequivalence study.

Research and Development (“R&D”) Expenses

R&D expenses totaled $561 thousand in the year ended December 31, 2013 compared with $1,723 thousand the previous year, representing a decrease of $1,162 thousand, or 67%.

The decrease in R&D expenses is primarily attributable to the development of our buprenorphine and naloxone Sublingual Film for which we incurred development costs of approximately $747 thousand in fiscal 2012 versus costs of approximately $41 thousand in fiscal 2013. In addition, in fiscal 2012 we incurred approximately $289 thousand of costs related to the technical transfer of activities in preparation for manufacturing of Forfivo XL® to our Contract Manufacturing Organization, Pillar5 Pharma, of which, approximately $112 thousand were credited to us in fiscal 2013. In fiscal 2012 we also paid a Product Fee to the FDA for Forfivo XL® in the amount of $100 thousand.

Included within R&D expenses for 2013 are R&D Salaries of $604 thousand, of which approximately $17 thousand represents non-cash compensation. This compares to R&D salaries of $659 thousand in 2012, of which approximately $16 thousand represented non-cash compensation. The decrease in R&D salaries relates to a reduction of one headcount since Q4, 2012, together with a temporary vacancy during the second quarter of 2013.

In the year ended December 31, 2013 we recorded estimated Research and Development Tax Credits and refunds of $166 thousand, compared with $212 that was recorded in the previous year.

Selling, General and Administrative ("SG&A") Expenses

SG&A expenses increased from $1,689 thousand in the year ended December 31, 2012 to $1,954 thousand in the year ended December 31, 2013. The increase is primarily attributable to the addition of Dr. Rajiv Khosla to our management team, initially in a consulting capacity through to April, and thereafter as an executive of the Company.

Included in SG&A expenses are approximately $80 thousand (2012: $12 thousand) in non-cash compensation from options granted to management employees in 2011, 2012 and 2013, $10 thousand (2012: $23 thousand) in non-cash compensation from options granted to non-employee directors in 2011, and $17 thousand (2012: $7 thousand) in non-cash compensation from options granted to consultants in 2012.

Amortization of tangible assets

In the year ended December 31, 2013 we recorded an amortization of tangible assets expense of $34 thousand, compared with $37 thousand for the previous year.

Amortization of intangible assets

In the year ended December 31, 2013 we recorded an amortization of intangible assets expense of $38 thousand, compared with $9 thousand for the previous year. The increase is attributable to amortization of the asset for a full year in 2013, compared with one quarter in 2012.

Share-Based Compensation Expense, Warrants and Stock Based Payments

Share-based compensation expense, warrants and share-based payments totaled $114 thousand for the year ended December 31, 2013 compared with $59 thousand for the year ended December 31, 2012.

We expensed approximately $80 thousand in the year ended December 31, 2013 for options granted to our employees in 2011, 2012 and 2013 under the 2006 Stock Option Plan, and approximately $10 thousand for options granted to non-employee directors in 2011 and 2013 compared with $28 thousand and $23 respectively that was expensed in the same period of the previous year.

We also expensed $17 thousand in the year ended December 31, 2013 for options granted to consultants, compared with $7 thousand the previous year, and we expensed $1 thousand in 2012 (2013 - $Nil) for options granted to investor relation firms for investor relation services.

As at December 31, 2013 there remains approximately $228 thousand in stock based compensation to be expensed in fiscal 2014 through 2015, all of which relates to the issuance of options to employees and directors of the Company during 2012 and 2013. We anticipate the issuance of additional options and warrants in the future, which will continue to result in stock-based compensation expense.

Key Items from the Balance Sheet

In U.S.$ thousands	2013	2012	Increase/ (Decrease)	Percentage Increase/ (Decrease)
Current Assets	$ 5,550	$ 3,656	$ 1,894	52%
Leasehold Improvements and Equipment	588	387	201	52%
Intangible Assets	79	116	(37)	(32%)
Current Liabilities	901	1,366	(465)	(34%)
Deferred License Revenue	308	615	(307)	(50%)
Capital Stock	1	0	0	N/A
Additional Paid-in-Capital	20,934	16,342	4,592	28%

Current Assets

Current assets totaled $5,550 thousand at December 31, 2013 compared with $3,656 thousand at December 31, 2012. The increase of $1,894 thousand is attributable to an increase in cash of $2,946 thousand, an increase in prepaid expenses of $31 thousand, and an increase in investment tax credits receivable of $55 thousand, partly offset by a decrease in accounts receivable of $1,138 thousand.

Cash and cash equivalents

Cash and cash equivalents totaled $5,005 thousand as at December 31, 2013 representing an increase of $2,946 thousand compared to the balance of $2,059 thousand as at December 31, 2012. The increase in cash on hand relates to net cash provided by financing activities of $4,479 thousand, partly offset by net cash used in operating activities of $1,173 thousand, net cash used in investing activities of $266 thousand, and an unrealized foreign exchange loss of $94 thousand.

On December 16, 2013, as part of a registered public offering, we issued approximately 7.9 million shares of common stock at $0.4419 per share, and five-year warrants to purchase up to approximately 7.9 million shares of common stock, for aggregate gross proceeds of approximately US$3.5 million. Each warrant entitles the holder to purchase one common share at an exercise price of $0.5646 per common share and expires 60 months after the date of issuance. Proceeds were allocated between the common shares and the warrants based on their relative fair value. The common shares were recorded at a value of $1,808 thousand, and the warrants valued at $1,305 thousand, each based on their relative fair value as determined by the Black Scholes valuation model.

We paid an agent cash commissions in the amount of approximately $210 thousand, representing 6% of the aggregate gross proceeds received by us, plus expenses in the amount of approximately $35 thousand, and issued warrants to the agent to purchase 475,221 shares of common stock, representing 6% of the amount of shares sold in the public offering. Each warrant entitles the holder to purchase one common share at an exercise price of $0.5646 per common share and expires 48 months after the date of issuance.

In addition, we paid approximately $272 thousand in cash consideration for other transaction costs, which have been reflected as a reduction of the common shares and the warrants based on their relative fair values.

We intend to use the net proceeds from the offering for capital investments in VersaFilm™ manufacturing equipment, new facility leasehold improvements, working capital and other general corporate purposes.

Also in the year ended December 31, 2013 a total of 3,098,500 warrants were exercised for 3,098,500 common shares for cash consideration of approximately $1,465 thousand, and a total of 75,000 stock options were exercised for cash consideration of $31 thousand.

Accounts receivable

Accounts receivable totaled $144 thousand (2012: $1,282 thousand) as at December 31, 2013, of which approximately $36 thousand is a sales tax refund that we expect to receive in the first half of 2014. Included within the accounts receivable balance as at December 31, 2012 is a $1 million milestone that was invoiced to Edgemont Pharmaceuticals in the fourth quarter of 2012 under the terms of our licensing partnership for the launch of Forfivo XL®. We received payment against this invoice in February 2013.

Prepaid Expenses

As of December 31, 2013, prepaid expenses totaled $133 thousand compared with $102 thousand as of December 31, 2012. The increase in prepaid expenses relates to a deposit paid for a biostudy planned to be completed in the first quarter of 2014, and a deposit paid on R&D machinery to be supplied and installed in the second half of 2014.

Investment tax credits receivable

R&D investment tax credits receivable totaled approximately $268 thousand as at December 31, 2013 compared with $213 thousand as at December 31, 2012. Included in the balance receivable as at December 31, 2013 is $162 thousand related to credits accrued throughout fiscal 2013, which we expect to receive in the fourth quarter of 2014, and a balance outstanding from 2012 of $106 thousand, which we expect to receive first quarter of 2014.

Leasehold Improvements and Equipment

As at December 31, 2013, the net book value of property and equipment amounted to $588 thousand, compared to $387 thousand at December 31, 2012. In the year ended December 31, 2013 additions to assets totaled $266 thousand and comprised $242 thousand for pilot plant manufacturing equipment for our VersaFilm™ products, $8 thousand for laboratory equipment, $6 thousand for computer equipment and $10 thousand for leasehold improvements to a new facility that we plan to occupy towards the end of 2014. Depreciation on Leasehold Improvements and equipment in the year ended December 31, 2013 amounted to $34 thousand and a foreign exchange loss of $31 thousand was recorded.

Intangible Assets

As at December 31, 2013 NDA acquisition costs of $79 thousand (December 31, 2012 - $116 thousand) were recorded as intangible assets on our balance sheet and are related to the acquisition of 100% ownership of Forfivo XL®™. The asset is being amortized over its expected useful life and amortization commenced upon commercial launch of Forfivo XL® in the fourth quarter of 2012.

Current Liabilities

Current liabilities totaled $901 thousand as at December 31, 2013 (December 31, 2012 - $1,366 thousand) and consisted of accounts payable and accrued liabilities of $593 thousand (December 31, 2012 - $1,058 thousand), and the current portion of deferred license revenue of $308 thousand (December 31, 2012 - $308 thousand).

Included in the accounts payable and accrued liabilities balance as at December 31, 2013 is approximately $100 thousand relating to research and development activities, approximately $180 thousand relating to professional fees, of which approximately $87 thousand relates to the public offering completed in December, 2013, and approximately $301 thousand relates to accrued payroll liabilities.

Deferred License Revenue

Pursuant to the execution of a licensing agreement for Forfivo XL®, we received an upfront fee from Edgemont Pharmaceuticals in the first quarter of 2012, which we recognized as deferred license revenue. The deferred license revenue is being amortized in income over the period where sales of Forfivo XL® are expected to be exclusive. As a result of this policy, we have a deferred revenue balance of $616 thousand at December 31, 2013 that has not been recognized as revenue, with $308 thousand recognized as the non-current portion and $308 thousand recognized in current assets as the current portion.

Shareholders' Equity

As at December 31, 2013 we had accumulated a deficit of $16,102 thousand compared with an accumulated deficit of $14,463 thousand as at December 31, 2012. Total assets amounted to $6,217 thousand and shareholders' equity totaled $5,008 thousand as at December 31, 2013, compared with total assets and shareholders' equity of $4,159 thousand and $2,178 thousand respectively, as at December 31, 2012.

Contractual Obligations and Commitments

Excluding trade accounts payable and accrued liabilities, we are committed to the following contractual obligations and commitments:

In U.S.$ thousands	2014 (Less than 1 Year)	1 Year or More
Operating Lease Obligations	$ 15	$ 0
Investor Relations	$ 5	$ 0
Total	$ 20	$ 0

Capital Stock

As at December 31, 2013 capital stock amounted to $610 compared to $499 at December 31, 2012. The increase reflects the issuance of 7,920,346 shares related to the public offering completed in December 2013, together with 3,098,500 shares and 75,000 shares related to the exercise of warrants and stock options, respectively, with all shares issued at par value of $0.00001. Capital stock is disclosed at its par value with the excess of proceeds shown in Additional Paid-in-Capital.

Additional Paid-in-Capital

Additional paid-in capital totaled $20,934 thousand at December 31, 2013, as compared to $16,342 thousand at December 31, 2012. The change is made up of increases of $2,195 thousand, $1,305 thousand, and $100 thousand for the public offering completed on December 16. 2013 in relation to common stock issued, warrants, and agent's compensation, respectively, as well as a decrease of $617 thousand for transaction costs. Additional paid in capital also increased by $114 thousand for stock based compensation of which $17 thousand is attributable to the amortization of stock options granted to consultants, and $97 thousand is attributable to the amortization of stock options granted to employees and directors. Additional paid-in capital increased further by $1,464 thousand for warrants exercised, and by $31 thousand for options exercised.

Taxation

We had Canadian and provincial net operating losses of approximately $8,874 thousand (2012 - $8,390 thousand) and $9,040 thousand (2012 - $8,566 thousand) respectively, which may be applied against earnings of future years. Utilization of the net operating losses is subject to significant limitations imposed by the change in control provisions. Canadian and provincial losses will be expiring between 2027 and 2033. A portion of the net operating losses may expire before they can be utilized.

As at December 31, 2013, we had non-refundable tax credits of $1,098 thousand (2012 - $914 thousand) of which $22 thousand is expiring in 2017, $212 thousand is expiring in 2018, $186 thousand is expiring in 2019, $158 thousand is expiring in 2020, $169 thousand is expiring in 2021, $232 thousand is expiring in 2022 and $119 thousand is expiring in 2023 and undeducted research and development expenses of $4,354 thousand (2012 - $4,464 thousand) with no expiration date.

The deferred tax benefit of these items was not recognized in the accounts as it has been fully provided for.

Key items from the Statement of Cash Flows

In U.S.$ thousands	2013	2012	Increase/ (Decrease)	Percentage Increase/ (Decrease)
Operating Activities	$ (1,173)	$ (1,638)	$ (465)	(28%)
Financing Activities	4,479	365	4,114	1,127%
Investing Activities	(266)	(270)	(4)	(1%)
Cash and cash equivalents – end of period	5,005	2,059	2,946	143%

Statement of cash flows

Net cash used by operating activities was $1,173 thousand in the year ended December 31, 2013, compared to $1,638 thousand for the year ended December 31, 2012, which represents an improvement of $465 thousand, or 28%. In fiscal 2013, net cash used by operating activities consisted of an operating loss of $1,453 thousand (2012 - $2,145 thousand) and an increase in non-cash operating elements of working capital of $280 thousand compared with an increase of $507 thousand in 2012.

Operating activities will continue to consume our available funds until we are able to generate increased revenues.

The net cash provided by financing activities was $4,479 thousand in fiscal 2013, compared to $365 thousand provided in the previous year. The net cash provided in 2013 resulted from gross proceeds of $3,500 thousand from our public offering completed in December 2013, $1,465 thousand from the exercise of warrants and a further $31 thousand from the exercise of options, less transaction costs for the public offering of $517 thousand. Of the net cash provided by financing activities in the previous year, $337 thousand came from the exercise of warrants and a further $28 thousand from the exercise of options.

Net cash used in investing activities amounted to $266 thousand in the year ended December 31, 2013 compared to $270 thousand in the year ended December 31, 2012. The net cash used in investing activities in 2013 relates exclusively to the purchase of fixed assets and comprised $242 thousand for pilot plant manufacturing equipment for our VersaFilm™ products, $8 thousand for laboratory equipment, $6 thousand for computer equipment and $10 thousand for leasehold improvements to a new facility that we plan to occupy towards the end of 2014.

The balance of cash and cash equivalents as at December 31, 2013 amounted to $5,005 thousand, compared to $2,059 thousand at December 31, 2012.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements as contemplated by SK 229 303 (A) (4) (ii).

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The consolidated financial statements and supplementary data of the Company required in this item are set forth beginning on page F-1 of this Annual Report on Form 10-K.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

a. Evaluation of Disclosure Controls and Procedures

Based on an evaluation under the supervision and with the participation of our management, our Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) were effective as of December 31, 2013 to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and (ii) accumulated and communicated to the Company's management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

b. Changes in Internal Controls over Financial Reporting

Our Chief Executive Officer and Chief Financial Officer have concluded that there were no changes in the Company's internal controls over financial reporting during the quarter ended December 31, 2013 that have materially affected or are reasonably likely to materially affect the Company's internal controls over financial reporting.

c. Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Our internal control system was designed to provide reasonable assurance to our management and the Board of Directors regarding the preparation and fair presentation of published financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Our management, including the Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2013. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework. Based on our processes and assessment, as described above, management has concluded that, as of December 31, 2013 our internal control over financial reporting was effective.

This Annual Report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the company's registered public accounting firm pursuant to rules of the SEC that permit the Company to provide only management's report in this Annual Report.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Certain information required by this Item 10 relating to our directors, executive officers, audit committee and corporate governance is incorporated by reference herein from the 2014 Proxy Statement.

We have adopted a Code of Business Conduct and Ethics that applies to our directors and officers, including our principal executive officer, and our principal financial officer and principal accounting officer. The Code of Business Conduct and Ethics is posted on our website at http://www.intelgenx.com . We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding an amendment to, or waiver from, a provision of our Code of Business Conduct and Ethics by posting such information on our website at the web address specified above.

ITEM 11. EXECUTIVE COMPENSATION

Certain information required by this Item 11 relating to remuneration of directors and executive officers and other transactions involving management is incorporated by reference herein from the 2014 Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Certain information required by this Item 12 relating to security ownership of certain beneficial owners and management, and the equity compensation plan information, is incorporated by reference herein from the 2014 Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Certain information required by this Item 13 relating to certain relationships and related transactions, and director independence is incorporated by reference herein from the 2014 Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Certain information required by this Item 14 regarding principal accounting fees and services is set forth under "Audit Fees" in the 2014 Proxy Statement.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) Financial Statements and Schedules

1. *Financial Statements*

The following financial statements are filed as part of this report under Item 8 of Part II "Financial Statements and Supplementary Data:

A. Report of Independent Registered Public Accounting Firm.

B. Consolidated Balance Sheets as of December 31, 2013 and 2012.

C. Consolidated Statements of Shareholders' Equity for the years ended of December 31, 2013 and 2012.

D. Consolidated Statements of Comprehensive Loss for the years ended of December 31, 2013 and 2012.

E. Consolidated Statements of Cash Flows for the years ended December 31, 2013 and 2012.

F. Notes to Consolidated Financial Statements.

2 . *Financial Statement Schedules*

Financial statement schedules not included herein have been omitted because they are either not required, not applicable, or the information is otherwise included herein.

(b) Exhibits.

EXHIBIT INDEX

Exhibit No.	**Description**
2.1	Share exchange agreement dated April 10, 2006 (incorporated by reference to the Form 8-K/A filed on May 5, 2006)
3.1	Certificate of Incorporation (incorporated by reference to the Form SB-2 (File No. 333-90149) filed on November 16, 1999)
3.2	Amendment to the Certificate of Incorporation (incorporated by reference to amendment No. 2 to Form SB-2 (File No. 333-135591) filed on August 28, 2006)
3.3	Amendment to the Certificate of Incorporation (incorporated by reference to the Form DEF 14C filed on April 20, 2007)
3.4	By-Laws (incorporated by reference to the Form SB-2 (File No. 333-91049) filed on November 16, 1999
3.5	Amended and Restated By-Laws (incorporated by reference to the Form 8-K filed on March 31, 2011)
3.6	Amended and Restated By-Laws (incorporated by reference to the Form 8-K filed on March 21, 2012)
9.1	Voting Trust agreement (incorporated by reference to the Form 8-K/A filed on May 5, 2006)
10.1 +	Horst Zerbe employment agreement (incorporated by reference to the Form SB-2 (File No. 333-135591) filed on July 3, 2006)
10.2 +	Ingrid Zerbe employment agreement (incorporated by reference to the Form SB-2 (File No. 333-135591) filed on July 3, 2006)

10.3	Registration rights agreement (incorporated by reference to the Form SB-2 (File No. 333-135591) filed on July 3, 2006)
10.4	Principal's registration rights agreement (incorporated by reference to the Form SB-2 (File No. 333-135591) filed on July 3, 2006)
10.5 +	2006 Stock Option Plan (incorporated by reference to the Form S-8 filed on November 21, 2006)
10.6 +	Employment Contract Paul A. Simmons (incorporated by reference to the Form 8-K filed on September 5, 2008)
10.7 +	Amended and Restated 2006 Stock Option Plan, May 29, 2008 (incorporated by reference to the Form 10-K filed on March 25, 2009)
10.8	Co-Development and Commercialization Agreement with RedHill Biopharma Ltd. (incorporated by reference to the Form 10-Q filed on November 9, 2010)
10.9 +	Amended and Restated 2006 Stock Option Plan (incorporated by reference to the Form S-8 filed on November 15, 2010)
10.10	Agency Agreement, dated as of August 27, 2010, between the Company and Bolder Investment Partners, Ltd. (incorporated by reference to the Form 8-K filed on August 30, 2010)
10.11	Registration Rights Agreement, dated as of August 27, 2010, by and among the Company and the purchasers pursuant to the offering (incorporated by reference to the Form 8-K filed on August 30, 2010)
10.12	Form of Subscription Agreement (incorporated by reference to the Form 8-K filed on August 30, 2010)
10.13	Form of Warrant (incorporated by reference to the Form 8-K filed on August 30, 2010)
10.14	Form of Compensation Option (incorporated by reference to the Form 8-K filed on August 30, 2010)
10.15	Project Transfer Agreement (incorporated by reference to the Form 10-Q filed on May 14, 2010)
10.16	Co-development and Licensing Agreement (incorporated by reference to the Form 10-Q filed on May 14, 2010)
10.17	License and Asset Transfer Agreement with Edgemont Pharmaceuticals (incorporated by reference to the Form 10Q filed on May 15, 2012)
10.18	Securities Purchase Agreement (incorporated by reference to the Form 8-K filed on June 3, 2011)
10.19	Registration Rights Agreement (incorporated by reference to the Form 8-K filed on June 3, 2011)
10.20	Form of Warrant (incorporated by reference to the Form 8-K filed on June 3, 2011)
10.21+	Amended and Restated 2006 Stock Option Plan, (incorporated by reference to the Form 8-K filed on May 9, 2013)
10.22+	Employment Agreement Rajiv Khosla (incorporated by reference to the Form 10-Q filed on May 14, 2013)
10.23	Engagement Letter Wainwright dated October 10, 2013, amended December 3, 2013 (incorporated by reference to the Form S-1/A Registration Statement filed December 16, 2013)
10.24	Amended Form of Securities Purchase Agreement (incorporated by reference to the Form S-1/A Registration Statement filed on December 16, 2013)
10.25	Form of Warrant (incorporated by reference to the Form S-1 Registration Statement filed on October 25, 2013)
10.26	Form of Placement Agent Warrant (incorporated by reference to the Form S-1/A Registration Statement filed on December 16, 2013)
10.27* ++	Development Services and Commercialization Agreement with PAR Pharmaceuticals, dated December 19, 2011
10.28* ++	Development Services and Commercialization Agreement with PAR Pharmaceuticals, dated January 8, 2014
21.1	Subsidiaries of the small business issuer (incorporated by reference to the Form SB-2 (File No. 333-135591) filed on July 3, 2006)
23.1*	Consents of Richter LLP
31.1*	Certification of Rajiv Khosla, President and Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31.2*	Certification of Paul A. Simmons, Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*

32.1*	Certification of Rajiv Khosla, President and Chief Executive Officer, pursuant to 18 U.S.C. Section 1350.*
32.2*	Certification of Paul A. Simmons, Chief Financial Officer, pursuant to 18 U.S.C. Section 1350. *

* Filed herewith.

+ Indicates management contract or employee compensation plan

++ Portions of this exhibit have been omitted based on an application for confidential treatment from the SEC. The omitted portions of these exhibits have been submitted separately with the SEC.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned on March 11, 2014, thereunto duly authorized.

INTELGENX TECHNOLOGIES CORP.

By: */s/Rajiv Khosla*
Rajiv Khosla
President and Chief Executive Officer
(Principal Executive Officer)

By: /s */Paul A. Simmons*
Paul A. Simmons
Chief Financial Officer
(Principal Financial and Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons in the capacities and on the dates indicated.

Signature	**Position**	**Date**
By: /s/ *Rajiv Khosla* Rajiv Khosla	President, Chief Executive Officer and Director	March 11, 2014
By *: /s/Paul A. Simmons* Paul A. Simmons	Chief Financial Officer	March 11, 2014
By:/s/ *Horst G. Zerbe* Horst G. Zerbe	Chairman of the Board and Director	March 11, 2014
By:/s/ *Bernard Boudreau* J. Bernard Boudreau	Director	March 11, 2014
By: /s/ *Ian Troup* John (Ian) Troup	Director	March 11, 2014
By:/s/ *Bernd Melchers* Bernd J. Melchers	Director	March 11, 2014
By:/s/ *John Marinucci* John Marinucci	Director	March 11, 2014

IntelGenx Technologies Corp

Consolidated Financial Statements
December 31, 2013 and 2012
(Expressed in U.S. Funds)

IntelGenx Technologies Corp

Consolidated Financial Statements
December 31, 2013 and 2012
(Expressed in U.S. Funds)

Contents

RICHTER

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of
IntelGenx Technologies Corp.

We have audited the accompanying consolidated balance sheets of IntelGenx Technologies Corp. as at December 31, 2013 and 2012 and the related consolidated statements of comprehensive loss, shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, these consolidated financial statements present fairly in all material respects, the financial position of the Company as at December 31, 2013 and 2012 and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Richter LLP (Signed)

Montréal, Québec
March 10, 2014

[1] CPA auditor, CA, public accountancy permit No. A110982

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Member
RSM International

Montréal, Toronto

IntelGenx Technologies Corp.

Consolidated Balance Sheets
As at December 31, 2013 and 2012
(Expressed in Thousands of U.S. Dollars ($'000) Except Share and Per Share Data)

	2013	2012
Assets		
Current		
Cash and cash equivalents	**$ 5,005**	$ 2,059
Accounts receivable	**144**	1,282
Prepaid expenses	**133**	102
Investment tax credits receivable	**268**	213
Total Current Assets	**5,550**	3,656
Leasehold Improvements and Equipment (note 5)	**588**	387
Intangible Assets (note 6)	**79**	116
Total Assets	**$ 6,217**	$ 4,159
Liabilities		
Current		
Accounts payable and accrued liabilities	**593**	1,058
Deferred license revenue (note 7)	**308**	308
Total Current Liabilities	**901**	1,366
Deferred License Revenue, non-current portion (note 7)	**308**	615
Total Liabilities	**1,209**	1,981
Commitments (note 8)		
Shareholders' Equity		
Capital Stock (note 9)	**1**	0
Additional Paid-in-Capital (note 10)	**20,934**	16,342
Accumulated Deficit	**(16,102)**	(14,463)
Accumulated Other Comprehensive Income	**175**	299
Total Shareholders' Equity	**5,008**	2,178
	$ 6,217	$ 4,159

See accompanying notes

Approved on Behalf of the Board:

/s/ J. Bernard Boudreau Director

/s/ Horst G. Zerbe Director

IntelGenx Technologies Corp.

Consolidated Statement of Shareholders' Equity
For the Year Ended December 31, 2012
(Expressed in Thousands of U.S. Dollars ($'000) Except Share and Per Share Data)

	Capital Stock		Additional Paid-In	Accumulated	Accumulated Other Comprehensive	**Total Shareholders' Equity**
	Number	Amount	Capital	Deficit	Income	
Balance - December 31, 2011	48,895,028	$ 0	$ 15,918	$ (12,213)	$ 199	**$ 3,904**
Foreign currency translation adjustment	-	-	-	-	100	**100**
Warrants exercised (note 10)	726,080	-	233	-	-	**233**
Agents' warrants exercised (note 10)	219,313	-	104	-	-	**104**
Options exercised (note 10)	50,000	-	28	-	-	**28**
Stock-based compensation (note 10)	-	-	59	-	-	**59**
Net loss for the period	-	-	-	(2,250)	-	**(2,250)**
Balance – December 31, 2012	**49,890,421**	**$ 0**	**$ 16,342**	**$ (14,463)**	**$ 299**	**$ 2,178**

See accompanying notes

IntelGenx Technologies Corp.

Consolidated Statement of Shareholders' Equity
For the Year Ended December 31, 2013
(Expressed in Thousands of U.S. Dollars ($'000) Except Share and Per Share Data)

	Capital Stock		Additional Paid-In	Accumulated	Accumulated Other Comprehensive	**Total Shareholders' Equity**
	Number	Amount	Capital	Deficit	Income	
Balance - December 31, 2012	49,890,421	$ 0	$ 16,342	$ (14,463)	$ 299	**$ 2,178**
Foreign currency translation adjustment	-	-	-	-	(124)	**(124)**
Issue of common stock, net of transaction costs of $387 (note 9)	7,920,346	-	1,808	-	-	**1,808**
Warrants issued, net of transaction costs of $230 (note 10)	-	-	1,075	-	-	**1,075**
Agents' warrants (note 10)	-	-	100	-	-	**100**
Warrants exercised (note 10)	3,098,500	1	1,464	-	-	**1,465**
Options exercised (note 10)	75,000	-	31	-	-	**31**
Stock-based compensation (note 10)	-	-	114	-	-	**114**
Net loss for the period	-	-	-	(1,639)	-	**(1,639)**
Balance – December 31, 2013	**60,984,267**	**$ 1**	**$ 20,934**	**$ (16,102)**	**$ 175**	**$ 5,008**

See accompanying notes

IntelGenx Technologies Corp.

Consolidated Statements of Comprehensive Loss
For the Years Ended December 31, 2013 and 2012
(Expressed in Thousands of U.S. Dollars ($'000) Except Share and Per Share Data)

		2013		2012
Revenues				
Royalties	**$**	**188**	$	-
License and other revenue		**760**		1,198
Total Revenues		**948**		1,198
Expenses				
Research and development expense		**561**		1,723
Selling, general and administrative expense		**1,954**		1,689
Depreciation of tangible assets		**34**		37
Amortization of intangible assets		**38**		9
Total Costs and Expenses		**2,587**		3,458
Loss from Operations		**(1,639)**		(2,260)
Other Income				
Interest and other income		**-**		10
Total Other Income		**-**		10
Loss Before Income Taxes		**(1,639)**		(2,250)
Income taxes (note 11)		**-**		-
Net Loss		**(1,639)**		(2,250)
Other Comprehensive Income (Loss)				
Foreign currency translation adjustment		**(124)**		100
Comprehensive Loss	**$**	**(1,763)**	$	(2,150)
Basic and Diluted Weighted Average Number of Shares Outstanding		**54,023,739**		49,637,908
Basic and Diluted Loss Per Common Share (note 14)	**$**	**(0.03)**	$	(0.04)

See accompanying notes

IntelGenx Technologies Corp.

Consolidated Statements of Cash Flows
For the Year Ended December 31, 2013 and 2012
(Expressed in Thousands of U.S. Dollars ($'000) Except Share and Per Share Data)

	2013	2012
Funds Provided (Used) -		
Operating Activities		
Net loss	**$ (1,639)**	$ (2,250)
Amortization and depreciation	**72**	46
Stock-based compensation	**114**	59
	(1,453)	(2,145)
Changes in assets and liabilities		
Accounts receivable	**1,138**	(1,019)
Prepaid and other assets	**(31)**	(34)
Other receivables	**(55)**	247
Accounts payable and other accrued liabilities	**(465)**	390
Deferred revenue	**(307)**	923
Net change in assets and liabilities	**280**	507
Net cash used by operating activities	**(1,173)**	(1,638)
Financing Activities		
Issuance of common stock and warrants	**3,500**	-
Proceeds from exercise of warrants, agents' warrants and stock options	**1,496**	365
Transaction costs	**(517)**	-
Net cash provided by financing activities	**4,479**	365
Investing Activities		
Additions to leasehold improvements and equipment	**(266)**	(270)
Net Cash used in investing activities	**(266)**	(270)
Increase (Decrease) in Cash and Cash Equivalents	**3,040**	(1,543)
Effect of Foreign Exchange on Cash and Cash Equivalents	**(94)**	97
Cash and Cash Equivalents		
Beginning of Year	**2,059**	3,505
End of Year	**$ 5,005**	$ 2,059

See accompanying notes

1. Basis of Presentation

IntelGenx Technologies Corp. ("IntelGenx" or the "Company") prepares its financial statements in accordance with accounting principles generally accepted in the United States of America ("USA"). This basis of accounting involves the application of accrual accounting and consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

The consolidated financial statements include the accounts of the Company and its subsidiary companies. On consolidation, all inter-entity transactions and balances have been eliminated.

The financial statements are expressed in U.S. funds.

2. Nature of Business

The Company specializes in the development of pharmaceutical products in co-operation with various pharmaceutical companies.

Technologies

The Company has developed three proprietary delivery platforms; including an immediate release oral film " *VersaFilm*™ ", a mucoadhesive tablet " *AdVersa*™ " and a multilayer controlled release tablet " *VersaTab*™ ".

The three technology platforms have been designed to address the challenges commonly encountered in oral drug delivery, such as first-pass metabolism, gastrointestinal ("GI") side effects, or incomplete absorption of the drug in the GI tract. IntelGenx' technologies are broadly applicable and have the ability to improve the performance of a wide variety of existing pharmaceutical compounds.

Product Pipeline

IntelGenx' product pipeline currently consists of 12 products in various stages of development, including products for the treatment of hypertension, erectile dysfunction, benign prostatic hyperplasia, migraine, insomnia, idiopathic pulmonary fibrosis, allergies and pain management. Of the products currently under development, 5 utilize the *VersaFilm*™ technology, 4 utilize the *VersaTab*™ technology, and one utilizes the *AdVersa*™ technology. In accordance with contractual commitments and for reasons of confidentiality, the Company is unable to disclose either the indicated treatment or the delivery platform behind two of the products under development.

Approved and Commercialized Products

The Company's first FDA-approved product, Forfivo XL®, was launched in the USA in October 2012 under a licensing partnership with Edgemont Pharmaceuticals LLP. Forfivo XL® is indicated for the treatment of Major Depressive Disorder (MDD) and is the only extended-release bupropion HCl product to provide a once-daily, 450mg dose in a single tablet. The active ingredient in Forfivo XL® is bupropion, the same active ingredient used in Wellbutrin XL®.

3. Adoption of New Accounting Standards

In December 2011, the FASB issued Update No. 2011-11, "Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities". The objective of this Update is to provide enhanced disclosures that will enable users of financial statements to evaluate the effect or potential effect of netting arrangements on an entity's financial position. This includes the effect or potential effect of rights of setoff associated with an entity's recognized assets and recognized liabilities within the scope of this Update. The amendments require enhanced disclosures by requiring improved information about derivatives, repurchase agreements and reverse purchase agreements, and securities borrowing and securities lending transactions that are either offset in accordance with specific criteria or subject to a master netting arrangement or similar agreement. In January 2013, the FASB also issued Update No. 2013-01, which clarifies that ordinary trade receivables and receivables are not in the scope of ASU 2011-11. ASU 2011-11and ASU 2013-01are effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. Retrospective disclosure is required for all comparative periods presented. The adoption of this Statement did not have a material effect on the Company's financial position or results of operations.

In February 2013, the FASB has issued Update No. 2013-02, "Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income". This Update has been issued to improve the transparency of reporting these reclassifications. The amendments in this Update supersede and replace the presentation requirements for reclassifications out of accumulated other comprehensive income in ASUs 2011-05 and 2011-12 for all public and private organizations. The amendments would require an entity to provide additional information about reclassifications out of accumulated other comprehensive income. Public companies are required to comply with these amendments for all reporting periods (interim and annual), effective for reporting periods beginning after December 15, 2012. The adoption of this Statement did not have a material effect on the Company's financial position or results of operations.

4. Summary of Significant Accounting Policies

Revenue Recognition

The Company recognizes revenue from research and development contracts as the contracted services are performed or when milestones are achieved, in accordance with the terms of the specific agreements and when collection of the payment is reasonably assured. In addition, the performance criteria for the achievement of milestones are met if substantive effort was required to achieve the milestone and the amount of the milestone payment appears reasonably commensurate with the effort expended. Amounts received in advance of the recognition criteria being met, if any, are included in deferred income.

IntelGenx has license agreements that specify that certain royalties are earned by the Company on sales of licensed products in the licensed territories. Licensees usually report sales and royalty information in the 45 days after the end of the quarter in which the activity takes place and typically do not provide forward estimates or current-quarter information. Because the Company is not able to reasonably estimate the amount of royalties earned during the period in which these licensees actually ship products, royalty revenue is not recognized until the royalties are reported to the Company and the collection of these royalties is reasonably assured.

4. Summary of Significant Accounting Policies (Cont'd)

In August 2010, the Company entered into a joint development and commercialization agreement with RedHill Biopharma ("RedHill"), an Israeli company, for an anti-migraine product based upon the Company's VersaFilm™ technology. In accordance with the terms of the agreement, RedHill made up-front and milestone payments in the aggregate amount of $800 thousand, of which $200 thousand was received by the Company in 2013 upon the filing of an NDA and acceptance of the filing by the U.S. Food and Drug Administration. RedHill is required to make additional milestone payments of $500 thousand upon receipt of FDA marketing approval for the product, together with royalties and / or a share of profits upon commercialization.

In December 2011, the Company entered into a co-development and commercialization agreement with Par Pharmaceutical, Inc. ("Par"), a US company, for a generic formulation of buprenorphine and naloxone Sublingual Film, utilizing the Company's VersaFilm™ technology. The reference listed drug is Suboxone® (buprenorphine and naloxone) Sublingual Film and is indicated for the maintenance treatment of opioid dependence. In accordance with the terms of the agreement, IntelGenx has received upfront and milestone payments in the aggregate amount of $500 thousand, of which $250 thousand was received by the Company in 2013 following successful completion of the pivotal bioequivalence study. The agreement provides for additional, undisclosed, milestone payments, together with a share of profits upon commercialization.

In February 2012, the Company entered into a license agreement with Edgemont Pharmaceuticals LLC ("Edgemont"), a US company, for the commercialization Forfivo XL®™ in the United States. In accordance with the terms of the agreement, IntelGenx has received upfront and milestone payments in the aggregate amount of $2 million, and will be eligible for additional milestones upon achieving certain sales and exclusivity targets of up to a further $26.5 million.

Product Sales:

The Company launched Forfivo XL® in the USA in October 2012 under a licensing partnership with Edgemont. Under the terms of the license agreement, the commercial launch of Forfivo XL® triggered launch-related milestone payments for IntelGenx of up to $4.0 million, of which $1 million was invoiced by the Company to Edgemont and recognized as revenue in the fourth quarter of 2012 and the cash received in February 2013. Additional milestones of up to a further $23.5 million are payable upon achieving certain sales and exclusivity targets and the Company commenced receiving royalties from sales of the product in the first quarter of 2013. Royalty income from sales of Forfivo XL® totaled $171 thousand in 2013.

Upon entering into the licensing agreement, Edgemont paid the Company an upfront fee of $1 million, which the Company recognized as deferred license revenue. The deferred license revenue will be amortized in income over the period where sales of Forfivo XL® are expected to be exclusive. As a result of this policy, the Company recognized revenue in the aggregate amount of $308 thousand in 2013 and has a deferred revenue balance of $616 thousand at December 31, 2013 that has not been recognized as revenue.

4. Summary of Significant Accounting Policies (cont'd)

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The financial statements include estimates based on currently available information and management's judgment as to the outcome of future conditions and circumstances. Significant estimates in these financial statements include the useful lives and impairment of long-lived assets, stock-based compensation costs, the investment tax credits receivable, the determination of the fair value of warrants issued as part of fundraising activities, and the resulting impact on the allocation of the proceeds between the common shares and the warrants.

Changes in the status of certain facts or circumstances could result in material changes to the estimates used in the preparation of the financial statements and actual results could differ from the estimates and assumptions.

Cash and Cash Equivalents

Cash and cash equivalents is comprised of cash on hand and term deposits with original maturity dates of less than three months that are stated at cost, which approximates fair value.

Accounts Receivable

The Company accounts for trade receivables at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a quarterly basis. Management determines the allowance for doubtful accounts by regularly evaluating individual customer receivables and considering a customer's financial condition, credit history and current economic conditions. The Company writes off trade receivables when they are deemed uncollectible and records recoveries of trade receivables previously written-off when they receive them. Management has determined that no allowance for doubtful accounts is necessary in order to adequately cover exposure to loss in its December 31, 2013 accounts receivable (2012 - $Nil). The accounts receivable balance of $1,282 thousand as at December 31, 2012 includes $1 million from Edgemont that was received by IntelGenx in February 2013.

4. Summary of Significant Accounting Policies (Cont'd)

Investment Tax Credits

Investment tax credits relating to qualifying expenditures are recognized in the accounts at the time at which the related expenditures are incurred and there is reasonable assurance of their realization. Management has made estimates and assumptions in determining the expenditures eligible for investment tax credits claimed.

Leasehold Improvements and Equipment

Leasehold improvements and equipment are recorded at cost. Provisions for depreciation are based on their estimated useful lives using the methods as follows:

On the declining balance method -	
Laboratory and office equipment	20%
Computer equipment	30%
On the straight-line method -	
Leasehold improvements	over the lease term
Manufacturing equipment	5 – 10 years

Upon retirement or disposal, the cost of the asset disposed of and the related accumulated depreciation are removed from the accounts and any gain or loss is reflected in income. Expenditures for repair and maintenance are expensed as incurred.

Intangible Assets

Payments made to third parties subsequent to regulatory approval are capitalized and amortized over the remaining useful life of the related product. Amounts capitalized for such payments are included in other intangibles, net of accumulated amortization.

Impairment of Long-lived Assets

Long-lived assets held and used by the Company are reviewed for possible impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the assets to the estimated undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value thereof.

4. Summary of Significant Accounting Policies (Cont'd)

Foreign Currency Translation

The Company's reporting currency is the U.S. dollar. The Canadian dollar is the functional currency of the Company's Canadian operations, which is translated to the United States dollar using the current rate method. Under this method, accounts are translated as follows:

Assets and liabilities - at exchange rates in effect at the balance sheet date;

Revenue and expenses - at average exchange rates prevailing during the year;

Equity - at historical rates.

Gains and losses arising from foreign currency translation are included in other comprehensive income.

Income Taxes

The Company accounts for income taxes in accordance with FASB ASC 740 "Income Taxes". Deferred taxes are provided on the liability method whereby deferred tax assets are recognized for deductible temporary differences, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Unrecognized Tax Benefits

The Company accounts for unrecognized tax benefits in accordance with FASB ASC 740 "Income Taxes". ASC 740 prescribes a recognition threshold that a tax position is required to meet before being recognized in the financial statements and provides guidance on de-recognition, measurement, classification, interest and penalties, accounting in interim periods, disclosure and transition issues. ASC 740 contains a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained upon ultimate settlement with a taxing authority, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon ultimate settlement.

Additionally, ASC 740 requires the Company to accrue interest and related penalties, if applicable, on all tax positions for which reserves have been established consistent with jurisdictional tax laws. The Company elected to classify interest and penalties related to the unrecognized tax benefits in the income tax provision.

4. Summary of Significant Accounting Policies (Cont'd)

Share-Based Payments

The Company accounts for share-based payments to employees in accordance with the provisions of FASB ASC 718 "Compensation—Stock Compensation" and accordingly recognizes in its financial statements share-based payments at their fair value. In addition, the Company will recognize in the financial statements an expense based on the grant date fair value of stock options granted to employees. The expense will be recognized on a straight-line basis over the vesting period and the offsetting credit will be recorded in additional paid-in capital. Upon exercise of options, the consideration paid together with the amount previously recorded as additional paid-in capital will be recognized as capital stock. The Company estimates its forfeiture rate in order to determine its compensation expense arising from stock-based awards. The Company uses the Black-Scholes option pricing model to determine the fair value of the options.

The Company measures compensation expense for its non-employee stock-based compensation under ASC 505-50, "Accounting for Equity Instruments that are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services". The fair value of the option issued is used to measure the transaction, as this is more reliable than the fair value of the services received. The fair value is measured at the value of the Company's common stock on the date that the commitment for performance by the counterparty has been reached or the counterparty's performance is complete. The fair value of the equity instrument is charged directly to compensation expense and additional paid-in capital. For common stock issuances to non-employees that are fully vested and are for future periods, the Company classifies these issuances as prepaid expenses and expenses the prepaid expenses over the service period. At no time has the Company issued common stock for a period that exceeds one year.

Loss Per Share

Basic loss per share is calculated based on the weighted average number of shares outstanding during the year. Any antidilutive instruments are excluded from the calculation of diluted loss per share.

4. Summary of Significant Accounting Policies (Cont'd)

Fair Value Measurements

ASC 820 applies to all assets and liabilities that are being measured and reported on a fair value basis. ASC 820 requires disclosure that establishes a framework for measuring fair value in US GAAP, and expands disclosure about fair value measurements. This statement enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The statement requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.
Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.
Level 3: Unobservable inputs that are not corroborated by market data.

In determining the appropriate levels, the Company performs a detailed analysis of the assets and liabilities that are subject to ASC 820. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3. There are no assets or liabilities measured at fair value as at December 31, 2013.

Fair Value of Financial Instruments

The fair value represents management's best estimates based on a range of methodologies and assumptions. The carrying value of receivables and payables arising in the ordinary course of business and the investment tax credits receivable approximate fair value because of the relatively short period of time between their origination and expected realization.

Recent Accounting Pronouncements

In February 2013, the FASB issued Update No. 2013-04, "Liabilities (Topic 405)—Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation Is Fixed at the Reporting Date". The amendments in this Update provide guidance for the recognition, measurement, and disclosure of obligations resulting from joint and several liability arrangements for which the total amount of the obligation within the scope of this Update is fixed at the reporting date, except for obligations addressed within existing guidance in U.S. GAAP. The guidance requires an entity to measure those obligations as the sum of the amount the reporting entity agreed to pay on the basis of its arrangement among its co-obligors and any additional amount the reporting entity expects to pay on behalf of its co-obligors. The guidance in this Update also requires an entity to disclose the nature and amount of the obligation as well as other information about those obligations. For public entities, the amendments in this ASU are effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. The amendments shall be applied retrospectively to all prior periods presented for those obligations that exist at the beginning of the fiscal year of adoption. Early adoption is permitted. The Company is currently evaluating the impact of this Statement on its consolidated financial statements.

4. Summary of Significant Accounting Policies (Cont'd)

In March 2013, the FASB issued Update No. 2013-05, "Foreign Currency Matters (Topic 830)—Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity". The amendments in this Update resolve the diversity in practice about whether Subtopic 810-10, Consolidation—Overall, or Subtopic 830-30, Foreign Currency Matters—Translation of Financial Statements, applies to the release of the cumulative translation adjustment into net income when a parent either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary or group of assets that is a nonprofit activity or a business (other than a sale of in substance real estate or conveyance of oil and gas mineral rights) within a foreign entity. In addition, the amendments in this Update resolve the diversity in practice for the treatment of business combinations achieved in stages (sometimes also referred to as step acquisitions) involving a foreign entity. For public entities, the amendments in this ASU are effective prospectively for fiscal years, and interim reporting periods within those years, beginning after December 15, 2013. Early adoption is permitted. The Company is currently evaluating the impact of this Statement on its consolidated financial statements.

In April 2013, the FASB issued Update No. 2013-07, "Presentation of Financial Statements – Liquidation Basis of Accounting". The objective of this Update is to clarify when an entity should apply the liquidation basis of accounting and to provide principles for the measurement of assets and liabilities under the liquidation basis of accounting, as well as any required disclosures. These amendments are effective for entities that determine liquidation is imminent during annual reporting periods beginning after December 15, 2013, and interim reporting periods therein. Entitles should apply the requirements prospectively from the day that liquidation becomes imminent. Early adoption is permitted. The adoption of this amendment is not expected to have a material effect on the Company's financial position or results of operations.

In July 2013, the FASB issued Update No. 2013-11, "Income Taxes (Topic 740)—Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists". The amendments in this ASU provide guidance on the financial statement presentation of an unrecognized tax benefit when a net operating loss carryforward, similar tax loss, or tax credit carryforward exists. The amendments are effective for fiscal years, and interim periods within those years, beginning after December 15, 2013 and should be applied prospectively to all unrecognized tax benefits that exist at the effective date. Early adoption and retrospective application is permitted. The adoption of this amendment is not expected to have a material effect on the Company's financial position or results of operations.

5. Leasehold Improvements and Equipment

In US$ thousands	Cost	Accumulated Depreciation	**2013 Net Carrying Amount**	2012 Net Carrying Amount
Manufacturing equipment	$ 446	$ 0	**$ 446**	$ 225
Laboratory and office equipment	398	277	**121**	153
Computer equipment	46	35	**11**	9
Leasehold improvements - current premises	58	58	**0**	0
Leasehold improvements - future premises	10	0	**10**	0
	$ 958	$ 370	**$ 588**	$ 387

As of December 31, 2013 no depreciation has been recorded on manufacturing equipment as the equipment is not, to date, being utilized by the Company.

Leasehold improvements carried out on our current premises have been fully depreciated. IntelGenx has invested approximately $10 thousand related to leasehold improvement activities for new premises that the Company intends to occupy later in 2014. No depreciation for this asset has been recorded as the premises are not, to date, being utilized by the Company.

6. Intangible Assets

As of December 31, 2013 NDA acquisition costs of $79 thousand (December 31, 2012 - $116 thousand) were recorded as intangible assets on the Company's balance sheet and represent the net book value of the final progress payment related to the acquisition of 100% ownership of Forfivo XL®. The asset is being amortized over its estimated useful life of 39 months and the Company commenced amortization upon commercial launch of the product in October 2012.

7. Deferred License Revenue

Deferred license revenue represents upfront payments received for the granting of licenses to the Company's patents, intellectual property, and proprietary technology, for commercialization. Deferred license revenue is recognized in income over the period where sales of the licensed products will occur.

Upon entering into the licensing agreement with Edgemont Pharmaceuticals the Company received an upfront fee of $1 million, which the Company recognized as deferred license revenue. The deferred license revenue is being amortized in income over a period of 39 months, which is the minimum period where sales of Forfivo XL® are expected to be exclusive. As a result of this policy, the Company has a deferred revenue balance of $616 thousand at December 31, 2013 that has not been recognized as revenue.

8. Commitments

The Company currently operates out of a 3,500 square feet leasehold facility consisting of laboratories and office space at 6425 Abrams, Saint-Laurent, Quebec. The original lease agreement expired in August 2009, since when it has been extended for varying periods whilst the Company sought alternative premises. The most recent extension is defined as the day immediately preceding the fulfillment of certain conditions relating to the occupation of new leased premises at 6410-6420 Abrams. In the first half of 2014, the Company plans to enter into an addendum to its existing lease to include the relocation of the Company's operations to larger premises consisting of approximately 16,000 of rentable square feet. The term of the amended lease will be 10 years following relocation, which is expected to commence in the second half of 2014 upon completion of certain leasehold improvements.

As of December 31, 2013 future minimum payments under operating leases for facilities for the next 6 months are approximately $15 thousand.

On October 1, 2009, the Company signed an agreement with Little Gem Life Science Partners for investor relation services in the USA. Under the terms of the agreement, the Company was required to pay $4.5 thousand per month to Little Gem Life Science Partners. The Company renegotiated the agreement in May 2012 and reduced payments to $2.5 thousand per month. The agreement automatically renews unless specifically terminated.

On May 7, 2010, the Company executed a Project Transfer Agreement with one of its former development partners whereby the Company acquired full rights to, and ownership of, Forfivo XL®, a novel, high strength formulation of Bupropion hydrochloride, the active ingredient in Wellbutrin XL®. In accordance with the Project Transfer Agreement, and following commercial launch of Forfivo XL® in October 2012, the Company is required, after recovering an aggregate $200 thousand for management fees previously paid, to pay its former development partner 10% of net sales royalties received under the commercialization agreement that was executed with Edgemont Pharmaceuticals in February 2012. As of December 31, 2013 the Company has recovered approximately $147 thousand of said management fees.

(Expressed in U.S. Funds)

9. Capital Stock

		2013		2011
Authorized -				
100,000,000 common shares of $0.00001 par value				
20,000,000 preferred shares of $0.00001 par value				
Issued -				
60,984,267 (December 31, 2012 - 49,890,421) common shares	**$**	**610**	$	499

On December 16, 2013, as part of a registered public offering, the Company issued approximately 7.9 million shares of common stock at $0.4419 per share, and five-year warrants to purchase up to approximately 7.9 million shares of common stock, for aggregate gross proceeds of approximately US$3.5 million. Each warrant entitles the holder to purchase one common share at an exercise price of $0.5646 per common share and expires 60 months after the date of issuance. Proceeds were allocated between the common shares and the warrants based on their relative fair value. The common shares were recorded at a value of $1,808 thousand. (See note 10 for the portion allocated to the warrants).

The Company paid an agent cash commissions in the amount of approximately $210 thousand, representing 6% of the aggregate gross proceeds received by the Company, plus expenses in the amount of approximately $35 thousand, and issued warrants to the agent to purchase 475,221 shares of common stock, representing 6% of the amount of shares sold in the public offering. Each warrant entitles the holder to purchase one common share at an exercise price of $0.5646 per common share and expires 48 months after the date of issuance.

In addition, the Company paid approximately $272 thousand in cash consideration for other transaction costs, which have been reflected as a reduction of the common shares and the warrants based on their relative fair values.

In the year ended December 31, 2013 a total of 75,000 (2012 – 50,000) stock options were exercised for 75,000 (2012 – 50,000) common shares having a par value of $0 thousand (2012 - $Nil) in aggregate, for cash consideration of $31 thousand ($28 thousand), resulting in an increase in additional paid-in capital of $31 thousand (2012 – $28 thousand).

During the year ended December 31, 2013 no agents' warrants were exercised. During the year ended December 31, 2012 a total of 219,313 agents' warrants were exercised for 219,313 common shares having a par value of $0 thousand in aggregate, for cash consideration of approximately $104 thousand, resulting in an increase in additional paid-in capital of approximately $104 thousand.

9. Capital Stock (cont`d)

Also in the year ended December 31, 2013 a total of 3,098,500 warrants were exercised for 3,098,500 common shares having a par value of $1 thousand in aggregate, for cash consideration of approximately $1,465 thousand, resulting in an increase in additional paid-in capital of approximately $1,464 thousand. In the year ended December 31, 2012 a total of 1,205,668 warrants were exercised, of which 491,382 warrants were exercised for 491,382 common shares having a par value of $0 thousand in aggregate, for cash consideration of approximately $233 thousand, resulting in an increase in additional paid-in capital of approximately $233 thousand, and a total of 714,286 warrants were exercised for 234,698 common shares in cashless exercises, resulting in an increase in additional paid-in capital of $Nil.

10. Additional Paid-In Capital

Stock Options

In November 2006, the Company adopted the 2006 Stock Incentive Plan ("Plan") for the purpose of issuing both Incentive Options and Nonqualified Options to officers, employees, directors and eligible consultants of the Company. A total of 1,600,749 shares of common stock were reserved for issuance under this plan. Options may be granted under the Plan on terms and at prices as determined by the Board of Directors except that the options cannot be granted at less than 100%, of the fair market value of the common stock on the date of the grant. Each option will be exercisable after the period or periods specified in the option agreement, but no option may be exercised after the expiration of 10 years from the date of grant. All options granted to individuals other than non- employee directors will have a total vesting period of 24 months from the date of grant, with one quarter of the total options granted vesting and becoming exercisable every six months. Options granted to non-employees may vest and become 100% fully exercisable immediately upon grant.

At the Annual General Meeting on September 8, 2008 the shareholders of the Company approved to amend the 2006 Stock Option Plan to increase the number of shares available for issuance under the Plan from 1,600,749 to 2,074,000, or 10% of the Company’s issued and outstanding common shares as of July 28, 2008.

A modification was made to the 2006 Stock Option Plan. The life of the options was reduced from 10 years to 5 years to comply with the regulations of the Toronto Stock Exchange. Accordingly, because the grant-date fair value of the modified options was less than the fair value of the original options measured immediately before the modification, no incremental share-based compensation expense resulted from the modification.

At the Annual General Meeting on June 3, 2010, the Shareholders of the Company approved an amendment to the 2006 Stock Option Plan to increase the number of shares available for issuance under the Plan from 2,074,000 to 3,308,127, or 10% of the Company’s issued and outstanding shares as of April 5, 2010.

At the Annual General Meeting on May 7, 2013, the Shareholders of the Company approved an amendment to the 2006 Stock Option Plan to increase the number of shares available for issuance under the Plan from 3,308,127 to 5,030,292, or 10% of the Company’s issued and outstanding shares as of March 15, 2013.

(Expressed in U.S. Funds)

10. Additional Paid-In Capital (Cont'd)

On June 13, 2012 the Company granted an aggregate of 40,000 stock options to two employees to purchase common shares. The stock options are exercisable at $0.51 per share and vest over 2 years at 25% every six months. The stock options were accounted for at their fair value, as determined by the Black-Scholes valuation model, of approximately $10 thousand, using the following assumptions:

Expected volatility	83%
Expected life	3.1 years
Risk-free interest rate	0.40%
Dividend yield	Nil

On August 8, 2012 the Company granted 50,000 stock options to a consultant to purchase common shares. The stock options are exercisable at $0.55 per share and vest over 1 year at 25% every three months. The stock options were accounted for at their fair value, as determined by the Black-Scholes valuation model, of approximately $12 thousand, using the following assumptions:

Expected volatility	81%
Expected life	1.8 years
Risk-free interest rate	0.38%
Dividend yield	Nil

On December 4, 2012 the Company granted 30,000 stock options to an employee who is also a director and 25,000 stock options to an officer to purchase common shares. The stock options are exercisable at $0.60 per share and vest over 2 years at 25% every six months. The stock options were accounted for at their fair value, as determined by the Black-Scholes valuation model, of approximately $15 thousand, using the following assumptions:

Expected volatility	78%
Expected life	3.1 years
Risk-free interest rate	0.34%
Dividend yield	Nil

On December 12, 2012 the Company granted 50,000 stock options to a consultant to purchase common shares. The stock options are exercisable at $0.62 per share and vest over 1 year at 25% every three months. The stock options were accounted for at their fair value, as determined by the Black-Scholes valuation model, of approximately $10 thousand, using the following assumptions:

Expected volatility	70%
Expected life	1.8 years
Risk-free interest rate	0.25%
Dividend yield	Nil

(Expressed in U.S. Funds)

10. Additional Paid-In Capital (Cont'd)

On April 24, 2013 the Company granted 480,000 stock options to an officer to purchase common shares. The stock options are exercisable at $0.65 per share and vest on December 31, 2015. The stock options were accounted for at their fair value, as determined by the Black-Scholes valuation model, of approximately $157 thousand, using the following assumptions:

Expected volatility	78%
Expected life	3.83 years
Risk-free interest rate	0.34%
Dividend yield	Nil

On April 24, 2013 the Company granted 200,000 stock options to an officer to purchase common shares. The stock options are exercisable at $0.65 per share and vest over 2 years at 25% every six months. The stock options were accounted for at their fair value, as determined by the Black-Scholes valuation model, of approximately $59 thousand, using the following assumptions:

Expected volatility	77%
Expected life	3.13 years
Risk-free interest rate	0.34%
Dividend yield	Nil

On August 6, 2013 the Company granted 35,000 stock options to a non-employee director to purchase common shares. The stock options are exercisable at $0.65 per share and vest over 2 years at 25% every six months. The stock options were accounted for at their fair value, as determined by the Black-Scholes valuation model, of approximately $9 thousand, using the following assumptions:

Expected volatility	75%
Expected life	3.13 years
Risk-free interest rate	0.62%
Dividend yield	Nil

On December 3, 2013 the Company granted 75,000 stock options to a non-employee director to purchase common shares. The stock options are exercisable at $0.52 per share and vest over 2 years at 25% every six months. The stock options were accounted for at their fair value, as determined by the Black-Scholes valuation model, of approximately $16 thousand, using the following assumptions:

Expected volatility	67%
Expected life	3.13 years
Risk-free interest rate	0.58%
Dividend yield	Nil

(Expressed in U.S. Funds)

10. Additional Paid In Capital (Cont'd)

On December 3, 2013 the Company granted 100,000 stock options to an officer to purchase common shares. The stock options are exercisable at $0.52 per share and vest over 2 years at 25% every six months. The stock options were accounted for at their fair value, as determined by the Black-Scholes valuation model, of approximately $21 thousand, using the following assumptions:

Expected volatility	67%
Expected life	3.13 years
Risk-free interest rate	0.58%
Dividend yield	Nil

On December 6, 2013 the Company granted an aggregate of 100,000 stock options to four employees to purchase common shares. The stock options are exercisable at $0.52 per share and vest over 2 years at 25% every six months. The stock options were accounted for at their fair value, as determined by the Black-Scholes valuation model, of approximately $21 thousand, using the following assumptions:

Expected volatility	67%
Expected life	3.13 years
Risk-free interest rate	0.64%
Dividend yield	Nil

During the year ended December 31, 2013 a total of 75,000 (2012 – 50,000) stock options were exercised for 75,000 (2012 – 50,000) common shares having a par value of $0 thousand (2012 - $Nil) in aggregate, for cash consideration of $31 thousand (2012 - $28 thousand), resulting in an increase in additional paid-in capital of $31 thousand (2012 – $28 thousand). The intrinsic value of the stock options exercised, as at the dates of exercise, totaled $20 thousand.

(Expressed in U.S. Funds)

10. Additional Paid-In Capital (Cont'd)

Information with respect to employees and directors stock option activity for 2012 and 2013 is as follows:

	Number of options	Weighted average exercise price $
Outstanding – January 1, 2012	898,088	0.60
Granted	95,000	0.56
Forfeited	(45,000)	(0.49)
Expired	(32,500)	(1.15)
Exercised	-	-
Outstanding – December 31, 2012	915,588	0.59
Granted	990,000	0.61
Forfeited	(45,000)	(0.48)
Expired	(238,088)	(0.80)
Exercised	(25,000)	(0.31)
Outstanding – December 31, 2013	1,597,500	0.58

Information with respect to consultant's stock option activity for 2012 and 2013 is as follows:

	Number of options	Weighted average exercise price $
Outstanding – January 1, 2012	100,000	0.51
Granted	100,000	0.59
Forfeited	-	-
Expired	-	-
Exercised	(50,000)	(0.55)
Outstanding – December 31, 2012	150,000	0.55
Granted	-	-
Forfeited	-	-
Expired	-	-
Exercised	(50,000)	(0.47)
Outstanding – December 31, 2013	100,000	0.59

(Expressed in U.S. Funds)

10. Additional Paid-In Capital (Cont'd)

Details of stock options outstanding as at December 31, 2013 are as follows:

	Outstanding options				Exercisable options		
Exercise prices $	Number of options	Weighted average remaining contractual life (years)	Weighted average exercise price $	Aggregate intrinsic value $	Number of options	Weighted average exercise price $	Aggregate intrinsic value $
0.37	75,000	0.07	0.02		75,000	0.04	
0.45	100,000	0.08	0.03		100,000	0.06	
0.51	20,000	0.04	0.01		15,000	0.01	
0.52	50,000	0.07	0.02		50,000	0.04	
0.52	275,000	0.81	0.08		-	-	
0.54	182,500	0.31	0.06		182,500	0.14	
0.55	50,000	0.05	0.02		50,000	0.04	
0.58	35,000	0.10	0.01		-	-	
0.60	55,000	0.13	0.02		27,500	0.02	
0.61	125,000	0.07	0.04		125,000	0.11	
0.62	50,000	0.06	0.02		50,000	0.04	
0.65	480,000	1.23	0.18		-	-	
0.65	200,000	0.51	0.08		50,000	0.04	
	1,697,500	3.53	0.58	47,162	725,000	0.54	34,513

Stock-based compensation expense recognized in 2013 with regards to the stock options was $114 thousand (2012 - $59 thousand). As of December 31, 2013, total unrecognized compensation expense related to unvested stock options was $228 thousand (2012 - $72 thousand), of which $Nil (2012 - $17 thousand) relates to options granted to consultants. The amount of $228 thousand will be recognized as an expense over a period of two years. A change in control of the Company due to acquisition would cause the vesting of the stock options granted to employees and directors to accelerate and would result in $228 thousand being charged to stock based compensation expense.

(Expressed in U.S. Funds)

10. Additional Paid-In Capital (Cont'd)

Warrants

On December 16, 2013 the Company issued approximately 7.9 million stock purchase warrants exercisable into approximately 7.9 million common shares at $0.5646 per share which expire on December 16, 2018. The stock purchase warrants were issued in connection with the December 16, 2013 registered public offering described in note 9. The stock purchase warrants were valued at $1,305 thousand based on their relative fair value, as determined by the Black-Scholes valuation model using the assumptions below:

Expected volatility	80%
Expected life	5 years
Risk-free interest rate	1.55%
Dividend yield	Nil

On December 16, 2013 the Company issued approximately 0.5 million agents' stock purchase warrants exercisable into approximately 0.5 million common shares at $0.5646 per share which expire on December 11, 2017. The stock purchase warrants were issued in connection with the December 16, 2013 registered public offering described in note 9. The stock purchase options were valued at $100 thousand based on their relative fair value, as determined by the Black-Scholes valuation model using the assumptions below:

Expected volatility	72%
Expected life	4 years
Risk-free interest rate	1.12%
Dividend yield	Nil

During the year ended December 31, 2013 no agents' warrants were exercised. During the year ended December 31, 2012 a total of 219,313 agents' warrants were exercised for 219,313 common shares having a par value of $0 thousand in aggregate, for cash consideration of approximately $104 thousand, resulting in an increase in additional paid-in capital of approximately $104 thousand.

Also in the year ended December 31, 2013 a total of 3,098,500 warrants were exercised for 3,098,500 common shares having a par value of $1 thousand in aggregate, for cash consideration of approximately $1,465 thousand, resulting in an increase in additional paid-in capital of approximately $1,464 thousand. In the year ended December 31, 2012 a total of 1,205,668 warrants were exercised, of which 491,382 warrants were exercised for 491,382 common shares having a par value of $0 thousand in aggregate, for cash consideration of approximately $233 thousand, resulting in an increase in additional paid-in capital of approximately $233 thousand, and a total of 714,286 warrants were exercised for 234,698 common shares in cashless exercises, resulting in an increase in additional paid-in capital of $Nil.

(Expressed in U.S. Funds)

10. Additional Paid-In Capital (Cont'd)

Information with respect to warrant activity for 2012 and 2013 is as follows:

	Number of warrants (All Exercisable)	Weighted average exercise price $
Outstanding – January 1, 2012	19,373,078	0.7083
Agents' warrants exercised	(219,313)	(0.4700)
Exercised	(1,205,668)	(0.4800)
Expired	(11,843,932)	(0.8000)
Outstanding - December 31, 2012	6,104,165	0.5938
Warrants attached to registered public offering	7,920,346	0.5646
Agents' warrants attached to registered public offering	475,221	0.5646
Exercised	(3,098,500)	(0.4741)
Agents' warrants expired	(257,500)	(0.4741)
Outstanding - December 31, 2013	11,143,732	0.6079

(Expressed in U.S. Funds)

11. Income Taxes

Income taxes reported differ from the amount computed by applying the statutory rates to losses. The reasons are as follows:

	2013	2012
Statutory income taxes	**$ (442)**	$ (605)
Net operating losses for which no tax benefits have been recorded	**278**	368
Excess of depreciation over capital cost allowance	**11**	3
Non-deductible expenses	**56**	18
Undeducted research and development expenses	**142**	273
Investment tax credit	**(45)**	(57)
	$ -	$ -

The major components of the deferred tax assets classified by the source of temporary differences are as follows:

	2013	2012
Leasehold improvements and equipment	**$ 14**	$ 13
Net operating losses carryforward	**2,407**	2,278
Undeducted research and development expenses	**1,283**	1,301
Non-refundable tax credits carryforward	**1,098**	914
	4,802	4,506
Valuation allowance	**(4,802)**	(4,506)
	$ -	$ -

The valuation allowance at December 31, 2012 was $4,506 thousand. The net change in the valuation allowance during the period ended December 31, 2013, was an increase of $296 thousand. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on consideration of these items, management has determined that enough uncertainty exists relative to the realization of the deferred income tax asset balances to warrant the application of a full valuation allowance as of December 31, 2013.

(Expressed in U.S. Funds)

11. Income Taxes (Cont'd)

There were Canadian and provincial net operating losses of approximately $8,874 thousand (2012 - $8,390 thousand) and $9,040 thousand (2012 - $8,566 thousand) respectively, that may be applied against earnings of future years. Utilization of the net operating losses is subject to significant limitations imposed by the change in control provisions. Canadian and provincial losses will be expiring between 2027 and 2033. A portion of the net operating losses may expire before they can be utilized.

As at December 31, 2013, the Company had non-refundable tax credits of $1,098 thousand (2012 - $914 thousand) of which $22 thousand is expiring in 2017, $212 thousand is expiring in 2018, $186 thousand is expiring in 2019, $158 thousand is expiring in 2020, $169 thousand is expiring in 2021, $232 thousand is expiring in 2022 and $119 thousand is expiring in 2023 and undeducted research and development expenses of $4,354 thousand (2012 - $4,464 thousand) with no expiration date.

The deferred tax benefit of these items was not recognized in the accounts as it has been fully provided for.

Unrecognized Tax Benefits

The Company does not expect its unrecognized tax benefits to change significantly over the next twelve months.

Tax Years and Examination

The Company files tax returns in each jurisdiction in which it is registered to do business. For each jurisdiction a statute of limitations period exists. After a statute of limitations period expires, the respective tax authorities may no longer assess additional income tax for the expired period. Similarly, the Company is no longer eligible to file claims for refund for any tax that it may have overpaid. The following table summarizes the Company's major tax jurisdictions and the tax years that remain subject to examination by these jurisdictions as of December 31, 2013:

Tax Jurisdictions	Tax Years
Federal - Canada	2011 and onward
Provincial - Quebec	2011 and onward
Federal - USA	2011 and onward

12. Statement of Cash Flows Information

In US$ thousands	2013	2012
Additional Cash Flow Information:		
Interest paid	**$ 5**	$ 3

13. Related Party Transactions

Included in management salaries are $10 thousand (2012 - $6 thousand) for options granted to the Chief Executive Officer, $39 thousand (2012 - $Nil thousand) for options granted to the Chief Operating Officer, and $29 thousand (2012 - $6 thousand) for options granted to the Chief Financial Officer under the 2006 Stock Option Plan and $10 thousand (2012 - $23 thousand) for options granted to non-employee directors.

Included in general and administrative expenses are director fees of $80 thousand (2012 - $114 thousand) comprising an annual stipend and for attendance at board meetings and audit committee meetings.

The above related party transactions have been measured at the exchange amount which is the amount of the consideration established and agreed upon by the related parties.

14. Basic and Diluted Loss Per Common Share

Basic and diluted loss per common share is calculated based on the weighted average number of shares outstanding during the period. The warrants and stock options have been excluded from the calculation of diluted loss per share since they are anti-dilutive.

15. Subsequent Events

On January 13, 2014 the Company announced that it has entered into another development and commercialization agreement with Par Pharmaceutical, Inc. for two new products utilizing IntelGenx' proprietary oral drug delivery platforms. Under the terms of the agreement, Par has obtained certain exclusive rights to market and sell IntelGenx' products in the USA. In exchange IntelGenx will receive upfront and milestone payments, together with a share of the profits upon commercialization. In accordance with confidentiality clauses contained in the agreement, the specifics of the product descriptions, platform technologies and financial terms were not disclosed.

Subsequent to the year ended December 31, 2013 an aggregate of 1,616,388 warrants were exercised for 1,616,388 common shares having a par value of $0 thousand for cash consideration of approximately $1 million, resulting in an increase in additional paid-in capital of approximately $1 million.

[EXECUTION COPY]

Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as [***]. A complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

DEVELOPMENT SERVICES AND

COMMERCIALIZATION AGREEMENT

BY AND BETWEEN

PAR PHARMACEUTICAL, INC.

AND INTELGENX

CORP.

DATED AS OF DECEMBER 19, 2011

[EXECUTION COPY]

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DEVELOPMENT SERVICES AND COMMERCIALIZATION AGREEMENT

THIS DEVELOPMENT SERVICES AND COMMERCIALIZATION AGREEMENT (this " **Agreement** ") is hereby entered into and effective as of December 19, 2011 (the " **Effective Date** ") by and between Par Pharmaceutical, Inc., a Delaware corporation with offices located at One Ram Ridge Road, Spring Valley, New York 10977, U.S.A. (" **Par** "), and IntelGenx Corp., a Canadian corporation with offices located at 6425 rue Abrams, Saint Laurent, Quebec, Canada H4S-1X9 (" **IntelGenx** ").

WHEREAS , IntelGenx has undertaken certain development activities relating to the preparation of a generic pharmaceutical formulation of the Product (as defined below); and

WHEREAS , Par desires to have IntelGenx exclusively develop, and IntelGenx desires to exclusively develop for Par generic versions of all strengths and presentations of [***], as may be approved pursuant to the NDA (as defined below) for [***], as further addressed below;

NOW, THEREFORE , in consideration of the mutual covenants and agreements of the Parties contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1. DEFINITIONS

Capitalized terms used in this Agreement shall have the following definitions:

1.1. " **Acquisition Cost** " means the fully allocated cost of acquiring the Product or AG Product by Par and/or its Affiliates, calculated in accordance with GAAP, including the following: (i) the transfer price payable by Par to the Manufacturer; (ii) all costs for inbound shipping, handling, intake testing, process validation and stability testing, and holding and storing the Product or AG Product; (iii) any amounts paid for the acquisition or supply of such AG Product; and (iv) any amounts payable to Third Parties on the sale or profits from such AG Product pursuant to an associated supply and/or license agreement or the like, less (in each case, to the extent applicable) any rebates or discounts afforded to and actually received by, or credited to, Par.

1.2. " **Affiliate(s)** " means as to a Party, any party which directly or indirectly controls, is controlled by, or is under common control with such Party. For purposes of the foregoing definition only, the term "control" (including with correlative meaning, the terms "controlling", "controlled by", and "under common control with") as used with respect to the applicable Party, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Party, whether through ownership of equity, securities, or partnership interest or by contract, or otherwise. Ownership of more than fifty percent (50%) of the securities or other ownership interests representing the equity, the voting stock or general partnership interest in an entity, or greater than fifty percent (50%) interest in the income of such entity shall, without limitation, be deemed to be control for purposes of this definition.

1.3. " **AG Agreement** " has the meaning set forth in Section 6.7.

1.4. " **AG Product** " means a generically labeled version of the Brand Product that is approved for sale under the Regulatory Approval for such Brand Product.

1.5. " **Agreement** " has the meaning given to such term in the introductory paragraph of this Agreement.

1.6. " **ANDA** " means an Abbreviated New Drug Application pursuant to 21 U.S.C. § 355(j) *et seq* ., and the regulations promulgated thereunder.

1.7. " **API** " means the active pharmaceutical ingredients in the Product.

1.8. " **Applicable Laws** " means all laws, rules, regulations and guidelines of any Governmental Authority with jurisdiction over the development, manufacturing, exportation, importation, promotion, marketing, sale or distribution of the Product and/or the performance of a Party's obligations under this Agreement, to the extent applicable and relevant, and including specifically all cGMP or similar standards or guidelines of the FDA and compendial guidelines (e.g., United States Pharmacopeia or European Pharmacopeia), where applicable, as well as U.S. export control laws and the U.S. Foreign Corrupt Practices Act.

1.9. " **Appointed Legal Counsel** " has the meaning set forth in Section 6.9.4.

1.10. " **Batch** " means a specific quantity of Product, as mutually agreed upon by Par and IntelGenx, that (a) is intended to have a uniform character and quality within specified limits, and (b) is produced according to a single manufacturing order during the same cycle of manufacture.

1.11. " **Bioequivalence Studies** " means a study undertaken to satisfy the FDA's requirements for bioequivalence in connection with establishing that a drug product subject to an ANDA is a Therapeutic Equivalent of the Brand Product referenced in such ANDA.

1.12 . " **Brand Product** " means the [***] that is the subject of NDA [***], as may be amended or supplemented from time to time.

1.13. " **Calendar Quarter** " means a three (3) consecutive month period ending on March 31, June 30, September 30 or December 31.

1.14. " **Clinical Expert** " has the meaning set forth in Section 2.4.2.

1.15. " **Commercial Launch** " means the first commercial sale in the Territory of the Product by Par, its Affiliate or a permitted sublicensee, as the case may be, to a Third Party.

1.16. " **Commercially Reasonable Efforts** " means, with respect to each Party, efforts and commitment of resources in accordance with such Party's reasonable business, legal, medical, and scientific judgment that are consistent with the efforts and resources that such Party uses for other products owned by it or to which it has exclusive rights, that are of similar market potential and at a similar stage in their life cycle, taking into account the competitiveness of the marketplace, the regulatory structure involved, the profitability of the applicable products and other relevant factors, including technical, legal, scientific, medical, sales performance, and/or marketing factors, including the good faith performance of any associated commitments under this Agreement.

1.17. " **Confidential Information** " means, with respect to a Party disclosing such Information (the " **Disclosing Party** "), all non-public information of any kind whatsoever (including data, materials, compilations, formulae, models, patent disclosures, procedures, processes, projections, protocols, results of experimentation and testing, specifications, strategies, techniques and all non-public Intellectual Property as defined herein), and all tangible and intangible embodiments thereof of any kind whatsoever (including materials, samples, compositions, documents, drawings, patent applications, records and reports), that are disclosed by the Disclosing Party to the other Party (the " **Receiving Party** "), including any and all copies, replication or embodiments thereof.

Notwithstanding the foregoing, Confidential Information of a Disclosing Party shall not include information that the Receiving Party can establish by competent proof to have (a) been publicly known prior to disclosure of such information by the Disclosing Party to the Receiving Party, (b) become publicly known, without fault on the part of the Receiving Party, subsequent to disclosure of such information by the Disclosing Party to the Receiving Party, (c) been received by the Receiving Party from a source rightfully having possession of, and the right to disclose, such information free of an obligation of confidentiality, (d) been otherwise rightfully known by the Receiving Party prior to disclosure of such information by the Disclosing Party to the Receiving Party, or (e) been independently developed by employees or agents of the Receiving Party without the use of Confidential Information of the Disclosing Party.

1.18. " **Control** " means the legal or regulatory right (whether by ownership, license or otherwise) to grant access, right, title, a license or a sublicense to Intellectual Property without violating the terms of any Third Party agreement, court order, or other arrangement or legal obligation.

1.19. " **Disclosing Party** " has the meaning set forth in Section 1.17.

1.20. " **Drug Product** " means a drug product, as defined in 21 C.F.R. § 314.3, for administration to human subjects.

1.21. " **Engineering Batch** " means a Batch produced from an Engineering Run. 1.22. " **Engineering Run** " means a Run used for process developing or demonstrating and/or engineering of some or all of the Manufacturing Process steps.

1.23. " **Effective Date** " has the meaning given to such term in the introductory paragraph of this Agreement.

1.24. " **FDA** " means the United States Food and Drug Administration, and any successor agency thereto.

1.25. " **First Applicant** " means a first applicant, as defined in 21 U.S.C. § 355(j)(5)(B)(iv)(II)(bb), as amended.

1.26. " **Force Majeure Event** " has the meaning set forth in Section 13.10.

1.27. " **GAAP** " means generally accepted accounting principles in effect in the United States from time to time, consistently applied.

1.28. " **Governmental Authority** " means any court, tribunal, arbitrator, agency, legislative body, commission, official or other instrumentality of (i) any government of any country, or (ii) a federal, state, province, county, city or other political subdivision thereof.

1.29. " **Gross Amount** " means the gross amount invoiced for the Product or AG Product, sold by Par, its Affiliate or a permitted sublicensee, as the case may be, in the Territory.

1.30. " **Indemnitee** " has the meaning set forth in Section 9.3.

1.31. " **Indemnitor** " has the meaning set forth in Section 9.3.

1.32. " **IntelGenx** " has the meaning given to such term in the introductory paragraph of this Agreement.

1.33. " **IntelGenx Indemnitee** " has the meaning set forth in Section 9.2.

1.34. " **Intellectual Property** " means all of the following: (i) patent applications, continuation applications, continuation-in-part applications, divisional applications, and United States patents corresponding to any of the foregoing that may grant or may have been granted on any of the foregoing, including reissues, re-examinations and extensions and any supplemental protection certificates, or the like; (ii) all Know-How, work product, trade secrets, inventions (whether patentable or otherwise), data, processes, techniques, procedures, compositions, devices, methods, formulas, protocols and information, whether patentable or not; (iii) copyrightable works, copyrights and applications, registrations and renewals; (iv) logos, trademarks, service marks, and all applications and registrations relating thereto; (v) other proprietary rights; (vi) ANDAs or other applications to market (including right of reference thereto); (vii) any regulatory exclusivities or the like; and (viii) copies and tangible embodiments of any one or more of the foregoing.

1.35. " **Know-How** " means all of the following: manufacturing protocols and methods, product specifications, analytical methods and assays, processes, product designs, plans, trade secrets, ideas, concepts, manufacturing information, engineering and other manuals and drawings, standard operating procedures, flow diagrams, chemical data, pharmacological data, pharmacokinetic data, toxicological data, pharmaceutical data, physical and analytical data, safety data, quality assurance data, quality control and clinical data, technical information, other data, and research records.

1.36. " **Liabilities** " has the meaning set forth in Section 9.1.

1.37. " **Loss** " has the meaning set forth in Section 5.5.2.

1.38. " **Manufacturer** " has the meaning set forth in Section 2.5.1.

1.39. " **Manufacturing Process** " means the production process for the manufacture of the Product, as such process may be changed from time to time in accordance with this Agreement.

1.40. " **Marketing Cost Allowance** " means an expense allowance used as an approximation (and not subject to adjustment) for any and all of Par's costs and expenses in the marketing, promotion, distribution, sale, shipping and transport (from Par to its customers, including related insurance and freight expense) for the Product or AG Product, which shall be equal to [***] of Net Sales.

1.41. " **NDA** " means a New Drug Application, as defined in 21 U.S.C. § 355(b) *et seq* ., and the regulations promulgated thereunder.

1.42. " **Net Profits** " means Net Sales, less Par's Total Cost.

1.43. " **Net Sales** " means the Gross Amount, less all discounts and deductions that are customary in size and nature in the generic pharmaceutical products industry, including:

(a) sales credits for customer returns, returned goods allowances, billing and shipping errors, rejected goods; cash or term discounts; customer rebate programs; chargebacks and administration fees or similar credits or payments granted to customers pursuant to contract or other purchases; sales promotions, trade show discounts and stock allowances; price adjustments, including those on customer inventories following price changes; and Product or AG Product recalls;

(b) payments or rebates incurred pursuant to federal, state and local government assistance programs, whether now in existence or hereafter enacted;

(c) redistribution center (RDC) fees, information service agreement (ISA) fees, other fees that are customary in the industry and related to the sales of the Product or AG Product to customers, and ANDA filing fees;

(d) customs duties, and sales, use or excise taxes; and

(e) write-offs for unsold inventory or batches.

Par shall not sell the Product or AG Product as a loss leader, for any non-cash element or as part of a bundle, basket or group sale with any other product(s) not covered by this Agreement; provided , however , that the provision of a discount by Par to a customer based on the aggregate volume of such customer's purchases of the Product or AG Product and other products shall not, for purposes of this Section 1.43, be considered a sale of such Product or AG Product as a loss leader or as part of a bundle, basket or group sale so long as such discount is (i) allocated on a proportionate basis to such Product or AG Product and such other products, and (ii) consistent with Par's ordinary course of business for its products other than the Product or AG Product. For example, if the Product or AG Product and another product are sold under a volume discount arrangement and have a combined volume discount of $200,000 on a total undiscounted sales price of $1,000,000 and the units of such Product or AG Product included in such volume discount arrangement have an undiscounted sales price of $600,000 and the units of such other product have an undiscounted sales price of $400,000, such discount shall not be considered a sale of such Product or AG Product as a loss leader or as part of a bundle, basket or group sale so long as no more than sixty percent (60%), or $120,000, of such discount is allocated to such Product or AG Product.

1.44. " **Orange Book** " means the FDA publication *Approved Drug Products with Therapeutic Equivalence Evaluations* , as may be amended from time to time.

1.45. " **Paragraph IV Certification** " means a certification pursuant to 21 U.S.C. § 355(j)(2)(A)(vii)(VI).

1.46. " **Par** " has the meaning given to such term in the introductory paragraph of this Agreement.

1.47. " **Par Indemnitee** " has the meaning set forth in Section 9.1.

1.48. " **Par's Total Cost** " means the Acquisition Cost, plus the Marketing Cost Allowance.

1.49. " **Party** " means Par or IntelGenx, as applicable, and " **Parties** " means both Par and IntelGenx.

1.50. " **Patent Litigation** " has the meaning set forth in Section 6.9.

1.51. " **Person** " means an individual, corporation, partnership, limited liability company, firm, association, joint venture, estate, trust, governmental or administrative body or agency, or any other entity.

1.52. " **Pilot Bioequivalence Study** " means a Bioequivalence Study, the results of which are used to establish the bioequivalence benchmarks for the Pivotal Bioequivalence Study, including by validation of analytical methodology, assessment of variability, optimization of sample collection time intervals.

1.53. " **Pivotal Bioequivalence Study** " means a Bioequivalence Study that is submitted to the FDA for the purpose of seeking Regulatory Approval for the Product in the Territory.

1.54. " **Proceedings** " means governmental, judicial, administrative or adversarial proceedings (public or private), litigation, suits, patent oppositions, arbitration, disputes, claims, causes of action or investigations.

1.55. " **Product** " means a drug product that is formulated to be an A-rated Therapeutic Equivalent to the Brand Product, including all dosage strengths, and all packaging configurations thereof.

1.56. " **Product ANDA** " means an ANDA filed by Par for the Product pursuant to this Agreement to seek marketing approval by the FDA wherein the same may be supplemented and/or amended as required.

1.57. " **Product Claim** " has the meaning set forth in Section 9.4.

1.58. " **Receiving Party** " has the meaning set forth in Section 1.17.

1.59. " **Regulatory Approval** " means the applicable approval(s) necessary to market a Drug Product and/or active pharmaceutical ingredient, including all applicable product and/or establishment licenses, registrations, permits or other authorizations as may be necessary for the commercial manufacture, commercialization, use, storage, importation, transport, promotion, pricing, distribution or sale thereof.

1.60. " **Regulatory Authority(ies)** " means the Governmental Authority(ies) in the Territory with authority over the manufacture or distribution of a pharmaceutical product in the Territory (including the grant of Regulatory Approval by the FDA).

1.61. " **Regulatory Litigation** " has the meaning set forth in Section 6.9.

1.62. " **Representatives** " has the meaning set forth in Section 7.1.

1.63. " **Run** " means a single complete operation of all, or a discrete portion, of the Manufacturing Process at the Manufacturer.

1.64. " **Specifications** " means the specifications for the manufacture of the Product as set forth in the Product ANDA submitted for Regulatory Approval.

1.65. " **Stable** " means a Drug Product that meets FDA requirements for stability for purposes of an ANDA.

1.66. " **Submission Batch** " means a Batch that is manufactured in order to generate data, results and/or other information to be submitted or intended to be submitted to the FDA for the purpose of seeking the Regulatory Approval for the Product in the Territory.

1.67. " **[***]** "

1.68. " **Tech Transfer Materials** " has the meaning set forth in Section 2.6.

1.69. " **Term** " has the meaning set forth in Section 11.1.

1.70. " **Territory** " means the United States of America, and its territories, districts and possessions, including the Commonwealth of Puerto Rico; any installation, territory, location or jurisdiction under the purview of the FDA or control of the United States government; and any United States military bases and installations worldwide.

1.71. " **Therapeutic Equivalent** " has the meaning given to it by the FDA in the current edition of the Orange Book.

1.72. " **Third Party** " or " **Third Parties** " means any Person other than a Party or its Affiliates.

ARTICLE 2. DEVELOPMENT

2.1 **IntelGenx Development Responsibilities** . IntelGenx shall develop a final finished Stable dosage form of the Product corresponding to each strength and presentation of the Brand Product and conforming to the Specifications, and otherwise develop the Product to be Stable and an A-rated Therapeutic Equivalent to the corresponding Brand Product, as further provided herein. IntelGenx's development responsibilities shall include completing the tasks set forth on **Exhibit A** hereto and making any changes that are necessary to support obtaining Regulatory Approval for the Product.

2.2 **Cooperation** . In carrying out its development responsibilities, IntelGenx shall cooperate and coordinate with Par, and Par shall have decision-making control with respect to all Specifications and development activities necessary to support the filing of the Product ANDA with the FDA.

2.3 **API Supply** . At the request of IntelGenx, accompanied by appropriate justification therefor, Par shall provide, at Par's expense, (i) all reasonable quantities of API required to develop the formulation and Manufacturing Processes in respect of the Product, with the exception of API required for the Pilot Bioequivalence Study; (ii) samples of the Brand Product in reasonable quantities required to develop analytical methods and conduct stability and other testing; and (iii) any reference standards reasonably obtainable by Par from the supplier of the API for purposes of analysis, including in-process impurities and degradants, required to develop stability indicating methods.

2.4 **Bioequivalence Studies** .

2.4.1 IntelGenx shall be responsible, at its expense, for completion of the Pilot Bioequivalence Study. IntelGenx shall own any and all data, results, or other information developed and/or generated during the Pilot Bioequivalence Study.

2.4.2 In the event that the Pilot Bioequivalence Study is unsuccessful, as mutually agreed upon by the Parties, IntelGenx shall, at its expense, conduct at least one additional Pilot Bioequivalence Study. In the event that a dispute relating to the success criteria and/or successful completion of a Pilot Bioequivalence Study arises between the Parties, the Parties shall have the dispute settled by a mutually agreed upon independent Third Party consultant with relevant experience in the pharmaceutical industry (the " **Clinical Expert** "), and if the Clinical Expert determines that such Pilot Bioequivalence Study was unsuccessful, IntelGenx shall, at its expense, conduct at least one additional Pilot Bioequivalence Study.

2.4.3 In the event of successful completion of the Pilot Bioequivalence Study, Par shall be responsible, at its expense, for carrying out (or causing to be carried out by a Third Party selected by Par) the Pivotal Bioequivalence Study for the Product. Par may, at Par's sole discretion, elect to conduct one or more additional Pivotal Bioequivalence Study for the Product. IntelGenx shall cooperate fully with Par in connection therewith, and shall promptly provide Par, as requested and at no additional charge, such technical and other assistance, including all available information and data in its control, reasonably necessary or useful for Par to conduct the Pivotal Bioequivalence Studies.

2.5 **Manufacturer** .

2.5.1 IntelGenx shall select one or more competent Third Party contract manufacturer(s), subject to Par's consent, which consent shall not be unreasonably withheld, delayed or conditioned, to manufacture and supply the Product (the " **Manufacturer** "); and Par shall use Commercially Reasonable Efforts to negotiate a manufacture and supply agreement with the Manufacturer. Notwithstanding the foregoing, IntelGenx shall, at all times, retain all Intellectual Property rights related to the manufacture of the Product and invented or conceived by IntelGenx.

2.5.2 IntelGenx shall be responsible, at its expense, for the manufacture and supply of the Engineering Batch and all other Batches prior to the Submission Batches required by Par for and in the course of the Product development.

2.5.3 Par shall be responsible, at its expense, for causing the manufacture and supply of all Submission Batches.

2.6 **Technology Transfer of the IntelGenx Formulation** . Upon successful completion of the Pilot Bioequivalence Study, and on an ongoing basis thereafter, IntelGenx shall, at its own cost and expense, supply to the Manufacturer the materials and documentation reasonably necessary to enable the Manufacturer to develop and manufacture, on a commercial scale, a Stable, commercially saleable, final dosage form of the Product. Such materials and documentation shall include any and all information set forth on Exhibit B hereto (collectively, the " **Tech Transfer Materials** ") and all Know-How relating to the Product owned or controlled by IntelGenx, such as manufacturing formulae, information, methods and processes, analytical and processing techniques, product and API samples, stability data, or processing techniques, and any other knowledge, documentation and information that may be reasonably necessary or useful for the Manufacturer to complete commercial development of the Product.

2.7 **Technology Transfer Assistance.**

2.7.1 At Par's request, IntelGenx shall make at least one (1) representative available at the Manufacturer's facility during production of the exhibit and Submission Batches and during the validation of the analytical methods for the Product.

2.7.2 IntelGenx shall also provide all other reasonable assistance with respect to any development work that may be reasonably required in order for Par to submit the Product ANDA for Regulatory Approval and the commercial process validation for the Product, and for the Manufacturer to commercially manufacture the Product. IntelGenx shall reasonably make available IntelGenx personnel (or contractors) who are knowledgeable regarding the existing manufacturing processes in order to provide assistance to Par and/or the Manufacturer. IntelGenx's obligation under this Section 2.7 shall continue until the Manufacturer successfully manufactures a Submission Batch. IntelGenx will bear all of its own costs and expenses required to perform its obligations under this Section 2.7.2.

2.8 **Updates** . IntelGenx shall keep Par informed of the progress of the development of the Product, as practical and reasonable, including responding in a prompt manner to Par's inquiries, and participating in periodically scheduled telephone conferences regarding the status of the development work. IntelGenx shall use its diligent efforts to complete timely requests from Par relating to the development and manufacture of the Product. IntelGenx shall provide updates to Par at Par's request on the development of the Product, and shall promptly advise Par of any delays or problems encountered during development of the Product or the Manufacturing Process for the Product.

2.9 **IntelGenx Facilities** . All development work shall be conducted by IntelGenx at IntelGenx's facilities; provided , however , that all work relating to process scale-up and Submission Batches shall be conducted, at Par's direction based on IntelGenx's formulation and manufacturing guidelines, at the Manufacturer's facilities. Par shall, during the course of such development work, be permitted to inspect and audit such IntelGenx facilities once during each calendar year (and additionally in the event of a reasonable need or request by Par) during normal business hours upon reasonable advance notice of at least five (5) business days. Following the Effective Date, IntelGenx shall not subcontract any of its responsibilities under this Agreement without the prior written approval of Par, which shall not be unreasonably withheld, delayed or conditioned; provided , however , that IntelGenx may utilize another facility, subject to such facility passing an audit by Par, in Par's sole discretion. IntelGenx shall notify Par in writing promptly, but in no event later than one (1) business day, after learning that any inspection, relating to the Product, by the FDA or other applicable Governmental Authority is being conducted or will be conducted. IntelGenx shall provide Par with copies of any Form FDA 483 or other correspondence from the FDA or other applicable Governmental Authority regarding the compliance with Applicable Laws, including cGMP and ICH Guidelines, within one (1) business day of receipt by IntelGenx of such correspondence.

ARTICLE 3. REGULATORY MATTERS

3.1 **Ownership** . Par shall exclusively own and control all Regulatory Approvals within the Territory (including all associated contents and correspondence) and applications therefor related to any Product, including the Product ANDA and any other marketing authorizations within the Territory.

3.1.1 In the event that Par intends to divest or sell the Product ANDA (other than in connection with a merger or acquisition or sale of all or substantially all of the assets of Par), Par shall provide written notice thereof to IntelGenx; and IntelGenx shall provide written notice to Par, within five (5) business days after delivery of such notice by Par, indicating whether it desires to have its rights under this Agreement included in such divestiture or sale.

(a) In the event that IntelGenx provides affirmative notice to Par in accordance with Section 3.1.1, Par shall use Commercially Reasonable Efforts to procure an offer to purchase all of the rights, title and interest in, to and under the Product ANDA; and if Par procures such an offer, Par shall provide written notice thereof, including the material economic terms with respect thereto. IntelGenx shall provide written notice to Par, within five (5) business days after delivery of such notice by Par, indicating whether, based on such terms, it desires to participate in such divestiture or sale.

(b) In the event that IntelGenx provides affirmative notice to Par in accordance with Section 3.1.1(a), Par shall use Commercially Reasonable Efforts to negotiate a definitive agreement based on such terms.

3.1.2 In the event that (i) IntelGenx does not provide affirmative notice described in Section 3.1.1 or 3.1.1(a) to Par, or (ii) IntelGenx provides such notice but, despite Par's use of such Commercially Reasonable Efforts, Par is unable to negotiate a definitive agreement with respect to such terms, Par shall be entitled to sell the Product ANDA, subject to the rights set forth herein, including those set forth in Section 5.5.1.

3.2 **Regulatory Approvals and Applications** . Par shall author and assemble all aspects of the Product ANDA. IntelGenx shall fully support Par's efforts to assemble the Product ANDA by providing such assistance as Par requests, including providing any necessary documents to Par in common technical document (CTD) format, as recognized by the FDA.

3.2.1 Par shall have the sole right and responsibility to communicate with the FDA and all other applicable Regulatory Authorities relating to the approval of any Product or submission for Regulatory Approval, and IntelGenx shall not submit material to the FDA or any Regulatory Authority related to the Product without Par's prior written approval.

3.2.2 Notwithstanding anything else in this Agreement to the contrary, Par shall have sole control of and responsibility (including expenses) for preparing any patent certifications and related notice letters in connection with the Product ANDA and the prosecution and/or defense of any citizen's petition associated with such ANDA, in each case as may be applicable in any jurisdiction in the Territory.

3.2.3 IntelGenx shall fully cooperate with Par in pursuing Regulatory Approval for the Product in the Territory, and shall promptly provide Par, as requested and at no additional charge, such technical and other assistance, including all available information and data in its control, reasonably necessary or useful for Par to apply for, obtain, and maintain Regulatory Approvals to manufacture, import, export, sell or otherwise commercialize a Product throughout the Territory.

3.2.4 IntelGenx shall, at Par's direction, assist Par in (i) communications with or to applicable Regulatory Authorities, (ii) all activities relating to Regulatory Approvals for the Product, and (iii) responding to any Regulatory Authority request relating to the Product, API, or facilities used in, or proposed for use in, the development or manufacture of Product or API.

3.2.5 IntelGenx shall provide Par with written notice in the event IntelGenx intends to commercialize any product comprising the same active pharmaceutical ingredients, dosage form and strength(s) as the Product outside of the Territory. Upon receipt of such notice, Par shall, subject to the negotiation and execution of a written agreement by Par and IntelGenx in respect thereof, grant IntelGenx an exclusive, royalty-bearing license to use and have access to any information or Intellectual Property disclosed within the Product ANDA, including the results of the Pivotal Bioequivalence Studies, for the sole purpose of commercializing the Product outside the Territory.

ARTICLE 4. COMMERCIALIZATION AND MANUFACTURE

4.1 **Product Commercialization** . Par shall, in its sole discretion, determine the timing of the Commercial Launch taking into consideration the expected timing of the Regulatory Approval of the Product, availability of supply of the Product, and intellectual property and regulatory risks associated with such launch. Upon the Commercial Launch, Par will promote, market and sell the Product, from Par's Spring Valley facility or such other Par or Third Party facility as Par may elect in its sole discretion, under Par's label in a manner consistent with Par's normal practices with respect to its other generic products.

4.2 **Manufacture** . The Manufacturer shall be responsible for the manufacture, labeling and packaging of all commercial supplies of the Product. Par shall test and release, or cause to be tested and released by a Third Party testing facility selected by Par, the Product manufactured pursuant to this Agreement for determining compliance in accordance with cGMP and all Applicable Laws.

4.3 **API** . Par shall be solely responsible, at its sole cost and expense, for procuring a commercially acceptable source of API supply for development (subject to the exception set forth in Section 2.3(i)) and commercialization performed under this Agreement (and IntelGenx shall confirm that such source is technically acceptable). IntelGenx shall cooperate with Par's procurement of API under this Agreement.

ARTICLE 5. FINANCIAL PROVISIONS

5.1 **Development Fee.** Par shall pay to IntelGenx the following three (3) non- refundable development fees, if and as applicable:

5.1.1 [***] upon the execution of this Agreement by IntelGenx and Par;

5.1.2 [***] upon successful completion of the Pivotal Bioequivalence Study; and

5.1.3 [***] upon acceptance for filing of the Product ANDA for the Product for all strengths and presentations of the Brand Product listed in the Orange Book as of the Effective Date.

5.2 **Conditional Incentive Fee** . If, and only if, Par is (a) the sole First Applicant with respect to the Product and (b) eligible at the time of final FDA approval of the Product ANDA for the 180-day marketing exclusivity under 21 U.S.C. § 355(J)(5)(B)(iv)(II)(aa), then Par shall pay to IntelGenx a one-time, conditional and non-refundable incentive fee of [***] upon obtaining final FDA approval of such ANDA or the first commercial sale in the Territory of an AG Product by Par, its Affiliate or a permitted sublicensee, as the case may be, to a Third Party.

5.3 **Payment** . Upon the occurrence of the applicable events under Sections 5.1 and 5.2, Par shall (i) promptly provide written notice thereof to IntelGenx and, (ii) within fourteen (14) days following the receipt of an invoice therefor provided by IntelGenx, remit the fee payments payable to IntelGenx under Sections 5.1 and/or 5.2 (as applicable) by wire transfer of immediately available funds to a bank account designated in writing by IntelGenx.

5.4 **Expenses.** Each party shall bear all costs and expenses associated with its responsibilities under this Agreement, except as expressly set forth in this Agreement.

5.5 **Royalties.**

5.5.1 **Royalty Rates** . Par shall pay to IntelGenx a royalty equal to [***] of the Net Profits during the Term.

5.5.2 **Payment of Royalties** . Following Commercial Launch of the Product or commercial launch of the AG Product, within thirty (30) days of the end of each Calendar Quarter during the Term, Par shall, for Product or AG Product sold by Par during such Calendar Quarter, (i) compute in accordance with GAAP, the Net Sales and Net Profit and (ii) pay IntelGenx's share of the Net Profit payable pursuant to Section 5.5.1. Each payment shall be accompanied by a written report (in the format attached as Exhibit C hereto) outlining the details surrounding the calculation of Net Profits.

5.5.3 **Records and Audits** . Par and its Affiliates shall keep and maintain or cause to be maintained books and records pertaining to the calculation of Net Profits during the Term and for three (3) years thereafter. Such books and records shall be maintained in accordance with GAAP and with all records and details necessary to enable IntelGenx to verify the foregoing. All factors included in the determination of the Net Profits shall be specific to the Product and/or AG Product, reasonably documented, and available for independent audit purposes. IntelGenx shall have the right once per calendar year, at its own expense, during the Term and for three (3) years thereafter, to have an independent public accountant, reasonably acceptable to Par, audit the relevant financial books and records of account of Par for up to the preceding three (3) years during normal business hours, upon reasonable advance notice, to determine or verify the applicable Net Profits. If errors are found, any deficiency shall be paid promptly following delivery of written documentation reasonably substantiating such deficiency, subject to Par having a reasonable period to verify the accuracy of such figures, and if errors are discovered as a result of such audit in IntelGenx's favor exceeding the greater of five percent (5%) and Ten Thousand Dollars ($10,000) for the period audited (which shall be no less than one (1) year), Par shall reimburse IntelGenx for the reasonable expense of such audit.

5.5.4 **Accounting** . The Parties acknowledge that any expenses or costs deducted from Net Sales under this Agreement may be based upon accruals, which accruals will be compliant with GAAP; provided , however , that when the actual results become known relative to any accrued amount, any difference between the actual results and the accrual shall be accounted for in the subsequent payments due hereunder (subject to customary processing delays). To the extent that the difference between such accruals and the actual results has led to an underpayment, Par shall pay IntelGenx the amount of such underpayment on the next date payment is due to IntelGenx hereunder. To the extent that the difference between such accruals and the actual results has led to an overpayment to IntelGenx, Par may at its option set-off such overpayments against subsequent payments to be made to IntelGenx or issue an invoice for the overpayment, which shall be paid by IntelGenx within forty-five (45) days after IntelGenx's receipt thereof. By the date that is forty-five (45) days after the end of the sixth month following the expiration of the last lot of the Product and/or AG Product for which a sale was made pursuant to this Agreement, Par shall reconcile (and give to IntelGenx a report of such reconciliation) all accrued calculations and deductions used in the calculations of Net Sales with actual processed credits. If the report shows an underpayment to IntelGenx, Par shall pay IntelGenx the amount of the underpayment at the time it gives the report to IntelGenx. If the report shows an overpayment to IntelGenx, IntelGenx shall pay Par the amount of the overpayment within thirty (30) days of the receipt of such reconciliation.

ARTICLE 6. EXCLUSIVITY AND INTELLECTUAL PROPERTY

6.1 **Exclusivity** . During the Term, neither Party, by itself, its Affiliate or through any Third Party, shall develop, seek regulatory approval for, manufacture, import, market, sell, distribute, or otherwise commercialize in the Territory any Drug Product that is a Therapeutic Equivalent to the Brand Product or otherwise work on the development of, or supply of any Product, any AG Product, or any Drug Product that is a Therapeutic Equivalent to the Brand Product, except for the development and commercialization of the Product or commercialization of the AG Product pursuant to this Agreement.

6.2 **Right of First Negotiation** . In the event IntelGenx successfully completes a Pilot Bioequivalence Study for a Drug Product that is a Therapeutic Equivalent to the [***], as may be amended or supplemented from time to time (the "[***]"), IntelGenx shall promptly provide Par with written notice thereof. Par shall have the exclusive right, for a period of forty-five (45) days after receipt of such notice, to negotiate with IntelGenx to agree upon and execute a definitive agreement for Par to become the co-marketer, co-distributor or exclusive marketer and/or distributor in the Territory, as the case may be, for the Tablet Product. The Parties shall each negotiate in good faith with each other during such period. If, prior to the end of such forty-five (45) day period (or such longer period as may be mutually agreed upon by the Parties), a definitive agreement in respect thereof has not been executed by the Parties, IntelGenx shall thereafter owe no further obligation to Par with respect to the commercialization of the Tablet Product, and may negotiate and execute a definitive agreement with a Third Party in respect of the development and/or commercialization of the Tablet Product, but only if the terms and conditions of such agreement, taken as a whole, are not materially more favorable to such Third Party than the terms and conditions set forth in the last best written offer provided to Par by IntelGenx.

6.3 **General Ownership** . Except as expressly provided in this Agreement, each Party shall own its own Intellectual Property consistent with United States or other applicable international patent, trademark, and copyright law.

6.4 **Product Intellectual Property** .

6.4.1 IntelGenx shall have the exclusive right to enforce Intellectual Property that is Controlled by IntelGenx covering the Product against Third Parties that may (or may attempt to) make, have made, use, have used, sell, have sold, import or have imported, or otherwise market or commercialize any Drug Product containing the API and having the same dosage form as the Product, including the right to collect damages. Par shall, at IntelGenx's cost and expense, cooperate with IntelGenx in good faith in connection with the foregoing, as IntelGenx may reasonably request. In the event that IntelGenx elects not to enforce such Intellectual Property, Par shall have the right, but not the obligation, to enforce such Intellectual Property as set forth in this Section 6.4.1, and IntelGenx shall cooperate with Par in connection therewith.

6.4.2 Intellectual Property that is jointly invented or conceived during the Term under this Agreement shall be jointly owned by the Parties, unless otherwise agreed in writing. Employees of IntelGenx, whether serving as advisors or consultants to Par or serving Par in any other capacity, shall be considered employees of IntelGenx for the purpose of determining ownership of Intellectual Property.

6.4.3 For the avoidance of doubt, Intellectual Property covering inventions or improvements that are created or conceived in the course of developing the Product shall be owned solely by a Party if only its employees create or conceive such invention or improvement.

6.5 **License Grant** .

6.5.1 IntelGenx hereby grants to Par a limited, exclusive (even as to IntelGenx), irrevocable, perpetual, royalty-free license under the Intellectual Property that is Controlled by IntelGenx or its Affiliates to have manufactured, use, sell, have sold and import and/or otherwise for the sole purpose of the commercialization of the Product or AG Product in the Territory (including all components thereof).

6.5.2 The license granted to Par under Section 6.5.1 is sublicensable (and further sublicensable), in whole or in part, to Third Parties in arm's-length transactions, subject to the following terms: (i) Par shall provide IntelGenx with written notice of any intended sublicense, including the name of the intended sublicensee and the material terms thereof; and (ii) IntelGenx shall, within ten (10 business days (or such shorter period as is reasonably specified by Par to address the exigencies of negotiation of an agreement with such sublicensee) after delivery of Par's written notice to IntelGenx, provide written notice to Par indicating whether it approves the sublicense proposed by Par, such approval not to be unreasonably withheld, delayed or conditioned, it being acknowledged and agreed by IntelGenx that it shall consider in good faith the need to sublicense a substitute Third Party manufacturer in the event of any supply disruption involving the Manufacturer. The failure of IntelGenx to deliver such written notice to Par within such ten (10) business day period shall be deemed to be an approval of such proposed sublicense. Any sublicense approved or deemed approved under this Section 6.5.2 shall be consistent with the terms of this Agreement, including an obligation for such sublicensee to comply with obligations similar to those set forth in this Agreement.

6.6 **Reserved Rights** . Subject to Sections 6.1 and 6.5 hereof, Par acknowledges and agrees that IntelGenx may, now or in the future and without obligation to Par, develop, use or employ Intellectual Property that is Controlled by IntelGenx for other products, including formulation and process, various analytical methods, stability protocols and other methods, techniques or information similar to those used in connection with the Product hereunder (excluding Par's Confidential Information) to pursue other business and product development activities that are part of IntelGenx's business without obligation to Par.

6.7 **Authorized Generic Product** . Par shall be permitted, without requiring license or approval from IntelGenx, to enter into an agreement with the owner of the Brand Product under which Par may sell an AG Product (an " **AG Agreement** "), and Par may thereafter acquire, use, sell and otherwise market such AG Product pursuant to such AG Agreement in the Territory. Par shall be allowed to sell the AG Product in place of, or in addition to, the Product; provided , however , that in the event that Par enters into an AG Agreement, Par shall continue to be bound by its royalty obligations to IntelGenx under Section 5.5.1 during the Term, and will pay the applicable percentage of Net Profits as set forth in Section 5.5 on the sales of both AG Product and Product.

6.8 **Notification** . The Parties shall promptly notify each other of any allegation that any activity undertaken pursuant to this Agreement that infringes or may infringe the Intellectual Property rights of any Third Party. Each Party shall assist and cooperate with the other Party in the defense of any suit, action, Proceeding or claim relating to the Product (including consenting to being named as a nominal party thereto).

6.9 **Patent and Regulatory Litigation** .

6.9.1 Par's legal counsel shall be responsible for managing any litigation brought by the Parties or by a Third Party seeking a judicial determination of whether the submission of Par's ANDA or the importation, manufacture, use, sale or marketing of the Product infringes the patent rights of such Third Party (" **Patent Litigation** "). Par's legal counsel shall also be responsible for managing the Parties' participation in any Proceedings and litigation related to citizen's petitions filed with the FDA regarding the Product or any claims based on or related to the Parties' or a Third Party's attempt to secure, challenge or appeal an FDA decision concerning the Product or competitive products (collectively, " **Regulatory Litigation** "). Par shall control and manage Patent Litigation and Regulatory Litigation and any other matters relating to Intellectual Property rights of a Third Party in its discretion, using counsel of its choice. In connection with such Patent Litigation, Regulatory Litigation or such other matters, each Party shall cooperate with each other at its own expense.

6.9.2 In connection with any Patent Litigation and/or Regulatory Litigation, Par's legal counsel shall keep IntelGenx's legal counsel (retained at IntelGenx's option and expense) reasonably informed with respect to material events in the progress and settlement of such Proceedings and litigation. IntelGenx's counsel may provide input relating to the management of Patent Litigation and Regulatory Litigation, and Par shall consider the suggestions of IntelGenx's counsel in good faith and take such suggestions into account to the extent that, in the judgment of Par's in-house counsel, such suggestions do not adversely affect Par's position in any Intellectual Property and Regulatory Litigation.

6.9.3 IntelGenx's legal counsel shall be permitted to monitor the progress of the Intellectual Property and Regulatory Litigation, and Par shall keep IntelGenx informed of any intended settlement. IntelGenx shall fully cooperate with Par in connection therewith.

6.9.4 In the event of any patent litigation brought by a Third Party solely against IntelGenx for inducement to infringe or contributory infringement as a result of the obligations set forth in this Agreement, IntelGenx shall have the right to defend such litigation using legal counsel selected by Par, in its sole discretion (" **Appointed Legal Counsel** "), and at Par's cost and expense.

(a) In the event of such litigation and selection by Par, each Party shall cooperate with each other in connection therewith, including entering into appropriate joint defense and/or joint privilege agreements. In the event that Par makes a determination to join as a party to such litigation, IntelGenx shall, at Par's written request, move to implead Par as a party thereto.

(b) In connection therewith, IntelGenx shall ensure that the Appointed Legal Counsel shall keep Par informed with respect to the defense of such litigation (including access to all material documentation with regard thereto) and shall disclose to Par all material correspondence with the courts and adverse parties. If IntelGenx wishes to be represented with respect to such litigation by counsel of its own choosing (which counsel shall act in an advisory role only and shall not participate in the defense of such litigation), such representation shall be at IntelGenx's sole cost and expense.

(c) Par shall, subject to Applicable Laws, make available its employees and relevant records in its possession or control, as applicable and to the extent reasonably necessary to assist in the defense of such litigation.

6.10 **Settlement and Assertion of Rights** . Par shall be entitled to settle or compromise any claim with respect to Patent Litigation or Regulatory Litigation, and to enter into any agreement in respect thereof, without the prior written consent of IntelGenx. IntelGenx shall not enter into any settlement agreement, other agreement, consent judgment or other voluntary final disposition of any Proceeding, threatened Proceeding, litigation or threatening litigation relating to the Product without the prior written consent of Par. Both Parties shall have the right to assert all Intellectual Property rights related to the Product against Third Parties, subject to mutual consultation. Notwithstanding the foregoing or any text to the contrary contained herein, with respect to matters relating to Intellectual Property rights of any Third Party other than Patent Litigation or Regulatory Litigation, neither Party shall, without the consent of the other Party, enter into any settlement or compromise or consent to any judgment in respect of any claim and/or proceeding related to rights licensed to Par under this Agreement, unless such settlement, compromise or consent includes an unconditional release of the other Party from all liability arising out of the claim, if any, and does not otherwise limit or impair the other Party's rights.

ARTICLE 7. CONFIDENTIALITY AND PUBLIC DISCLOSURE

7.1 **Treatment of Confidential Information** . A Receiving Party shall retain in strict confidence, and not disclose, divulge or otherwise communicate to any other Person, any Confidential Information of the Disclosing Party, whether received prior to or after the Effective Date, and shall not use any such Confidential Information for any purpose, except pursuant to the terms of, and as required to carry out such Receiving Party's obligations, under this Agreement, except that each Receiving Party may disclose Confidential Information of the Disclosing Party to the officers, directors, employees, agents, accountants, attorneys, consultants, subcontractors or other representatives of the Receiving Party or its Affiliates (the " **Representatives** "), who, in each case, (a) need to know such Confidential Information for purposes of the implementation and performance by the Receiving Party of this Agreement, (b) will use the Confidential Information only for such limited purposes, and (c) are bound by confidentiality obligations no less protective than those set forth in this Agreement.

7.1.1 A Receiving Party hereby shall use at least the same standard of care in complying with its confidentiality obligations hereunder as it uses to protect its own Confidential Information of comparable sensitivity and to prevent and restrain the unauthorized disclosure of such Confidential Information by any of its Representatives, but no less than a reasonable standard of care. The Receiving Party shall be jointly and severally liable for any breach by any of its Representatives of the restrictions set forth in this Agreement.

7.1.2 Without limiting the generality of any of the foregoing, the Parties shall not make any disclosure of Confidential Information that would be reasonably likely to preclude the Disclosing Party from obtaining U.S. or foreign patents on any patentable invention or discovery described or otherwise embodied in such Party's Confidential Information.

7.1.3 The Confidential Information of each Party includes information from Third Parties subject to confidentiality restrictions and disclosed by one Party to the other Party.

7.2 **Release from Restrictions.**

7.2.1 A Receiving Party may disclose Confidential Information to the extent that such Confidential Information disclosure is made in response to a valid order or subpoena of a court of competent jurisdiction or other Governmental Authority of a country or any political subdivision thereof of competent jurisdiction or otherwise required by law, in the opinion of counsel to the Receiving Party; provided , however , that, to the extent practicable, the Receiving Party shall first provide written notice to the Disclosing Party reasonably in advance under the circumstances in order to give the Disclosing Party a reasonable opportunity to quash such order or subpoena or to obtain a protective order requiring that the Confidential Information or documents that are the subject of such order be held in confidence by such court or Governmental Authority or, if disclosed, be used only for the purposes for which the order or subpoena was issued; and provided further that whether a disclosure order or subpoena is quashed or a protective order is obtained, the Confidential Information disclosed in response to such court or Governmental Authority order or subpoena shall be limited to that information that, in the opinion of counsel to the Receiving Party, is legally required to be disclosed in such response to such court or governmental order or subpoena. Par may also disclose Confidential Information to the extent that such disclosure is made to (i) a Governmental Authority as required in connection with any filing, application or request for Regulatory Approval with respect to the Product or under the reporting requirements of any securities exchange on which the securities of Par or its Affiliates are traded or (ii) a Third Party to which Par has a contractual obligation related to the Product, but only to the extent such information is required by such contractual obligation, provided that in each case (clauses (i) and (ii)) reasonable measures are taken to assure confidential treatment of such information.

7.2.2 A Receiving Party may disclose this Agreement to a Third Party in connection with or in conjunction with a proposed merger, consolidation, sale of assets that includes those related to this Agreement, a permitted assignment of this Agreement or loan financing, raising of capital, or sale of securities, provided that the disclosing Party obtains an agreement for confidential treatment thereof on terms no less protective than those contained herein.

7.3 **No Implied Rights** . Except as otherwise expressly set forth in this Agreement, nothing herein shall be construed as granting any Receiving Party any right, title, interest in or ownership of the Confidential Information, proprietary information or Intellectual Property of the Disclosing Party. For the avoidance of doubt, specific information disclosed as part of Confidential Information shall not be deemed to be in the public domain or in the prior possession of the receiving Party merely because it is embraced by more general information in the public domain or by more general information in the prior possession of the receiving Party.

7.4 **Survival of Confidentiality Obligations** . The confidentiality obligations of the Parties contained in this Article 7 shall remain binding on both Parties during the Term and for a period of five (5) years after the expiration of the Term or the termination of this Agreement, regardless of the cause of such expiration or termination.

7.5 **Use of Name and Disclosure of Term** . No press release, public announcement, confirmation or other communication to the public or Third Parties regarding the existence or terms of this Agreement or related matters shall be made by either Party without the prior written consent of the other Party, including with respect to the form, content and timing of such press release, public announcement, confirmation or other communication to the public or Third Parties. Notwithstanding the foregoing or any text to the contrary contained herein, those communications required by applicable law, regulation or securities exchange rule (including, but not limited to, a public offering prospectus), disclosures of information for which consent has previously been obtained, and information of a similar nature to that which has been previously disclosed publicly with respect to this Agreement, will not require advance approval, but will be provided to the other Party as soon as practicable after the release or communication thereof.

7.6 **Third Party Information.**

7.6.1 IntelGenx shall not (i) violate or misappropriate the trade secrets, know- how, or confidential information, or knowingly violate or misappropriate any other proprietary rights, of any Third Party in developing the Product, and will not communicate any Third Party trade secrets to Par in connection with its rights and obligations under this Agreement without receiving permission from such Third Party and informing Par of communication of such trade secrets or (ii) provide or disclose any documents or information to Par unless IntelGenx is the owner thereof, or otherwise has the full and legal right to do so.

7.6.2 Par shall not (i) violate or misappropriate the trade secrets, know-how, or confidential information, or knowingly violate or misappropriate any other proprietary rights, of any Third Party in connection with its rights and obligations under this Agreement, and will not communicate any Third Party trade secrets to IntelGenx in connection with its rights and obligations under this Agreement without receiving permission from such Third Party and informing IntelGenx of communication of such trade secrets or (ii) provide or disclose any documents or information to IntelGenx unless Par is the owner thereof, or otherwise has the full and legal right to do so.

7.7 **Remedies** . Each Party acknowledges and agrees that: (i) it will be too speculative to measure the damages that would be suffered by the other Party if such Party fails to comply with the obligations set forth in this Article 7 and that, in the event of any such failure, the other Party will be irreparably harmed and will not have an adequate remedy at law; (ii) the other Party shall, therefore, be entitled, in addition to any other rights and remedies, to obtain specific performance of such Party's obligations and to obtain immediate injunctive relief without having to post a bond; and (iii) such Party shall not assert, as a defense to any proceeding for such specific performance or injunctive relief, that the other Party will not be irreparably harmed or that the other Party has an adequate remedy at law.

ARTICLE 8. REPRESENTATIONS AND WARRANTIES

8.1 **By Par.** Par hereby represents, warrants and covenants that:

(a) Par is a company duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) Par has the power and authority to enter into and be bound by the terms and conditions of this Agreement and to perform its obligations hereunder and to execute this Agreement;

(c) Par has taken all necessary action on its part to authorize the execution and delivery of this Agreement and this Agreement has been duly executed and delivered on behalf of Par and constitutes a legal, valid, binding obligation, enforceable against Par in accordance with its terms;

(d) Par is subject to no legal, contractual or other restrictions, limitations or conditions which conflict with its rights and obligations under this Agreement or which might affect adversely its ability to perform hereunder;

(e) Par will comply with all Applicable Laws applicable to its activities under this Agreement;

(f) Par has and will maintain appropriate skilled personnel and facilities to carry out its obligations under this Agreement; and

(g) No Par employees or other Persons performing services on behalf of Par under this Agreement have been debarred, or the subject of debarment Proceedings, under Section 306 of the FD&C Act; and if Par becomes aware that a Person performing on its behalf under this Agreement has been debarred, or has become the subject of debarment Proceedings, under Section 306 of the FD&C Act, Par shall promptly notify IntelGenx and shall prohibit such Person from performing on its behalf under this Agreement.

8.2 **By IntelGenx.** IntelGenx hereby represents and warrants that:

(a) IntelGenx is a company duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) IntelGenx has the power and authority to enter into and be bound by the terms and conditions of this Agreement and to perform its obligations hereunder;

(c) IntelGenx has taken all necessary action on its part to authorize the execution and delivery of this Agreement and this Agreement has been duly executed and delivered on behalf of IntelGenx and constitutes a legal, valid, binding obligation, enforceable against IntelGenx in accordance with its terms;

(d) IntelGenx is subject to no legal, contractual or other restrictions, limitations or conditions which conflict with its rights and obligations under this Agreement or which might affect adversely its ability to perform hereunder;

(e) IntelGenx has not misappropriated and will not misappropriate trade secrets of any Third Party in developing the Product, in the provision of services and the performance of its obligations under this Agreement or otherwise in connection with the Products;

(f) IntelGenx will comply with all Applicable Laws applicable to its activities under this Agreement;

(g) IntelGenx has and will maintain appropriate skilled personnel and facilities to carry out its obligations under this Agreement; and

(h) No IntelGenx employees or other Persons performing services on behalf of IntelGenx under this Agreement have been debarred, or the subject of debarment Proceedings, under Section 306 of the FD&C Act; and if IntelGenx becomes aware that a Person performing on its behalf under this Agreement has been debarred, or has become the subject of debarment Proceedings, under Section 306 of the FD&C Act, IntelGenx shall promptly notify Par and shall prohibit such Person from performing on its behalf under this Agreement.

ARTICLE 9. INDEMNIFICATION

9.1 **Indemnification by IntelGenx** . Subject to Section 9.3, IntelGenx shall defend, indemnify and hold harmless each of Par and its Affiliates, and each of their respective directors, officers and employees (each, a " **Par Indemnitee** ") from and against any and all liabilities, damages, settlements, penalties, fines, costs or expenses (including reasonable attorneys' fees and other expenses of litigation) (collectively, " **Liabilities** ") arising, directly or indirectly, out of or in connection with Third Party claims, suits, actions, demands or judgments to the extent relating to or arising out of (i) any breach or alleged breach by IntelGenx of any representation, warranty, undertaking or covenant under this Agreement or (ii) any alleged negligence, gross negligence or willful misconduct by IntelGenx or its Affiliates, past or present employees or agents; except, in each case, for those Liabilities for which Par has an obligation to indemnify the IntelGenx Indemnitees pursuant to Section 9.2, as to which Liabilities each Party shall indemnify the other Party to the extent of its respective liability for such Liabilities.

9.2 **Indemnification by Par** . Subject to Section 9.3 and 11.4.4(b), Par shall defend, indemnify and hold harmless each of IntelGenx and its Affiliates, and each of their respective directors, officers and employees (each, an " **IntelGenx Indemnitee** ") from and against any and all Liabilities arising, directly or indirectly, out of or in connection with Third Party claims, suits, actions, demands or judgments to the extent relating to or arising out of (i) any breach or alleged breach by Par of any representation, warranty, undertaking or covenant under this Agreement, (ii) any alleged negligence, gross negligence or willful misconduct by Par or its Affiliates, past or present employees or agents, and (iii) Patent Litigation or Regulatory Litigation; except, in each case, for those Liabilities for which IntelGenx has an obligation to indemnify the Par Indemnitees pursuant to Section 9.1, as to which Liabilities each Party shall indemnify the other Party to the extent of its respective liability for such Liabilities.

9.3 **Notice and Procedures** . If an IntelGenx Indemnitee or a Par Indemnitee (the " **Indemnitee** ") intends to claim indemnification under this Article 9, it shall promptly notify the other Party (the " **Indemnitor** ") in writing of any such alleged Liabilities. In the event that the Indemnitor does not assume and pursue in a timely and diligent manner the defense of any Third Party claim (but in no event later than thirty (30) days, or such shorter period as required under Applicable Laws), then the Indemnitor shall be deemed to have ceded control of such claim and the Indemnitee shall be entitled to appoint counsel of its own choice for such defense, at the cost and expense of the Indemnitor. The Indemnitor shall have the right to control the defense thereof with counsel of its choice, provided that such counsel is reasonably acceptable to Indemnitee; and provided further that any Indemnitee shall have the right to retain its own counsel at its own expense, for any reason, including if representation of any Indemnitee by the counsel retained by the Indemnitor would be inappropriate due to actual or potential differing interests between such Indemnitee and any other Party reasonably represented by such counsel in such proceeding. The Indemnitee, its employees and agents, shall reasonably cooperate with the Indemnitor and its legal representatives in the investigation of any Liabilities covered by this Article 9. The obligations of this Section 9.3 shall not apply to amounts paid in settlement of any claim, demand, action or other proceeding if such settlement is effected without the consent of the Indemnitor (unless the Indemnitor is deemed to have ceded control of the applicable Third Party claim under this Section 9.3). The failure to deliver written notice to the Indemnitor within a reasonable time after the commencement of any such action, if prejudicial to its ability to defend such action, shall relieve the Indemnitor of any obligation to the Indemnitee under this Section 9.3 to the extent that the Indemnitor is materially prejudiced by such delay. It is understood that only IntelGenx or Par may claim indemnity under this Article 9 (on its own behalf or on behalf of its Indemnitees), and other Persons may not directly claim indemnity hereunder.

9.4 **Other Product Liability Claims** . To the extent either Party incurs any Liabilities arising from or in connection with any product liability claim with respect to the Product to the extent arising from the actions not subject to the indemnity obligations set forth in Sections 9.1 or 9.2 (a " **Product Claim** "), each Party shall be liable for such portion of the Liabilities in accordance with such Party's allocation of the Net Profits pursuant to Section 5.5.1; provided , however , that such Liabilities shall be shared initially by offsetting against the portion of Net Profits otherwise payable or retained pursuant to Section 5.5.1 and in the event of any shortfall thereafter, each Party's share thereof shall be paid in accordance with such allocation. Par shall have sole control in addressing, defending, managing and conducting any negotiations, litigation, threatened litigation or settlement regarding such Product Claim, using counsel of its choice. In the event that Par does not respond to any Product Claim against IntelGenx within (a) sixty (60) days following the notice of such claim or (b) ten (10) days before the time limit, if any, set forth in the appropriate laws and regulations for the filing of a response to such Product Claim, whichever comes first, IntelGenx shall have the right to control any such Product Claim, using counsel of its own choice. In the event of a Product Claim, IntelGenx shall cooperate fully with Par, including, if a party in such Product Claim, the furnishing of a power of attorney to defend IntelGenx in such litigation in IntelGenx name and/or being named as a party for the purposes of any cross claim or counterclaim, and Par shall keep IntelGenx and/or IntelGenx designated legal counsel reasonably informed as to the progress of such action. Neither Party shall enter into any settlement of a Product Claim, without the prior written consent of the other, such consent not to be unreasonably withheld, delayed or conditioned.

9.5 **Exclusive Remedy** . The rights of the Par Indemnitees and the IntelGenx Indemnitees under this Article 9 shall be the sole and exclusive remedy of the Par Indemnitees and the IntelGenx Indemnitees, as the case may be, with respect to matters covered hereunder.

ARTICLE 10. LIMITATION OF LIABILITY

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, EXCEPT WITH RESPECT TO A BREACH OF ARTICLE 7 HEREOF AND EXCEPT WITH RESPECT TO AMOUNTS PAYABLE ON LIABILITIES PURSUANT TO THE INDEMNIFICATION OBLIGATIONS SET FORTH IN ARTICLE 9, NO PARTY SHALL BE LIABLE TO THE OTHER FOR ANY CONSEQUENTIAL, INCIDENTAL OR INDIRECT DAMAGES, INCLUDING FOR LOST PROFITS, OR LOSS OF OPPORTUNITY OR USE OF ANY KIND SUFFERED BY THE A PARTY, WHETHER IN CONTRACT, TORT OR OTHERWISE.

ARTICLE 11. TERM AND TERMINATION

11.1 **Term** . Unless earlier terminated pursuant to this Article 11, the term of this Agreement shall continue in force from the Effective Date until the latter of (a) the end of the commercial life of the Product or AG Product or (b) the date that is ten (10) years following the earlier of Commercial Launch and the first commercial sale of an AG Product by Par, its Affiliate or a permitted sublicensee (the " **Term** ").

11.2 **Termination for Breach** . Either Party may terminate this Agreement, or suspend performance under this Agreement upon written notice to the other Party at any time during the Term of this Agreement, if the other Party is in material breach of this Agreement and such other Party has not cured such material breach within forty-five (45) days after notice requesting cure of the breach; provided , however , that if the pertinent breach is not capable of cure within forty- five (45) days, but is capable of cure, and the breaching Party has promptly commenced, and is and continues diligently pursuing in good faith the remedy of any such breach, then such cure period shall be extended for such period as may be reasonably required to effectuate such cure; provided further , however , that if such breach is not capable of cure, the non-breaching Party may terminate this Agreement, or suspend performance under this Agreement immediately by delivery of written notice thereof to such breaching Party.

11.3 **Termination by Par** .

11.3.1 Par may terminate this Agreement upon delivery of written notice to IntelGenx if:

(a) the Pilot Bioequivalence Study is deemed unsuccessful in accordance with Section 2.4.2, and IntelGenx conducts an additional Pilot Bioequivalence Study that is also unsuccessful (as determined in accordance with Section 2.4.2).

(b) the Pivotal Bioequivalence Study fails to demonstrate that the Product is bioequivalent to the Brand Product and (i) Par does not elect to conduct an additional Pivotal Bioequivalence Study pursuant to Section 2.4.3 within sixty (60) days after such failure or (ii) after such election, such additional Pivotal Bioequivalence Study fails again to demonstrate that the Product is bioequivalent to the Brand Product;

(c) Par is not the sole First Applicant with respect to the Product ANDA;

(d) at any time after the conclusion of Patent Litigation, the Product has become economically unviable; or

(e) following Commercial Launch, total Net Profits reach a level that is equal to or less than fifteen percent (15%) of Par's (and its Affiliates') Net Sales of the Products and such conditions persist for a period of two (2) or more consecutive Calendar Quarters;

and, in each case, Par is not, at the time, pursuing the commercial sale of an AG Product.

11.4 **Effect of Expiration or** Termination. Expiration of the Term or termination of this Agreement for any reason shall be without prejudice to:

11.4.1 IntelGenx's right to receive all payments due and payable from Par as of the effective date of such termination, if any, pursuant to the terms of this Agreement;

11.4.2 Par's right to sell, at its option, the Product remaining in its inventory at the time of termination (in which event, Net Profits on such sales shall continue to be shared as set forth above in Section 5.5); and

11.4.3 Any other legal, equitable, or administrative remedies as to which either Party is or may become entitled.

11.4.4 In the event that Par wishes to terminate this Agreement pursuant to Section 11.3.1(e), Par's written notice thereof shall be deemed an offer by Par to transfer its right, title, interest, ownership and/or control of the Product ANDA and all Intellectual Property to the extent solely and exclusively related to the Product to IntelGenx; and IntelGenx shall have the right, at its sole discretion, to accept such offer by delivering written notice thereof within twenty (20) business day following receipt of such Termination Notice. In the event of such acceptance, (i) IntelGenx shall, subject to Section 11.5 (as applicable), (x) assume and/or be responsible for, at its own expense, all activities necessary to continue the commercialization the Product, as well as any Liabilities deriving therefrom, including the obligation to defend, indemnify and hold harmless each Par Indemnitee from any Liabilities asserted against Par for such commercialization by IntelGenx, and (y) pay Par a royalty equal to [***] of net amount received by IntelGenx from the sale of the Product; and (ii) Par shall have no further obligation to indemnify IntelGenx pursuant to Section 9.2 or 9.3. Each Party shall reasonably cooperate with each other in connection herewith, including negotiating in good faith appropriate documentation addressing the provisions in this Section 11.4.4.

11.5 **Survival** . In addition to specific indications throughout this Agreement that Articles and Sections of this Agreement shall survive expiration and termination of this Agreement, Articles 1, 7, 8, 9, 10, 12, 13, Sections 5.5.3, 5.5.4, 11.4, this Section 11.5, 11.6, and any other provisions necessary and proper to give effect to the intention of the Parties as to the effect of the Agreement after termination shall survive any expiration or termination of this Agreement. In addition, unless otherwise expressly set forth herein, no expiration or termination of this Agreement shall have any effect on any payment, obligation accruing or arising prior to such expiration or termination.

11.6 **Accrued Rights and Surviving Obligations** . The termination of this Agreement for any reason or expiration of the Term shall be without prejudice to any rights that shall have accrued to the benefit of either Party prior to such termination or expiration, including any damages arising from any breach hereunder. Such termination or expiration shall not relieve either Party from obligations which are expressly indicated to survive termination or expiration of this Agreement.

ARTICLE 12. INSURANCE

Each Party shall obtain and maintain at all times during the Term, prudent comprehensive general liability coverage appropriate to its activities with reputable and financially secure insurance carriers to cover its activities related to this Agreement. Additionally such insurance coverage shall include product liability coverage of an appropriate amount, not less than five million US dollars ($5,000,000) per occurrence, for so long as the Product is being sold pursuant to this Agreement.

ARTICLE 13. MISCELLANEOUS

13.1 **Interpretation and Construction** . Unless the context of this Agreement otherwise requires, (i) the terms " **include** ," " **includes** ," or " **including** " shall be deemed to be followed by the words " **without limitation** " unless otherwise indicated; (ii) words using the singular or plural number also include the other; (iii) the terms " **hereof** ," " **herein** ," " **hereby** ," and derivative or similar words refer to this entire Agreement; (iv) the terms " **Article** ," " **Section** " and " **Exhibit** " refer to the specified Article, Section and Exhibit of this Agreement, and (v) words of any gender include each other gender. Whenever this Agreement refers to a number of days, unless otherwise specified, such number shall refer to calendar days. The headings and paragraph captions in this Agreement are for reference and convenience purposes only and shall not affect the meaning or interpretation of this Agreement. This Agreement shall not be interpreted or constructed in favor of or against either Party because of its effort in preparing it.

13.2 **Independent Contractor Status** . It is understood and agreed that nothing in this Agreement nor any agreements related hereto is intended to nor shall create a partnership between the Parties. The Parties are independent contractors and are engaged in the operation of their own respective businesses, and neither Party is to be considered the agent, partner, joint venturer or employee of the other Party for any purpose whatsoever and neither Party shall have any authority to enter into any contracts or assume any obligations for the other Party nor make any warranties or representations on behalf of that other Party.

13.3 **Waiver** . The waiver by either Party of a breach of any provision contained herein shall be in writing and shall in no way be construed as a waiver of any succeeding breach of such provision or the waiver of the provision itself.

13.4 **Assignment** . This Agreement shall be binding upon and inure to the benefit of each of the Parties and their respective successors and approved assigns; provided , however , that IntelGenx may not assign this Agreement without the prior written consent of Par, unless such assignment is in connection with a merger or acquisition or sale of all or substantially all of the assets of IntelGenx to which this Agreement relates. Par may assign this agreement at its sole discretion, subject to Section 3.1. Without in anyway limiting the preceding, each Party shall provide notice of any assignment of this Agreement to the other Party. Any assignment of this Agreement not in accordance with this provision shall be null and void.

13.5 **Modification** . This Agreement may not be changed, modified, amended or supplemented except by an express written instrument signed by both Parties.

13.6 **Severability** . If any provision of this Agreement shall be held illegal or unenforceable, such provision shall be limited or eliminated to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect and enforceable.

13.7 **Further Assurances and Litigation Cooperation** . Each Party hereto agrees to execute, acknowledge and deliver such further instruments and documents, and to do all such other acts, as may be reasonably necessary or appropriate in order to carry out the purposes and intent of this Agreement. Each Party shall invoice the other Party for all charges, costs and expenses which are the responsibility of the other Party, which shall be paid within thirty (30) days of receipt of such invoice. Each Party hereto agrees to provide all reasonable cooperation to the other Party, including providing documents and making its employees (and former employees) and contractors available for discussion and available for testimony, in connection with any litigation or regulatory proceedings (including citizens petitions) related to the Product or related Third Party products (such as competing products).

13.8 **Notices** . Any notice or other communication to be given under this Agreement by any Party to any other Party shall be in writing and shall be either (a) personally delivered, (b) mailed by registered or certified mail, postage prepaid with return receipt requested, (c) delivered by overnight express delivery service or same-day local courier service, or (d) delivered by telex or facsimile transmission (followed by a copy by the preceding (a), (b) or (c)), to the address of the applicable Party as set forth below, or to such other address as may be designated by the Parties from time to time in accordance with this Section 13.8. Notices delivered personally, by overnight express delivery service or by local courier service shall be deemed given as of actual receipt. Mailed notices shall be deemed given three (3) business days after mailing. Notices delivered by telex or facsimile transmission shall be deemed given upon receipt by the sender of the answerback (in the case of a telex) or transmission confirmation (in the case of a facsimile transmission) if transmitted before 5:00 p.m. (recipient's local time) on a business day, and otherwise on the following business day.

If to IntelGenx:	IntelGenx Corp. 6425 Abrams Ville St-Laurent (Quebec) H4S 1X9 Canada Attention: President and CEO Facsimile Number: (514) 331-0436
If to Par:	Par Pharmaceutical, Inc. 300 Tice Boulevard Woodcliff Lake, NJ 07677 Attention: General Counsel Facsimile Number: (201) 802-4600

13.9 **Governing Law and Jurisdiction** . This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to the conflicts of law provisions thereof with the exception of Sections 5-1401 and 5-1402 of the New York General Obligations Law. The Parties irrevocably agree that the State and Federal Courts located in the State, City, and County of New York, shall have exclusive jurisdiction to deal with any disputes arising out of or in connection with this Agreement and that venue is proper in such Courts. Each Party hereby expressly consents and submits to the personal jurisdiction of Federal and State Courts in the State, City and County of New York. The UN Convention on Contracts for the International Sale of Goods shall not apply to this Agreement.

13.10 **Force Majeure.** A Party shall not be liable for nonperformance or delay in performance to the extent that such nonperformance or delay in performance is not due to its negligence and is caused by any event reasonably beyond the control of such Party, including wars, hostilities, revolutions, riots, civil commotion, national emergency, unavailability of supplies, epidemics, fire, flood, earthquake, force of nature, explosion, terrorist act, embargo, or any other Act of God, or any law, proclamation, regulation, ordinance, or other act or order of any court, Governmental Authority (each a " **Force Majeure Event** "). In the event that either Party is prevented from discharging its obligations under this Agreement on account of a Force Majeure Event, such Party shall notify the other forthwith, and shall nevertheless use Commercially Reasonable Efforts to discharge its said obligations, even if in a partial or compromised manner. If either Party is unable to perform its obligations hereunder as a result of a Force Majeure Event for a period of nine (9) months or greater, then the other Party shall have the right, upon its issuance of notice to the other Party, to terminate this Agreement.

13.11 **Entire Agreement** . This Agreement and any Exhibits attached hereto, constitute the entire agreement between Par and IntelGenx with respect to the Product and AG Product and supersede all prior representations, understandings and agreements with respect to such Product and AG Product. This Agreement and any Exhibits attached hereto shall prevail over those of any purchase order, agreement, or other document or understanding of any kind pertaining to such sale.

13.12 **Counterparts** . This Agreement may be executed in one or more counterparts, including by transmission of facsimile or PDF copies of signature pages, each of which shall for all purposes are deemed to be an original and all of which shall constitute on instrument.

13.13 **Third Party Beneficiaries** . Except as expressly provided herein, nothing in this Agreement, either express or implied, is intended to or shall confer upon any Third Party any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

13.14 **Cumulative Rights** . The rights and remedies of each of the Parties under or pursuant to this Agreement are cumulative, may be exercised as often as such Party considers appropriate and are in addition to its rights and remedies under general law.

[***Signature page follows*** **]**

IN WITNESS WHEREOF , the Parties hereto have executed this Development Services and Commercialization Agreement to be effective as of the Effective Date.

PAR PHARMACEUTICAL, INC.

By: _____
Paul V. Campanelli, Chief Operating Officer

INTELGENX CORP.

By: _____
Horst Zerbe, Chief Executive Officer

Exhibit A

Listing of Activities Associated with the Development of an ANDA

1. Reference Listed Drug evaluation

    a. Drug product literature search
    b. Physico-chemical characterization of RLD
    c. Perform 3 month elevated temperature stability tests if deemed necessary
    d. Evaluate innovator container/closure system
    e. Evaluate RLD impurity, stability profile evaluation (exposure to heat, light, oxygen, acid and base)
    f. Define packaging component specifications

2. Analytical Development

    a. Develop stability indicating assay methods for active ingredients, and other specific excipients, where possible
    b. Validate methods and provide associated methods validation reports
    c. Author all analytical test procedures for raw materials, packaging components and finished product

3. Container/Closure System Evaluation

    a. Review supplier specifications for all packaging (container/closure, filler, desiccant) components
    b. Establish packaging components (container/closure filler, desiccant) specifications
    c. Perform container/closure integrity studies and issue final report
    d. Perform light penetration studies, where applicable, and issue final report

4. Raw Materials and packaging materials

    a. Determine level of impurities/degradants allowed for active drug substance
    b. Establish incoming specifications for raw materials, packaging components, and labeling

5. Drug Development

    a. Develop the formulation composition and process, identifying critical processing parameters
    b. Establish master batch process (“Master Formula”), having all elements needed to assure compliance with cGMPs
    c. Develop processing narrative with key aspects for the production process

d. Develop product stability criteria and provide justification for all stability criteria
e. Establish developmental and commercial stability protocols
f. Perform comparative impurity assessment between innovator and proposed product if required to justify stability of the product
g. Perform a literature based product safety assessment (required when product impurity profiles exceed or differ from that of the innovator)
h. Establish physicochemical equivalence between the product and RLD
i. Provide a comparison of the qualitative/quantitative composition of proposed product and RLD formulation
j. Write Product Development Report explaining the development approach justifying API grade, excipient, process, process parameters, and batch size.
k. Provide assistance during the PAI, if needed.
l. Provide technical support as needed during patent litigation.

6. Bioequivalence Pilot Study

a. Evaluate and Recommend bioequivalence pilot study design to improve probability of success.

Exhibit B

Technology Transfer Materials

1. Information about raw materials including quantities and grades
2. Analytical method validated for finished product
3. Formulation for high and low dose
4. Ink and packaging identification (to be performed in collaboration with LTS)
5. Formulation development report
6. Process flow diagram
7. Informal stability data

Exhibit C

Net Profit Report

			Month x	Month y	Month z	Quarter X
Units						
PRODUCT X						$ -
Total Units			**$ -**	**$ -**	**$ -**	**$ -**
Gross Sales						
PRODUCT X						$ -
Total Gross Sales			**$ -**	**$ -**	**$ -**	**$ -**
Accrued Sales Credits						
Rebates						$ -
Admin Fees						$ -
Trade and Quantity Discounts						$ -
Chargebacks						$ -
Returns						$ -
Price Adjustments						$ -
Medicaid						$ -
Cash Discounts						$ -
Total Accrued Sales Credits			**$ -**	**$ -**	**$ -**	**$ -**
Net Sales						
PRODUCT X						$ -
Total Net Sales			**$ -**	**$ -**	**$ -**	**$ -**
Acquisition Cost						
PRODUCT X	$	xx.xx				$ -

Total Cost of Goods Sold		**$ -**	**$ -**	**$ -**	**$ -**
Less: Marketing Cost Allowance					$ -
Net Profit		**$ -**	**$ -**	**$ -**	**$ -**
Profit Split to Partner	**xx%**	**$ -**	**$ -**	**$ -**	**$ -**
Sales Allowance Roll forward					
Beginning Balance		$ -	$ -	$ -	$ -
Accrued Sales Credits					$ -
Processed Credits					$ -
Ending Balance		**$ -**	**$ -**	**$ -**	**$ -**

Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as [***]. A complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

E XECUTION V ERSION

DEVELOPMENT SERVICES AND COMMERCIALIZATION AGREEMENT
BY AND BETWEEN

PAR PHARMACEUTICAL, INC.

AND

INTELGENX CORP.

DATED AS OF JANUARY 8, 2014

DEVELOPMENT SERVICES AND COMMERCIALIZATION AGREEMENT

THIS DEVELOPMENT SERVICES AND COMMERCIALIZATION AGREEMENT (this " **Agreement** ") is hereby entered into and effective as of January 8, 2014 (the " **Effective Date** ") by and between Par Pharmaceutical, Inc., a Delaware corporation with offices located at One Ram Ridge Road, Spring Valley, New York 10977, U.S.A. (" **Par** "), and IntelGenx Corp., a Canadian corporation with offices located at 6425 rue Abrams, Saint Laurent, Quebec, Canada H4S-1X9 (" **IntelGenx** ").

WHEREAS , IntelGenx has undertaken certain development activities relating to the preparation of a generic pharmaceutical formulation of the Product(s) (as defined below); and

WHEREAS , Par desires to have IntelGenx exclusively develop, and IntelGenx desires to exclusively develop for Par generic versions of all strengths and presentations of the applicable Brand Product (as defined below), as may be approved pursuant to the NDA (as defined below) for such Brand Product, as further addressed below.

NOW, THEREFORE , in consideration of the mutual covenants and agreements of the Parties contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1. DEFINITIONS

Capitalized terms used in this Agreement shall have the following definitions:

" **Acquisition Cost** " means, with respect to a Product or AG Product, the fully allocated cost of acquiring such Product or AG Product by Par and/or its Affiliates, calculated in accordance with GAAP, including the following: (i) the transfer price as calculated by the Manufacturer; (ii) all costs for inbound shipping, handling, intake testing, process validation and stability testing, and holding and storing such Product or AG Product; (iii) any amounts paid for the acquisition or supply of such AG Product; and (iv) any amounts payable to Third Parties on the sale or profits from such AG Product pursuant to an associated supply and/or license agreement or the like, less (in each case, to the extent applicable) any rebates or discounts accorded to and actually received by, or credited to, Par.

" **Affiliate(s)** " means, with respect to IntelGenx, any Person which directly or indirectly controls, is controlled by, or is under common control with such Person; and with respect to Par, Sky Growth Holdings Corporation, a Delaware corporation and indirect parent of Par, and any Person directly or indirectly controlled by Sky Growth Holdings Corporation. For purposes of the foregoing definition only, the term "control" (including with correlative meaning, the terms "controlling", "controlled by", and "under common control with") as used with respect to the applicable Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of equity, securities, or partnership interest or by contract, or otherwise. Ownership of more than fifty percent (50%) of the securities or other ownership interests representing the equity, the voting stock or general partnership interest in an entity, or greater than fifty percent (50%) interest in the income of such entity shall, without limitation, be deemed to be control for purposes of this definition.

" **AG Agreement** " has the meaning set forth in Section 6.7.

" **AG Product** " means a generically labelled version of a Brand Product that is approved for sale under the Regulatory Approval for such Brand Product.

" **Agreement** " has the meaning given to such term in the introductory paragraph of this Agreement.

" **ANDA** " means an Abbreviated New Drug Application pursuant to 21 U.S.C. § 355(j) et seq., and the regulations promulgated thereunder.

" **API** " means, with respect to a Product, the active pharmaceutical ingredient(s) in such Product.

" **Applicable Laws** " means all laws, rules, regulations and guidelines of any Governmental Authority with jurisdiction over the development, manufacturing, exportation, importation, promotion, marketing, sale or distribution of the Product and/or the performance of a Party's obligations under this Agreement, to the extent applicable and relevant, and including specifically all cGMP or similar standards or guidelines of the FDA and compendial guidelines (e.g., United States Pharmacopeia or European Pharmacopeia), where applicable, as well as U.S. export control laws and the U.S. Foreign Corrupt Practices Act.

" **Appointed Legal Counsel** " has the meaning set forth in Section 6.9.4.

" **Batch** " means, with respect to a Product, the specific quantity of such Product, as mutually agreed upon by Par and IntelGenx, that (a) is intended to have a uniform character and quality within specified limits and (b) is produced according to a single manufacturing order during the same cycle of manufacture.

" **Bioequivalence Studies** " means a study undertaken to satisfy the FDA's requirements for bioequivalence in connection with establishing that a drug product subject to an ANDA is a Therapeutic Equivalent of the Brand Product referenced in such ANDA.

" **Brand Product** " means, with respect to a Product, the branded pharmaceutical product of such Product as set forth on Exhibit A hereto, including any future strengths thereof.

" **Calendar Quarter** " means a three (3) consecutive month period ending on March 31, June 30, September 30 or December 31.

" **Clinical Expert** " has the meaning set forth in Section 2.4.3.

" **Commercial Launch** " means, with respect to a Product, the first commercial sale in the Territory of such Product by Par, its Affiliate or a permitted sublicensee, as the case may be, to a Third Party.

" **Commercially Reasonable Efforts** " means, with respect to each Party, efforts and commitment of resources in accordance with such Party's reasonable business, legal, medical, and scientific judgment that are consistent with the efforts and resources that such Party uses for other products owned by it or to which it has exclusive rights, that are of similar market potential and at a similar stage in their life cycle, taking into account the competitiveness of the marketplace, the regulatory structure involved, the profitability of the applicable products and other relevant factors, including technical, legal, scientific, medical, sales performance, and/or marketing factors, including the good faith performance of any associated commitments under this Agreement.

" **Confidential Information** " means, with respect to a Party disclosing such Information (the " **Disclosing Party** "), all non-public information of any kind whatsoever (including data, materials, compilations, formulae, models, patent disclosures, procedures, processes, projections, protocols, results of experimentation and testing, specifications, strategies, techniques and all non-public Intellectual Property as defined herein), and all tangible and intangible embodiments thereof of any kind whatsoever (including materials, samples, compositions, documents, drawings, patent applications, records and reports), that are disclosed by the Disclosing Party to the other Party (the "Receiving Party"), including any and all copies, replication or embodiments thereof.

Notwithstanding the foregoing, Confidential Information of a Disclosing Party shall not include information that the Receiving Party can establish by competent proof to have (a) been publicly known prior to disclosure of such information by the Disclosing Party to the Receiving Party, (b) become publicly known, without fault on the part of the Receiving Party, subsequent to disclosure of such information by the Disclosing Party to the Receiving Party, (c) been received by the Receiving Party from a source rightfully having possession of, and the right to disclose, such information free of an obligation of confidentiality, (d) been otherwise rightfully known by the Receiving Party prior to disclosure of such information by the Disclosing Party to the Receiving Party, or (e) been independently developed by employees or agents of the Receiving Party without the use of Confidential Information of the Disclosing Party.

" **Control** " means the legal or regulatory right (whether by ownership, license or otherwise) to grant access, right, title, a license or a sublicense to Intellectual Property without violating the terms of any Third Party agreement, court order, or other arrangement or legal obligation.

" **Disclosing Party** " has the meaning set forth in the definition of “Confidential Information”.

" **Drug Product** " means a drug product, as defined in 21 C.F.R. § 314.3, for administration to human subjects.

" **Engineering Batch** " means a Batch produced from an Engineering Run.

" **Engineering Run** " means a Run used for process developing or demonstrating and/or engineering of some or all of the Manufacturing Process steps.

" **Effective Date** " has the meaning given to such term in the introductory paragraph of this Agreement.

" **FDA** " means the United States Food and Drug Administration, and any successor agency thereto.

" **First Applicant** " means a first applicant, as defined in 21 U.S.C. § 355(j)(5)(B)(iv)(II)(bb), as amended.

" **Force Majeure Event** " has the meaning set forth in Section 13.10.

" **GAAP** " means generally accepted accounting principles in effect in the United States from time to time, consistently applied.

" **Governmental Authority** " means any court, tribunal, arbitrator, agency, legislative body, commission, official or other instrumentality of (i) any government of any country, or (ii) a federal, state, province, county, city or other political subdivision thereof.

" **Gross Amount** " means the gross amount invoiced for a Product or AG Product, sold by Par, its Affiliate or a permitted sublicensee, as the case may be, in the Territory.

" **Indemnitee** " has the meaning set forth in Section 9.3.

" **Indemnitor** " has the meaning set forth in Section 9.3.

" **IntelGenx** " has the meaning given to such term in the introductory paragraph of this Agreement.

" **lntelGenx Indemnitee** " has the meaning set forth in Section 9.2.

" **Intellectual Property** " means all of the following: (i) patent applications, continuation applications, continuation-in-part applications, divisional applications, and United States patents corresponding to any of the foregoing that may grant or may have been granted on any of the foregoing, including reissues, re-examinations and extensions and any supplemental protection certificates, or the like; (ii) all Know-How, work product, trade secrets, inventions (whether patentable or otherwise), data, processes, techniques, procedures, compositions, devices, methods, formulas, protocols and information, whether patentable or not; (iii) copyrightable works, copyrights and applications, registrations and renewals; (iv) logos, trademarks, service marks, and all applications and registrations relating thereto; (v) other proprietary rights; (vii) any regulatory exclusivities or the like; and (viii) copies and tangible embodiments of any one or more of the foregoing.

" **Know-How** " means all of the following: manufacturing protocols and methods, product specifications, analytical methods and assays, processes, product designs, plans, trade secrets, ideas, concepts, manufacturing information, engineering and other manuals and drawings, standard operating procedures, flow diagrams, chemical data, pharmacological data, pharmacokinetic data, toxicological data, pharmaceutical data, physical and analytical data, safety data, quality assurance data, quality control and clinical data, technical information, other data, and research records.

" **Liabilities** " has the meaning set forth in Section 9.1.

" **Manufacturer** " has the meaning set forth in Section 2.5.1.

" **Manufacturing Process** " means, with respect to a Product, the production process for the manufacture of such Product, as such process may be changed from time to time in accordance with this Agreement.

" **Marketing Cost Allowance** " means, with respect to a Product or AG Product, an expense allowance used as an approximation (and not subject to adjustment) for any and all of Par's costs and expenses in the marketing, promotion, distribution, sale, shipping and transport (from Par to its customers, including related insurance and freight expense) for such Product or AG Product, which shall be equal to [***] of Net Sales.

" **NDA** " means a New Drug Application, as defined in 21 U.S.C. § 355(b) et seq., and the regulations promulgated thereunder.

" **Net Profits** " means Net Sales, less Par's Total Cost.

" **Net Sales** " means the Gross Amount, less all discounts and deductions that are customary in size and nature in the generic pharmaceutical products industry, including:

(a) sales credits for customer returns, returned goods allowances, billing and shipping errors, rejected goods; cash or term discounts; customer rebate programs; chargebacks and administration fees or similar credits or payments granted to customers pursuant to contract or other purchases; sales promotions, trade show discounts and stock allowances; price adjustments, including those on customer inventories following price changes; and Product or AG Product recalls;

(b) payments or rebates incurred pursuant to federal, state and local government assistance programs, whether now in existence or hereafter enacted;

(c) redistribution center (RDC) fees, information service agreement (ISA) fees, other fees that are customary in the industry and related to the sales of Product or AG Product to customers, and ANDA filing fees;

(d) customs duties, and sales, use or excise taxes;

(e) write-offs for unsold inventory or batches;

(f) freight, insurance and other transportation charges to the extent added to the sale price and set forth separately as such in the total amount invoiced; and

(g) any “failure-to-supply” and/or reprocurement penalties that Par may incur from any customer purchasing Product or AG Product pursuant to a written agreement between Par and such customer.

Par shall not sell any Product or AG Product as a loss leader, for any non-cash element or as part of a bundle, basket or group sale with any other product(s) not covered by this Agreement; provided, however, that the provision of a discount by Par to a customer based on the aggregate volume of such customer's purchases of such Product or AG Product and other products shall not, for purposes of this definition of “Net Sales”, be considered a sale of such Product or AG Product as a loss leader or as part of a bundle, basket or group sale so long as such discount is (i) allocated on a proportionate basis to such Product or AG Product and such other products, and (ii) consistent with Par's ordinary course of business for its products other than such Product or AG Product. For example, if a Product or AG Product and another product are sold under a volume discount arrangement and have a combined volume discount of $200,000 on a total undiscounted sales price of $1,000,000 and the units of such Product or AG Product included in such volume discount arrangement have an undiscounted sales price of $600,000 and the units of such other product have an undiscounted sales price of $400,000, such discount shall not be considered a sale of such Product or AG Product as a loss leader or as part of a bundle, basket or group sale so long as no more than sixty percent (60%), or $120,000, of such discount is allocated to such Product or AG Product.

" **Orange Book** " means the FDA publication Approved Drug Products with Therapeutic Equivalence Evaluations, as may be amended from time to time.

" **Par** " has the meaning given to such term in the introductory paragraph of this Agreement.

" **Par Indemnitee** " has the meaning set forth in Section 9.1.

" **Par's Total Cost** " means, with respect to a Product or AG Product, the Acquisition Cost for such Product or AG Product, plus the Marketing Cost Allowance for such Product or AG Product, plus the estimated annual branded prescription drug product fee that will be payable by Par pursuant to Section 9008 of the Patient Protection and Affordable Care Act of 2010, to the extent attributable to the sale of a Product or AG Product.

" **Party** " means Par or IntelGenx, as applicable, and **"Parties"** means both Par and IntelGenx.

" **Patent Litigation** " has the meaning set forth in Section 6.9.

" **Person** " means an individual, corporation, partnership, limited liability company, firm, association, joint venture, estate, trust, governmental or administrative body or agency, or any other entity.

" **Pivotal Bioequivalence Study** " means, with respect to a Product, the Bioequivalence Study that is submitted to the FDA for the purpose of seeking Regulatory Approval for such Product in the Territory.

"[***]"

“[***]”

" **Proceedings** " means governmental, judicial, administrative or adversarial proceedings (public or private), litigation, suits, patent oppositions, arbitration, disputes, claims, causes of action or investigations.

" **Product** " means a Drug Product set forth on Exhibit A hereto that is formulated to be an A-rated Therapeutic Equivalent to the applicable Brand Product, including all dosage strengths, and all packaging configurations thereof.

" **Product ANDA** " means, with respect to a Product, an ANDA filed by Par for such Product pursuant to this Agreement to seek marketing approval by the FDA wherein the same may be supplemented and/or amended as required.

" **Product Claim** " has the meaning set forth in Section 9.4.

" **Receiving Party** " has the meaning set forth in the definition of “Confidential Information”.

" **Regulatory Approval** " means the applicable approval(s) necessary to market a Drug Product and/or active pharmaceutical ingredient, including all applicable product and/or establishment licenses, registrations, permits or other authorizations as may be necessary for the commercial manufacture, commercialization, use, storage, importation, transport, promotion, pricing, distribution or sale thereof.

" **Regulatory Authority(ies)** " means the Governmental Authority(ies) in the Territory with authority over the manufacture or distribution of a pharmaceutical product in the Territory (including the grant of Regulatory Approval by the FDA).

" **Regulatory Litigation** " has the meaning set forth in Section 6.9.

" **Representatives** " has the meaning set forth in Section 7.1.

" **Run** " means a single complete operation of all, or a discrete portion, of the Manufacturing Process at the Manufacturer.

" **Specifications** " means, with respect to a Product, the specifications for the manufacture of such Product a set forth in the Product ANDA for such Product submitted for Regulatory Approval.

" **Stable** " means a Drug Product that meets FDA requirements for stability for purposes of an ANDA.

" **Submission Batch** " means, with respect to a Product, the Batch that is manufactured in order to generate data, results and/or other information to be submitted or intended to be submitted to the FDA for the purpose of seeking the Regulatory Approval for such Product in the Territory.

"[***]"

" **Term** " has the meaning set forth in Section 11.1.

" **Territory** " means the United States of America, and its territories, districts and possessions, including the Commonwealth of Puerto Rico; any installation, territory, location or jurisdiction under the purview of the FDA or control of the United States government; and any United States military bases and installations worldwide.

" **Therapeutic Equivalent** " has the meaning given to it by the FDA in the current edition of the Orange Book.

" **Third Party** " or " **Third Parties** " means any Person other than a Party or its Affiliates.

ARTICLE 2. DEVELOPMENT

2.1 **IntelGenx Development Responsibilities.** lntelGenx shall develop a final finished Stable dosage form of each Product corresponding to each strength and presentation of the applicable Brand Product and conforming to the Specifications for such Product, and otherwise develop such Product to be Stable and an A-rated Therapeutic Equivalent to the corresponding Brand Product, as further provided herein. IntelGenx's development responsibilities shall include completing the tasks set forth on Exhibit B hereto and making any changes that are necessary to support obtaining Regulatory Approval for each Product.

2.2 **Cooperation** . In carrying out its development responsibilities, lntelGenx shall cooperate and coordinate with Par, and Par shall have decision-making control with respect to all Specifications and development activities necessary to support the filing of any Product ANDA with the FDA.

2.3 **API Supply.** At the request of IntelGenx, accompanied by appropriate justification thereof, Par shall provide, at Par's expense, (i) all reasonable quantities of API required to develop the formulation and Manufacturing Processes in respect of a Product; (ii) samples of the applicable Brand Product in reasonable quantities required to develop analytical methods and conduct stability and other testing; and (iii) any reference standards reasonably obtainable by Par from the supplier of the API for purposes of analysis, including in-process impurities and degradants, required to develop stability indicating methods.

2.4 **Bioequivalence Studies** .

2.4.1 Par may require IntelGenx to conduct a [***] for any Product by providing written notice thereof to IntelGenx. IntelGenx shall be responsible, at its expense, for completion of all [***] required to be conducted pursuant to this Section 2.4.1. IntelGenx shall own any and all data, results, or other information developed and/or generated during any [***] that are required to be conducted pursuant to this Section 2.4.1. For purposes of this Agreement, a [***] for a Product shall be deemed to be successful if the criteria set forth on Exhibit E hereto has been satisfied.

2.4.2 IntelGenx shall conduct [***] for each Product. IntelGenx shall be responsible, at its expense, for completion of all [***]. IntelGenx shall own any and all data, results, or other information developed and/or generated during any [***].

2.4.3 In the event that [***] for a Product is unsuccessful, as mutually agreed upon by the Parties, IntelGenx shall, at its expense, conduct at least one additional [***] for such Product. In the event that a dispute relating to the success criteria and/or successful completion of a [***] arises between the Parties, the Parties shall have the dispute settled by a mutually agreed upon independent Third Party consultant with relevant experience in the pharmaceutical industry (the " **Clinical Expert** "), and if the Clinical Expert determines that such [***] was unsuccessful, IntelGenx shall, at its expense, conduct at least one additional [***] for such Product.

2.4.4 In the event of successful completion of the [***] for a Product required by Sections 2.4.2 and 2.4.3, as applicable, Par shall be responsible, at its expense, for carrying out (or causing to be carried out by a Third Party selected by Par) the Pivotal Bioequivalence Study for such Product. Par may, at Par's sole discretion, elect to conduct one or more additional Pivotal Bioequivalence Study for such Product. IntelGenx shall cooperate fully with Par in connection therewith, and shall promptly provide Par, as requested and at no additional charge, such technical and other assistance, including all available information and data in its control, reasonably necessary or useful for Par to conduct the Pivotal Bioequivalence Studies for such Product.

2.5 **Manufacturer** .

2.5.1 Par shall select one or more competent manufacturer(s) to manufacture and supply each Product (the " **Manufacturer** "); and Par shall use Commercially Reasonable Efforts to negotiate a manufacture and supply agreement with any Third Party Manufacturer. Notwithstanding the foregoing, except as otherwise expressly provided in this Agreement, IntelGenx shall, at all times, retain all Intellectual Property rights related to the manufacture of the Product and invented or conceived by IntelGenx

2.5.2 IntelGenx shall have the right to cause Par to modify a Product ANDA in order to qualify IntelGenx as a manufacturer under such Product ANDA, provided that (i) IntelGenx has obtained the requisite regulatory approvals to manufacture and export the related Product on a commercial scale for sale in the United States (including, without limitation, any approvals required by the FDA and the U.S. Drug Enforcement Administration); (ii) Par has obtained pre-approval from the U.S. Drug Enforcement Administration to import commercial quantities of the related Product into the United States; and (iii) in Par’s sole determination, the modification to such Product ANDA will not delay its final approval by the FDA. Any incremental cost associated with a manufacturing site change to IntelGenx manufacturing site shall be at IntelGenx sole cost and expense.

2.5.3 IntelGenx shall be responsible, at its expense, for the manufacture and supply of the Engineering Batch for a Product and all other Batches for such Product prior to the Submission Batches for such Product required by Par for and in the course of such Product's development.

2.5.4 Par shall be responsible, at its expense, for causing the manufacture and supply of all Submission Batches for a Product.

2.6 **Technology Transfer of the IntelGenx Formulation** . Upon successful completion of the [***] for a Product, and on an ongoing basis thereafter, IntelGenx shall, at its own cost and expense, supply to the Manufacturer the materials and documentation reasonably necessary to enable the Manufacturer to develop and manufacture, on a commercial scale, a Stable, commercially saleable, final dosage form of such Product. Such materials and documentation shall include any and all information set forth on Exhibit C hereto and all Know-How relating to such Product owned or controlled by IntelGenx, such as manufacturing formulae, information, methods and processes, analytical and processing techniques, product and API samples, stability data, or processing techniques, and any other knowledge, documentation and information that may be reasonably necessary or useful for the Manufacturer to complete commercial development of such Product.

2.7 **Technology Transfer Assistance** .

2.7.1 At Par's request, IntelGenx shall make at least one (1) representative available at the Manufacturer's facility during production of the exhibit and Submission Batches for a Product and during the validation of the analytical methods for such Product.

2.7.2 For each Product, lntelGenx shall also provide all other reasonable assistance with respect to any development work that may be reasonably required in order for Par to submit the Product ANDA for such Product for Regulatory Approval and the commercial process validation for such Product, and for the Manufacturer to commercially manufacture such Product. IntelGenx shall reasonably make available IntelGenx personnel (or contractors) who are knowledgeable regarding the existing manufacturing processes in order to provide assistance to Par and/or the Manufacturer. IntelGenx's obligation under this Section 2.7 shall continue until the Manufacturer successfully manufactures a Submission Batch for such Product. IntelGenx will bear all of its own costs and expenses required to perform its obligations under this Section 2.7.2.

2.8 **Updates** . IntelGenx shall keep Par informed of the progress of the development of each Product, as practical and reasonable, including responding in a prompt manner to Par's inquiries, and participating in periodically scheduled telephone conferences regarding the status of the development work. IntelGenx shall use its diligent efforts to complete timely requests from Par relating to the development and manufacture of each Product. IntelGenx shall provide updates to Par at Par's request on the development of each Product, and shall promptly advise Par of any delays or problems encountered during development of such Product or the Manufacturing Process for such Product.

2.9 **IntelGenx Facilities** . All development work, other than the [***] Pivotal Bioequivalence Studies for a Product, shall be conducted by IntelGenx at IntelGenx's facilities; provided, however, that all work relating to process scale-up and Submission Batches for a Product shall be conducted, at Par's direction based on IntelGenx's formulation and manufacturing guidelines, at the Manufacturer's facilities. Par shall, during the course of such development work, be permitted to inspect and audit such IntelGenx facilities once during each calendar year (and additionally in the event of a reasonable need or request by Par) during normal business hours upon reasonable advance notice of at least five (5) business days. Following the Effective Date, IntelGenx shall not subcontract any of its responsibilities under this Agreement without the prior written approval of Par, which shall not be unreasonably withheld, delayed or conditioned; provided, however, that IntelGenx may utilize another facility, subject to such facility passing an audit by Par, in Par's sole discretion. IntelGenx shall notify Par in writing promptly, but in no event later than one (1) business day, after learning that any inspection, relating to the Product, by the FDA or other applicable Governmental Authority is being conducted or will be conducted. IntelGenx shall provide Par with copies of any Form FDA 483 or other correspondence from the FDA or other applicable Governmental Authority regarding the compliance with Applicable Laws, including cGMP and ICH Guidelines, within one (1) business day of receipt by IntelGenx of such correspondence.

ARTICLE 3. REGULATORY MATTERS

3.1 **Ownership** . Par shall exclusively own and control all Regulatory Approvals within the Territory (including all associated contents and correspondence) and applications therefor related to any Product, including the Product ANDA(s) and any other marketing authorizations within the Territory.

3.1.1 In the event that Par intends to divest or sell any Product ANDA (other than in connection with a merger or acquisition or sale of all or substantially all of the assets of Par), Par shall provide written notice thereof to IntelGenx; and IntelGenx shall provide written notice to Par, within five (5) business days after delivery of such notice by Par, indicating whether it desires to have its rights under this Agreement included in such divestiture or sale.

(a) In the event that IntelGenx provides affirmative notice to Par in accordance with Section 3.1.1, Par shall use Commercially Reasonable Efforts to procure an offer to purchase all of the rights, title and interest in, to and under such Product ANDA; and if Par procures such an offer, Par shall provide written notice thereof, including the material economic terms with respect thereto. IntelGenx shall provide written notice to Par, within five (5) business days after delivery of such notice by Par, indicating whether, based on such terms, it desires to participate in such divestiture or sale.

(b) In the event that IntelGenx provides affirmative notice to Par in accordance with Section 3.1.1(a), Par shall use Commercially Reasonable Efforts to negotiate a definitive agreement based on such terms.

3.1.2 In the event that (i) lntelGenx does not provide affirmative notice described in Section 3.1.1 or 3.1.1(a) to Par, or (ii) IntelGenx provides such notice but, despite Par's use of such Commercially Reasonable Efforts, Par is unable to negotiate a definitive agreement with respect to such terms, Par shall be entitled to sell such Product ANDA, subject to the rights set forth herein, including those set forth in Section 5.5.1.

3.2 **Regulatory Approvals and Applications** . Par shall author and assemble all aspects of the Product ANDA(s). IntelGenx shall fully support Par's efforts to assemble the Product ANDA(s) by providing such assistance as Par requests, including providing any necessary documents to Par in common technical document (CTD) format, as recognized by the FDA.

3.2.1 Par shall have the sole right and responsibility to communicate with the FDA and all other applicable Regulatory Authorities relating to the approval of any Product or submission for Regulatory Approval, and lntelGenx shall not submit material to the FDA or any Regulatory Authority related to such Product without Par's prior written approval.

3.2.2 Notwithstanding anything else in this Agreement to the contrary, Par shall have sole control of and responsibility (including expenses) for preparing any patent certifications and related notice letters in connection with any Product ANDA and the prosecution and/or defense of any citizen's petition associated with such Product ANDA, in each case as may be applicable in any jurisdiction in the Territory.

3.2.3 IntelGenx shall fully cooperate with Par in pursuing Regulatory Approval for each Product in the Territory, and shall promptly provide Par, as requested and at no additional charge, such technical and other assistance, including all available information and data in its control, reasonably necessary or useful for Par to apply for, obtain, and maintain Regulatory Approvals to manufacture, import, export, sell or otherwise commercialize such Product throughout the Territory.

3.2.4 IntelGenx shall, at Par's direction, assist Par in (i) communications with or to applicable Regulatory Authorities, (ii) all activities relating to Regulatory Approvals for each Product, and (iii) responding to any Regulatory Authority request relating to such Product, API for such Product, or facilities used in, or proposed for use in, the development or manufacture of such Product or API for such Product.

3.2.5 IntelGenx shall provide Par with written notice in the event IntelGenx intends to commercialize any product comprising the same active pharmaceutical ingredients, dosage form and strength(s) as any Product outside of the Territory. Upon receipt of such notice, Par shall, subject to the negotiation and execution of a written agreement by Par and lntelGenx in respect thereof, grant IntelGenx an exclusive, royalty-bearing license to use and have access to any information or Intellectual Property disclosed within the Product ANDA for such Product, including the results of the Pivotal Bioequivalence Studies for such Product, for the sole purpose of commercializing such Product outside the Territory.

ARTICLE 4. COMMERCIALIZATION AND MANUFACTURE

4.1 **Product Commercialization** . Par shall, in its sole discretion, determine the timing of the Commercial Launch of each Product taking into consideration the expected timing of the Regulatory Approval of such Product, availability of supply of such Product, and intellectual property and regulatory risks associated with such launch. Upon the Commercial Launch of a Product, Par will promote, market and sell such Product, from Par's Spring Valley facility or such other Par or Third Party facility as Par may elect in its sole discretion, under Par's label in a manner consistent with Par's normal practices with respect to its other generic products.

4.2 **Manufacture** . The Manufacturer shall be responsible for the manufacture, labeling and packaging of all commercial supplies of a Product. Par shall test and release, or cause to be tested and released by a Third Party testing facility selected by Par, each Product manufactured pursuant to this Agreement for determining compliance in accordance with cGMP and all Applicable Laws.

4.3 **API** . Par shall be solely responsible, at its sole cost and expense, for procuring a commercially acceptable source of API supply for development and commercialization performed under this Agreement (and IntelGenx shall confirm that such source is technically acceptable). IntelGenx shall cooperate with Par's procurement of API under this Agreement.

ARTICLE 5. FINANCIAL PROVISIONS

5.1 **Development Fee** . Par shall pay to IntelGenx the following non-refundable development fees, if and as applicable:

5.1.1 [***] upon the execution of this Agreement by IntelGenx and Par;

5.1.2 [***] in respect of a Product upon the first successful (as determined under Section 2.4.1) completion of a [***] for such Product required by Par pursuant to Section 2.4.1;

5.1.3 [***] in respect of a Product upon the first successful completion of a [***] for such Product;

5.1.4 [***] in respect of a Product upon successful completion of the Pivotal Bioequivalence Study for such Product; and

5.1.5 [***] in respect of a Product upon acceptance for filing of the Product ANDA for such Product for all strengths and presentations of the applicable Brand Product listed in the Orange Book as of the date on which such Product ANDA was filed.

5.2 **Conditional Incentive Fee** . If, and only if, Par is (a) the sole First Applicant with respect to a Product and (b) eligible at the time of final FDA approval of the Product ANDA for such Product for the 180-day marketing exclusivity under 21 U.S.C. § 355(J)(5)(B)(iv)(II)(aa), then Par shall pay to IntelGenx a one-time, conditional and non-refundable incentive fee of [***] in respect of such Product upon obtaining final FDA approval of such Product ANDA or the first commercial sale in the Territory of an AG Product related to such Product by Par, its Affiliate or a permitted sublicensee, as the case may be, to a Third Party.

5.3 **Payment** . Upon the occurrence of the applicable events under Sections 5.1 and 5.2, Par shall (i) promptly provide written notice thereof to IntelGenx and, (ii) within fourteen (14) days following the receipt of an invoice therefor provided by IntelGenx, remit the fee payments payable to IntelGenx under Sections 5.1 and/or 5.2 (as applicable) by wire transfer of immediately available funds to a bank account designated in writing by IntelGenx.

5.4 **Expenses** . Each party shall bear all costs and expenses associated with its responsibilities under this Agreement, except as expressly set forth in this Agreement.

5.5 **Royalties** .

5.5.1 **Royalty Rates** . Par shall pay to IntelGenx a royalty equal to [***] of the Net Profits of each Product and AG Product during the Term.

5.5.2 **Payment of Royalties** . Following Commercial Launch of a Product or commercial launch of an AG Product, within thirty (30) days of the end of each Calendar Quarter during the Term, Par shall, for such Product or AG Product sold by Par during such Calendar Quarter, (i) compute in accordance with GAAP, the Net Sales and Net Profit and (ii) pay IntelGenx's share of the Net Profit payable pursuant to Section 5.5.1. Each payment shall be accompanied by a written report (in the format attached as Exhibit D hereto) outlining the details surrounding the calculation of Net Profits.

5.5.3 **Records and Audits** . Par and its Affiliates shall keep and maintain or cause to be maintained books and records pertaining to the calculation of Net Profits during the Term and for three (3) years thereafter. Such books and records shall be maintained in accordance with GAAP and with all records and details necessary to enable IntelGenx to verify the foregoing. All factors included in the determination of the Net Profits shall be specific to each Product and/or AG Product, reasonably documented, and available for independent audit purposes. IntelGenx shall have the right once per calendar year, at its own expense, during the Term and for three (3) years thereafter, to have an independent public accountant, reasonably acceptable to Par, audit the relevant financial books and records of account of Par for up to the preceding three (3) years during normal business hours, upon reasonable advance notice, to determine or verify the applicable Net Profits. If errors are found, any deficiency shall be paid promptly following delivery of written documentation reasonably substantiating such deficiency, subject to Par having a reasonable period to verify the accuracy of such figures, and if errors are discovered as a result of such audit in IntelGenx's favor exceeding the greater of five percent (5%) and Ten Thousand Dollars ($10,000) for the period audited (which shall be no less than one (1) year), Par shall reimburse lntelGenx for the reasonable expense of such audit.

5.5.4 **Accounting** . The Parties acknowledge that any expenses or costs deducted in determining Net Sales and Net Profits under this Agreement may be based upon accruals, which accruals will be compliant with GAAP; provided, however, that when the actual results become known relative to any accrued amount, any difference between the actual results and the accrual shall be accounted for in the subsequent payments due hereunder (subject to customary processing delays). To the extent that the difference between such accruals and the actual results has led to an underpayment, Par shall pay IntelGenx the amount of such underpayment on the next date payment is due to IntelGenx hereunder. To the extent that the difference between such accruals and the actual results has led to an overpayment to IntelGenx, Par may at its option set-off such overpayments against subsequent payments to be made to IntelGenx or issue an invoice for the overpayment, which shall be paid by lntelGenx within forty-five (45) days after IntelGenx's receipt thereof. By the date that is forty-five (45) days after the end of the sixth month following the expiration of the last lot of a Product and/or AG Product for which a sale was made pursuant to this Agreement, Par shall reconcile (and give to IntelGenx a report of such reconciliation) all accrued calculations and deductions used in the calculations of Net Sales of such Product or AG Product with actual processed credits. If the report shows an underpayment to IntelGenx, Par shall pay IntelGenx the amount of the underpayment at the time it gives the report to IntelGenx. If the report shows an overpayment to IntelGenx, IntelGenx shall pay Par the amount of the overpayment within thirty (30) days of the receipt of such reconciliation.

ARTICLE 6. EXCLUSIVITY AND INTELLECTUAL PROPERTY

6.1 **Exclusivity** . During the Term, neither Party, by itself, its Affiliate or through any Third Party, shall develop, seek regulatory approval for, manufacture, import, market, sell, distribute, or otherwise commercialize in the Territory any Drug Product that is a Therapeutic Equivalent to any Brand Product or otherwise work on the development of, or supply of any Product, any AG Product, or any Drug Product that is a Therapeutic Equivalent to any Brand Product, except for the development and commercialization of any Product or commercialization of any AG Product pursuant to this Agreement.

6.2 **Right of First Negotiation** . In the event lntelGenx successfully completes a [***] is a Therapeutic Equivalent to a branded pharmaceutical product (the "[***]"), IntelGenx shall promptly provide Par with written notice thereof. Par shall have the exclusive right, for a period of forty-five (45) days after receipt of such notice, to negotiate with IntelGenx to agree upon and execute a definitive agreement for Par to become the co-marketer, co-distributor or exclusive marketer and/or distributor in the Territory, as the case may be, for the [***]. The Parties shall each negotiate in good faith with each other during such period. If, prior to the end of such forty-five (45) day period (or such longer period as may be mutually agreed upon by the Parties), a definitive agreement in respect thereof has not been executed by the Parties, IntelGenx shall thereafter owe no further obligation to Par with respect to the commercialization of the [***], and may negotiate and execute a definitive agreement with a Third Party in respect of the development and/or commercialization of the [***], but only if the terms and conditions of such agreement, taken as a whole, are not materially more favorable to such Third Party than the terms and conditions set forth in the last best written offer provided to Par by lntelGenx.

6.3 **General Ownership** . Except as expressly provided in this Agreement, each Party shall own its own Intellectual Property consistent with United States or other applicable international patent, trademark, and copyright law.

6.4 **Product Intellectual Property** .

6.4.1 lntelGenx shall have the exclusive right to enforce Intellectual Property that is Controlled by IntelGenx covering each Product against Third Parties that may (or may attempt to) make, have made, use, have used, sell, have sold, import or have imported, or otherwise market or commercialize any Drug Product containing the API of such Product and having the same dosage form as such Product, including the tight to collect damages. Par shall, at IntelGenx's cost and expense, cooperate with IntelGenx in good faith in connection with the foregoing, as IntelGenx may reasonably request. In the event that IntelGenx elects not to enforce such Intellectual Property, Par shall have the right, but not the obligation, to enforce such Intellectual Property as set forth in this Section 6.4.1, and IntelGenx shall cooperate with Par in connection therewith.

6.4.2 Intellectual Property that is jointly invented or conceived during the Term under this Agreement shall be jointly owned by the Parties, unless otherwise agreed in writing. Employees of lntelGenx, whether serving as advisors or consultants to Par or serving Par in any other capacity, shall be considered employees of IntelGenx for the purpose of determining ownership of Intellectual Property.

6.4.3 For the avoidance of doubt, Intellectual Property covering inventions or improvements that are created or conceived in the course of developing a Product shall be owned solely by a Party if only its employees create or conceive such invention or improvement.

6.5 **License Grant** .

6.5.1 IntelGenx hereby grants to Par a limited, exclusive (even as to IntelGenx), irrevocable, perpetual, royalty-free license under the Intellectual Property that is Controlled by IntelGenx or its Affiliates to manufacture, have manufactured, use, sell, have sold and import and/or otherwise for the sole purpose of the commercialization of each Product and/or AG Product in the Territory (including all components thereof).

6.5.2 The license granted to Par under Section 6.5.1 is sublicensable (and further sublicensable), in whole or in part, to Third Parties in arm's-length transactions, subject to the following terms: (i) Par shall provide IntelGenx with written notice of any intended sublicense, including the name of the intended sublicensee and the material terms thereof; and (ii) IntelGenx shall, within ten (10 business days (or such shorter period as is reasonably specified by Par to address the exigencies of negotiation of an agreement with such sublicensee) after delivery of Par's written notice to IntelGenx, provide written notice to Par indicating whether it approves the sublicense proposed by Par, such approval not to be unreasonably withheld, delayed or conditioned, it being acknowledged and agreed by IntelGenx that it shall consider in good faith the need to sublicense a substitute Third Party manufacturer in the event of any supply disruption involving the Manufacturer. The failure of lntelGenx to deliver such written notice to Par within such ten (10) business day period shall be deemed to be an approval of such proposed sublicense. Any sublicense approved or deemed approved under this Section 6.5.2 shall be consistent with the terms of this Agreement, including an obligation for such sublicensee to comply with obligations similar to those set forth in this Agreement.

6.6 **Reserved Rights** . Subject to Sections 6.1 and 6.5 hereof, Par acknowledges and agrees that IntelGenx may, now or in the future and without obligation to Par, develop, use or employ Intellectual Property that is Controlled by IntelGenx for other products, including formulation and process, various analytical methods, stability protocols and other methods, techniques or information similar to those used in connection with the Product hereunder (excluding Par's Confidential Information) to pursue other business and product development activities that are part of lntelGenx' business without obligation to Par.

6.7 **Authorized Generic Product** . Par shall be permitted, without requiring license or approval from IntelGenx, to enter into an agreement with the owner of any Brand Product under which Par may sell an AG Product (an " **AG Agreement** "), and Par may thereafter acquire, use, sell and otherwise market such AG Product pursuant to such AG Agreement in the Territory. Par shall be allowed to sell such AG Product in place of, or in addition to, the Product to which such AG Product relates; provided, however, that in the event that Par enters into an AG Agreement, Par shall continue to be bound by its royalty obligations to IntelGenx under Section 5.5.1 during the Term, and will pay the applicable percentage of Net Profits as set forth in Section 5.5 on the sales of both AG Product and Product. For purposes of clarification, if Par enters into an AG Agreement related to a Product, Par shall remain obligated to pay any unpaid development fees in respect of such Product that were earned by IntelGenx in accordance with Section 5.1 prior to Par’s entry into such AG Agreement.

6.8 **Notification** . The Parties shall promptly notify each other of any allegation that any activity undertaken pursuant to this Agreement that infringes or may infringe the Intellectual Property rights of any Third Party. Each Party shall assist and cooperate with the other Party in the defense of any suit, action, Proceeding or claim relating to a Product (including consenting to being named as a nominal party thereto).

6.9 **Patent and Regulatory Litigation** .

6.9.1 Par's legal counsel shall be responsible for managing any litigation brought by the Parties or by a Third Party seeking a judicial determination of whether the submission of Par's ANDA or the importation, manufacture, use, sale or marketing of a Product infringes the patent rights of such Third Party (" **Patent Litigation** "). Par's legal counsel shall also be responsible for managing the Parties' participation in any Proceedings and litigation related to citizen's petitions filed with the FDA regarding a Product or any claims based on or related to the Parties' or a Third Party's attempt to secure, challenge or appeal an FDA decision concerning such Product or competitive products (collectively, " **Regulatory Litigation** "). Par shall control and manage Patent Litigation and Regulatory Litigation and any other matters relating to Intellectual Property rights of a Third Party in its discretion, using counsel of its choice. In connection with such Patent Litigation, Regulatory Litigation or such other matters, each Party shall cooperate with each other at its own expense.

6.9.2 In connection with any Patent Litigation and/or Regulatory Litigation, Par's legal counsel shall keep IntelGenx's legal counsel (retained at IntelGenx's option and expense) reasonably informed with respect to material events in the progress and settlement of such Proceedings and litigation. IntelGenx's counsel may provide input relating to the management of Patent Litigation and Regulatory Litigation, and Par shall consider the suggestions of lntelGenx' counsel in good faith and take such suggestions into account to the extent that, in the judgment of Par's in-house counsel, such suggestions do not adversely affect Par's position in any Intellectual Property and Regulatory Litigation.

6.9.3 IntelGenx's legal counsel shall be permitted to monitor the progress of the Intellectual Property and Regulatory Litigation, and Par shall keep IntelGenx informed of any intended settlement. IntelGenx shall fully cooperate with Par in connection therewith.

6.9.4 In the event of any patent litigation brought by a Third Party solely against IntelGenx for inducement to infringe or contributory infringement as a result of the obligations set forth in this Agreement, IntelGenx shall have the right to defend such litigation using legal counsel selected by Par, in its sole discretion (" **Appointed Legal Counsel** "), and at Par's cost and expense.

(a) In the event of such litigation and selection by Par, each Party shall cooperate with each other in connection therewith, including entering into appropriate joint defense and/or joint privilege agreements. In the event that Par makes a determination to join a party to such litigation, IntelGenx shall, at Par's written request, move to implead Par as a party thereto.

(b) In connection therewith, IntelGenx shall ensure that the Appointed Legal Counsel shall keep Par informed with respect to the defense of such litigation (including access to all material documentation with regard thereto) and shall disclose to Par all material correspondence with the courts and adverse parties. If lntelGenx wishes to be represented with respect to such litigation by counsel of its own choosing (which counsel shall act in an advisory role only and shall not participate in the defense of such litigation), such representation shall be at IntelGenx's sole cost and expense.

(c) Par shall, subject to Applicable Laws, make available its employees and relevant records in its possession or control, as applicable and to the extent reasonably necessary to assist in the defense of such litigation.

6.10 **Settlement and Assertion of Rights** . Par shall be entitled to settle or compromise any claim with respect to Patent Litigation or Regulatory Litigation, and to enter into any agreement in respect thereof, without the prior written consent of IntelGenx. IntelGenx shall not enter into any settlement agreement, other agreement, consent judgment or other voluntary final disposition of any Proceeding, threatened Proceeding, litigation or threatening litigation relating to a Product without the prior written consent of Par. Both Parties shall have the right to assert all Intellectual Property rights related to a Product against Third Parties, subject to mutual consultation. Notwithstanding the foregoing or any text to the contrary contained herein, with respect to matters relating to Intellectual Property rights of any Third Party other than Patent Litigation or Regulatory Litigation, neither Party shall, without the consent of the other Party, enter into any settlement or compromise or consent to any judgment in respect of any claim and/or proceeding related to rights licensed to Par under this Agreement, unless such settlement, compromise or consent includes an unconditional release of the other Party from all liability arising out of the claim, if any, and does not otherwise limit or impair the other Party's rights.

ARTICLE 7. CONFIDENTIALITY AND PUBLIC DISCLOSURE

7.1 Treatment of Confidential Information. A Receiving Party shall retain in strict confidence, and not disclose, divulge or otherwise communicate to any other Person, any Confidential Information of the Disclosing Party, whether received prior to or after the Effective Date, and shall not use any such Confidential Information for any purpose, except pursuant to the terms of, and as required to carry out such Receiving Party's obligations, under this Agreement, except that each Receiving Party may disclose Confidential Information of the Disclosing Party to the officers, directors, employees, agents, accountants, attorneys, consultants, subcontractors or other representatives of the Receiving Party or its Affiliates (the " **Representatives** "), who, in each case, (a) need to know such Confidential Information for purposes of the implementation and performance by the Receiving Party of this Agreement, (b) will use the Confidential information only for such limited purposes, and (c) are bound by confidentiality obligations no less protective than those set forth in this Agreement.

7.1.1 A Receiving Party hereby shall use at least the same standard of care in complying with its confidentiality obligations hereunder as it uses to protect its own Confidential Information of comparable sensitivity and to prevent and restrain the unauthorized disclosure of such Confidential Information by any of its Representatives, but no less than a reasonable standard of care. The Receiving Party shall be jointly and severally liable for any breach by any of its Representatives of the restrictions set forth in this Agreement.

7.1.2 Without limiting the generality of any of the foregoing, the Parties shall not make any disclosure of Confidential Information that would be reasonably likely to preclude the Disclosing Party from obtaining U.S. or foreign patents on any patentable invention or discovery described or otherwise embodied in such Party's Confidential Information.

7.1.3 The Confidential Information of each Party includes information from Third Parties subject to confidentiality restrictions and disclosed by one Party to the other Party.

7.2 **Release from Restrictions** .

7.2.1 A Receiving Party may disclose Confidential Information to the extent that such Confidential Information disclosure is made in response to a valid order or subpoena of a court of competent jurisdiction or other Governmental Authority of a country or any political subdivision thereof of competent jurisdiction or otherwise required by law, in the opinion of counsel to the Receiving Party; provided, however, that, to the extent practicable, the Receiving Party shall first provide written notice to the Disclosing Party reasonably in advance under the circumstances in order to give the Disclosing Party a reasonable opportunity to quash such order or subpoena or to obtain a protective order requiring that the Confidential Information or documents that are the subject of such order be held in confidence by such court or Governmental Authority or, if disclosed, be used only for the purposes for which the order or subpoena was issued; and provided further that whether a disclosure order or subpoena is quashed or a protective order is obtained, the Confidential Information disclosed in response to such court or Governmental Authority order or subpoena shall be limited to that information that, in the opinion of counsel to the Receiving Party, is legally required to be disclosed in such response to such court or governmental order or subpoena. Par may also disclose Confidential Information to the extent that such disclosure is made to (i) a Governmental Authority as required in connection with any filing, application or request for Regulatory Approval with respect to a Product or under the reporting requirements of any securities exchange on which the securities of Par or its Affiliates are traded or (ii) a Third Party to which Par has a contractual obligation related to a Product, but only to the extent such information is required by such contractual obligation, provided that in each case (clauses (i) and (ii)) reasonable measures are taken to assure confidential treatment of such information.

7.2.2 A Receiving Party may disclose this Agreement to a Third Party in connection with or in conjunction with a proposed merger, consolidation, sale of assets that includes those related to this Agreement, a permitted assignment of this Agreement or loan financing, raising of capital, or sale of securities, provided that the disclosing Party obtains an agreement for confidential treatment thereof on terms no less protective than those contained herein.

7.3 **No Implied Rights** . Except as otherwise expressly set forth in this Agreement, nothing herein shall be construed as granting any Receiving Party any right, title, interest in or ownership of the Confidential Information, proprietary information or Intellectual Property of the Disclosing Party. For the avoidance of doubt, specific information disclosed as part of Confidential Information shall not be deemed to be in the public domain or in the prior possession of the receiving Party merely because it is embraced by more general information in the public domain or by more general information in the prior possession of the receiving Party.

7.4 **Survival of Confidentiality Obligations** . The confidentiality obligations of the Parties contained in this Article 7 shall remain binding on both Parties during the Term and for a period of five (5) years after the expiration of the Term or the termination of this Agreement, regardless of the cause of such expiration or termination.

7.5 **Use of Name and Disclosure of Term** . No press release, public announcement, confirmation or other communication to the public or Third Parties regarding the existence or terms of this Agreement or related matters shall be made by either Party without the prior written consent of the other Party, including with respect to the form, content and timing of such press release, public announcement, confirmation or other communication to the public or Third Parties. Notwithstanding the foregoing or any text to the contrary contained herein, those communications required by applicable law, regulation or securities exchange rule (including, but not limited to, a public offering prospectus), disclosures of information for which consent has previously been obtained, and information of a similar nature to that which has been previously disclosed publicly with respect to this Agreement, will not require advance approval, but will be provided to the other Party as soon as practicable after the release or communication thereof.

7.6 **Third Party Information** .

7.6.1 IntelGenx shall not (i) violate or misappropriate the trade secrets, know- how, or confidential information, or knowingly violate or misappropriate any other proprietary rights, of any Third Party in developing a Product, and will not communicate any Third Party trade secrets to Par in connection with its rights and obligations under this Agreement without receiving permission from such Third Party and informing Par of communication of such trade secrets or (ii) provide or disclose any documents or information to Par unless IntelGenx is the owner thereof, or otherwise has the full and legal right to do so.

7.6.2 Par shall not (i) violate or misappropriate the trade secrets, know-how, or confidential information, or knowingly violate or misappropriate any other proprietary rights, of any Third Party in connection with its rights and obligations under this Agreement, and will not communicate any Third Party trade secrets to IntelGenx in connection with its rights and obligations under this Agreement without receiving permission from such Third Party and informing IntelGenx of communication of such trade secrets or (ii) provide or disclose any documents or information to IntelGenx unless Par is the owner thereof, or otherwise has the full and legal right to do so.

7.7 **Remedies** . Each Party acknowledges and agrees that: (i) it will be too speculative to measure the damages that would be suffered by the other Party if such Party fails to comply with the obligations set forth in this Article 7 and that, in the event of any such failure, the other Party will be irreparably harmed and will not have an adequate remedy at law; (ii) the other Party shall, therefore, be entitled, in addition to any other rights and remedies, to obtain specific performance of such Party's obligations and to obtain immediate injunctive relief without having to post a bond; and (iii) such Party shall not assert, as a defense to any proceeding for such specific performance or injunctive relief, that the other Party will not be irreparably harmed or that the other Party has an adequate remedy at law.

ARTICLE 8. REPRESENTATIONS AND WARRANTIES

8.1 **By Par** . Par hereby represents, warrants and covenants that:

(a) Par is a company duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) Par has the power and authority to enter into and be bound by the terms and conditions of this Agreement and to perform its obligations hereunder and to execute this Agreement;

(c) Par has taken all necessary action on its part to authorize the execution and delivery of this Agreement and this Agreement has been duly executed and delivered on behalf of Par and constitutes a legal, valid, binding obligation, enforceable against Par in accordance with its terms;

(d) Par is subject to no legal, contractual or other restrictions, limitations or conditions which conflict with its rights and obligations under this Agreement or which might affect adversely its ability to perform hereunder;

(e) Par will comply with all Applicable Laws applicable to its activities under this Agreement;

(f) Par has and will maintain appropriate skilled personnel and facilities to carry out its obligations under this Agreement; and

(g) No Par employees or other Persons performing services on behalf of Par under this Agreement have been debarred, or the subject of debarment Proceedings, under Section 306 of the FD&C Act; and if Par becomes aware that a Person performing on its behalf under this Agreement has been debarred, or has become the subject of debarment Proceedings, under Section 306 of the FD&C Act, Par shall promptly notify IntelGenx and shall prohibit such Person from performing on its behalf under this Agreement.

8.2 **By IntelGenx** . IntelGenx hereby represents and warrants that:

(a) IntelGenx is a company duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) IntelGenx has the power and authority to enter into and be bound by the terms and conditions of this Agreement and to perform its obligations hereunder;

(c) IntelGenx has taken all necessary action on its part to authorize the execution and delivery of this Agreement and this Agreement has been duly executed and delivered on behalf of IntelGenx and constitutes a legal, valid, binding obligation, enforceable against IntelGenx in accordance with its terms;

(d) IntelGenx is subject to no legal, contractual or other restrictions, limitations or conditions which conflict with its rights and obligations under this Agreement or which might affect adversely its ability to perform hereunder;

(e) IntelGenx has not misappropriated and will not misappropriate trade secrets of any Third Party in developing the Product, in the provision of services and the performance of its obligations under this Agreement or otherwise in connection with the Products;

(f) IntelGenx will comply with all Applicable Laws applicable to its activities under this Agreement;

(g) IntelGenx has and will maintain appropriate skilled personnel and facilities to carry out its obligations under this Agreement; and

(h) No IntelGenx employees or other Persons performing services on behalf of lntelGenx under this Agreement have been debarred, or the subject of debarment Proceedings, under Section 306 of the FD&C Act; and if IntelGenx becomes aware that a Person performing on its behalf under this Agreement has been debarred, or has become the subject of debarment Proceedings, under Section 306 of the FD&C Act, IntelGenx shall promptly notify Par and shall prohibit such Person from performing on its behalf under this Agreement.

ARTICLE 9. INDEMNIFICATION

9.1 **Indemnification by IntelGenx** . Subject to Section 9.3, IntelGenx shall defend, indemnify and hold harmless each of Par and its Affiliates, and each of their respective directors, officers and employees (each, a " **Par Indemnitee** ") from and against any and all liabilities, damages, settlements, penalties, fines, costs or expenses (including reasonable attorneys' fees and other expenses of litigation) (collectively, " **Liabilities** ") arising, directly or indirectly, out of or in connection with Third Party claims, suits, actions, demands or judgments to the extent relating to or arising out of (i) any breach or alleged breach by IntelGenx of any representation, warranty, undertaking or covenant under this Agreement or (ii) any alleged negligence, gross negligence or willful misconduct by IntelGenx or its Affiliates, past or present employees or agents; except, in each case, for those Liabilities for which Par has an obligation to indemnify the IntelGenx Indemnitees pursuant to Section 9.2, as to which Liabilities each Party shall indemnify the other Party to the extent of its respective liability for such Liabilities.

9.2 **Indemnification by Par** . Subject to Section 9.3 and 11.4.4, Par shall defend, indemnify and hold harmless each of IntelGenx and its Affiliates, and each of their respective directors, officers and employees (each, an " **lntelGenx Indemnitee** ") from and against any and all Liabilities arising, directly or indirectly, out of or in connection with Third Party claims, suits, actions, demands or judgments to the extent relating to or arising out of (i) any breach or alleged breach by Par of any representation, warranty, undertaking or covenant under this Agreement, (ii) any alleged negligence, gross negligence or willful misconduct by Par or its Affiliates, past or present employees or agents, and (iii) Patent Litigation or Regulatory Litigation; except, in each case, for those Liabilities for which IntelGenx has an obligation to indemnify the Par Indemnitees pursuant to Section 9.1, as to which Liabilities each Party shall indemnify the other Party to the extent of its respective liability for such Liabilities.

9.3 **Notice and Procedures** . If an IntelGenx Indemnitee or a Par Indemnitee (the " **Indemnitee** ") intends to claim indemnification under this Article 9, it shall promptly notify the other Party (the " **Indemnitor** ") in writing of any such alleged Liabilities. In the event that the Indemnitor does not assume and pursue in a timely and diligent manner the defense of any Third Party claim (but in no event later than thirty (30) days, or such shorter period as required under Applicable Laws), then the Indemnitor shall be deemed to have ceded control of such claim and the Indemnitee shall be entitled to appoint counsel of its own choice for such defense, at the cost and expense of the Indemnitor. The Indemnitor shall have the right to control the defense thereof with counsel of its choice, provided that such counsel is reasonably acceptable to Indemnitee; and provided further that any Indemnitee shall have the right to retain its own counsel at its own expense, for any reason, including if representation of any Indemnitee by the counsel retained by the Indemnitor would be inappropriate due to actual or potential differing interests between such Indemnitee and any other Party reasonably represented by such counsel in such proceeding. The Indemnitee, its employees and agents, shall reasonably cooperate with the Indemnitor and its legal representatives in the investigation of any Liabilities covered by this Article 9. The obligations of this Section 9.3 shall not apply to amounts paid in settlement of any claim, demand, action or other proceeding if such settlement is effected without the consent of the Indemnitor (unless the Indemnitor is deemed to have ceded control of the applicable Third Party claim under this Section 9.3) . The failure to deliver written notice to the Indemnitor within a reasonable time after the commencement of any such action, if prejudicial to its ability to defend such action, shall relieve the Indemnitor of any obligation to the Indemnitee under this Article 9 to the extent that the Indemnitor is materially prejudiced by such delay. It is understood that only IntelGenx or Par may claim indemnity under this Article 9 (on its own behalf or on behalf of its Indemnitees), and other Persons may not directly claim indemnity hereunder.

9.4 **Other Product Liability Claims** . To the extent either Party incurs any Liabilities arising from or in connection with any product liability claim with respect to a Product to the extent arising from the actions not subject to the indemnity obligations set forth in Sections 9.1 or 9.2 (a " **Product Claim** "), each Party shall be liable for such portion of the Liabilities in accordance with such Party's allocation of the Net Profits pursuant to Section 5.5.1; provided, however, that such Liabilities shall be shared initially by offsetting against the portion of Net Profits otherwise payable or retained pursuant to Section 5.5.1 and in the event of any shortfall thereafter, each Party's share thereof shall be paid in accordance with such allocation. Par shall have sole control in addressing, defending, managing and conducting any negotiations, litigation, threatened litigation or settlement regarding such Product Claim, using counsel of its choice. In the event that Par does not respond to any Product Claim against IntelGenx within (a) sixty (60) days following the notice of such claim or (b) ten (10) days before the time limit, if any, set forth in the appropriate laws and regulations for the filing of a response to such Product Claim, whichever comes first, IntelGenx shall have the right to control any such Product Claim, using counsel of its own choice. In the event of a Product Claim, IntelGenx shall cooperate fully with Par, including, if a party in such Product Claim, the furnishing of a power of attorney to defend IntelGenx in such litigation in IntelGenx name and/or being named as a party for the purposes of any cross claim or counterclaim, and Par shall keep IntelGenx and/or IntelGenx designated legal counsel reasonably informed as to the progress of such action. Neither Party shall enter into any settlement of a Product Claim, without the prior written consent of the other, such consent not to be unreasonably withheld, delayed or conditioned.

9.5 **Exclusive Remedy** . The rights of the Par Indemnitees and the IntelGenx Indemnitees under this Article 9 shall be the sole and exclusive remedy of the Par Indemnitees and the IntelGenx Indemnitees, as the case may be, with respect to matters covered hereunder.

ARTICLE 10. LIMITATION OF LIABILITY

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, EXCEPT WITH RESPECT TO A BREACH OF ARTICLE 7 HEREOF AND EXCEPT WITH RESPECT TO AMOUNTS PAYABLE ON LIABILITIES PURSUANT TO THE INDEMNIFICATION OBLIGATIONS SET FORTH IN ARTICLE 9, NO PARTY SHALL BE LIABLE TO THE OTHER FOR ANY CONSEQUENTIAL, INCIDENTAL OR INDIRECT DAMAGES, INCLUDING FOR LOST PROFITS, OR LOSS OF OPPORTUNITY OR USE OF ANY KIND SUFFERED BY THE A PARTY, WHETHER IN CONTRACT, TORT OR OTHERWISE.

ARTICLE 11. TERM AND TERMINATION

11.1 **Term** . Unless earlier terminated pursuant to this Article 11, the term of this Agreement in respect a Product or AG Product, as applicable, shall continue in force from the Effective Date until the latter of (a) the end of the commercial life of such Product or AG Product or (b) the date that is ten (10) years following the earlier of Commercial Launch of such Product and the first commercial sale of such AG Product by Par, its Affiliate or a permitted sublicensee (the " **Term** ").

11.2 **Termination for Breach** . Either Party may terminate this Agreement, or suspend performance under this Agreement upon written notice to the other Party at any time during the Term of this Agreement, if the other Party is in material breach of this Agreement and such other Party has not cured such material breach within forty-five (45) days after notice requesting cure of the breach; provided, however, that if the pertinent breach is not capable of cure within forty- five (45) days, but is capable of cure, and the breaching Party has promptly commenced, and is and continues diligently pursuing in good faith the remedy of any such breach, then such cure period shall be extended for such period as may be reasonably required to effectuate such cure; provided further, however, that if such breach is not capable of cure, the non-breaching Party may terminate this Agreement, or suspend performance under this Agreement immediately by delivery of written notice thereof to such breaching Party.

11.3 Termination by Par.

11.3.1 Par may terminate this Agreement in respect of a Product upon delivery of written notice to IntelGenx if:

(a) the [***] for such Product is deemed unsuccessful in accordance with Section 2.4.3, and IntelGenx conducts an additional [***] for such Product Study that is also unsuccessful (as determined in accordance with Section 2.4.3) .

(b) the Pivotal Bioequivalence Study for such Product fails to demonstrate that such Product is bioequivalent to the applicable Brand Product and (i) Par does not elect to conduct an additional Pivotal Bioequivalence Study for such Product pursuant to Section 2.4.4 within sixty (60) days after such failure or (ii) after such election, such additional Pivotal Bioequivalence Study for such Product fails again to demonstrate that such Product is bioequivalent to the applicable Brand Product;

(c) Par is not the sole First Applicant with respect to the Product ANDA for such Product;

(d) at any time after the conclusion of Patent Litigation for such Product, such Product has become economically unviable; or

(e) following Commercial Launch of such Product, total Net Profits of such Product reach a level that is equal to or less than fifteen percent (15%) of Par's (and its Affiliates') Net Sales of such Products and such conditions persist for a period of two (2) or more consecutive Calendar Quarters;

and, in each case, Par is not, at the time, pursuing the commercial sale of an AG Product in respect of such Product.

11.4 **Effect of Expiration or Termination** . Expiration of the Term or termination of this Agreement for any reason shall be without prejudice to:

11.4.1 IntelGenx's right to receive all payments due and payable from Par as of the effective date of such termination, if any, pursuant to the terms of this Agreement;

11.4.2 Par's right to sell, at its option, the Product remaining in its inventory at the time of termination (in which event, Net Profits on such sales shall continue to be shared as set forth above in Section 5.5); and

11.4.3 Any other legal, equitable, or administrative remedies as to which either Party is or may become entitled.

11.4.4 In the event that Par wishes to terminate this Agreement in respect of a Product pursuant to Section 11.3.1(e), Par's written notice thereof shall be deemed an offer by Par to transfer its right, title, interest, ownership and/or control of the Product ANDA for such Product and all Intellectual Property to the extent solely and exclusively related to such Product to IntelGenx; and IntelGenx shall have the right, at its sole discretion, to accept such offer by delivering written notice thereof within twenty (20) business day following receipt of such Termination Notice. In the event of such acceptance, (i) IntelGenx shall (x) assume and/or be responsible for, at its own expense, all activities necessary to continue the commercialization of such Product, as well as any Liabilities deriving therefrom, including the obligation to defend, indemnify and hold harmless each Par Indemnitee from any Liabilities asserted against Par for such commercialization by IntelGenx, and (y) pay Par a royalty equal to [***] of net amount received by IntelGenx from the sale of such Product; and (ii) Par shall have no further obligation to indemnify IntelGenx in respect of such Product pursuant to Section 9.2 or 9.3. Each Party shall reasonably cooperate with each other in connection herewith, including negotiating in good faith appropriate documentation addressing the provisions in this Section 11.4.4.

11.5 **Survival** . In addition to specific indications throughout this Agreement that Articles and Sections of this Agreement shall survive expiration and termination of this Agreement, Articles 1, 7, 9, 10, 12, 13, Sections 5.5.3, 5.5.4, 6.3, 11.4, this Section 11.5, 11.6], and any other provisions necessary and proper to give effect to the intention of the Parties as to the effect of the Agreement after termination shall survive any expiration or termination of this Agreement. In addition, unless otherwise expressly set forth herein, no expiration or termination of this Agreement shall have any effect on any payment, obligation accruing or arising prior to such expiration or termination.

11.6 **Accrued Rights and Surviving Obligations** . The termination of this Agreement for any reason or expiration of the Term shall be without prejudice to any rights that shall have accrued to the benefit of either Party prior to such termination or expiration, including any damages arising from any breach hereunder. Such termination or expiration shall not relieve either Party from obligations which are expressly indicated to survive termination or expiration of this Agreement.

ARTICLE 12. INSURANCE

12.1 Each Party shall obtain and maintain at all times during the Term, prudent comprehensive general liability coverage appropriate to its activities with reputable and financially secure insurance carriers to cover its activities related to this Agreement. Additionally such insurance coverage shall include product liability coverage of an appropriate amount, not less than five million US dollars ($5,000,000) per occurrence, for so long as a Product is being sold pursuant to this Agreement. Notwithstanding the foregoing, if a Party is a the Manufacturer for a Product, no later than the date of the FDA's final approval of the ANDA for such Product, such Party shall, at its own cost and expense, obtain and maintain in full force and effect at all times during the Term, and for a period of three (3) years thereafter:

(a) commercial general liability insurance covering bodily injury and property damage with limits no less than Two Million Dollars ($2,000,000) per occurrence and Five Million Dollars ($5,000,000) in the aggregate; and

(b) products and completed operations liability insurance (including coverage for all Product used in clinical trials) with limits no less than (i) Five Million Dollars ($5,000,000) per occurrence and Twenty Million Dollars ($20,000,000) in the aggregate.

12.2 All of the foregoing insurance policies shall be obtained from an insurance carrier or carriers having a current A.M. Best rating of at least A- Class VIII.

12.3 Upon execution of this Agreement and annually thereafter upon request, each Party shall provide to the other Party with a certificate of insurance evidencing such coverage. Each Party shall provide the other Party with written notice within thirty (30) days' of any material change in the terms or coverage of such insurance policies or their lapse, cancellation or termination.

12.4 All insurance policies obtained by either Party pursuant to this Agreement shall be primary and not contributing to any other insurance, self-insurance or captive insurance maintained by the other party to the extent of such Party's indemnification obligations hereunder; provided, however, that notwithstanding the foregoing, the insurance policies required under this Section 12 shall not be construed to limit either Party's liability with respect to its indemnification obligations under this Agreement.

ARTICLE 13. MISCELLANEOUS

13.1 **Interpretation and Construction** . Unless the context of this Agreement otherwise requires, (i) the terms " **include** ," " **includes** ," or " **including** " shall be deemed to be followed by the words " **without limitation** " unless otherwise indicated; (ii) words using the singular or plural number also include the other; (iii) the terms " **hereof** ," " **herein** ," " **hereby** ," and derivative or similar words refer to this entire Agreement; (iv) the terms " **Article** ," " **Section** " and " **Exhibit** " refer to the specified Article, Section and Exhibit of this Agreement, and (v) words of any gender include each other gender. Whenever this Agreement refers to a number of days, unless otherwise specified, such number shall refer to calendar days. The headings and paragraph captions in this Agreement are for reference and convenience purposes only and shall not affect the meaning or interpretation of this Agreement. This Agreement shall not be interpreted or constructed in favor of or against either Party because of its effort in preparing it.

13.2 **Independent Contractor Status** . It is understood and agreed that nothing in this Agreement nor any agreements related hereto is intended to nor shall create a partnership between the Parties. The Parties are independent contractors and are engaged in the operation of their own respective businesses, and neither Party is to be considered the agent, partner, joint venturer or employee of the other Party for any purpose whatsoever and neither Party shall have any authority to enter into any contracts or assume any obligations for the other Party nor make any warranties or representations on behalf of that other Party.

13.3 **Waiver** . The waiver by either Party of a breach of any provision contained herein shall be in writing and shall in no way be construed as a waiver of any succeeding breach of such provision or the waiver of the provision itself.

13.4 **Assignment** . This Agreement shall be binding upon and inure to the benefit of each of the Parties and their respective successors and approved assigns; provided, however, that IntelGenx may not assign this Agreement without the prior written consent of Par, unless such assignment is in connection with a merger or acquisition or sale of all or substantially all of the assets of IntelGenx to which this Agreement relates. Par may assign this agreement at its sole discretion, subject to Section 3.1.1. Without in anyway limiting the preceding, each Party shall provide notice of any assignment of this Agreement to the other Party. Any assignment of this Agreement not in accordance with this provision shall be null and void.

13.5 **Modification** . This Agreement may not be changed, modified, amended or supplemented except by an express written instrument signed by both Parties.

13.6 **Severability** . If any provision of this Agreement shall be held illegal or unenforceable, such provision shall be limited or eliminated to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect and enforceable.

13.7 **Further Assurances and Litigation Cooperation** . Each Party hereto agrees to execute, acknowledge and deliver such further instruments and documents, and to do all such other acts, as may be reasonably necessary or appropriate in order to carry out the purposes and intent of this Agreement. Each Party shall invoice the other Party for all charges, costs and expenses which are the responsibility of the other Party, which shall be paid within thirty (30) days of receipt of such invoice. Each Party hereto agrees to provide all reasonable cooperation to the other Party, including providing documents and making its employees (and former employees) and contractors available for discussion and available for testimony, in connection with any litigation or regulatory proceedings (including citizens petitions) related to the Products or related Third Party products (such as competing products).

13.8 **Notices** . Any notice or other communication to be given under this Agreement by any Party to any other Party shall be in writing and shall be either (a) personally delivered, (b) mailed by registered or certified mail, postage prepaid with return receipt requested, (c) delivered by overnight express delivery service or same-day local courier service, or (d) delivered by telex or facsimile transmission (followed by a copy by the preceding (a), (b) or (c)), to the address of the applicable Party as set forth below, or to such other address as may be designated by the Parties from time to time in accordance with this Section 13.8. Notices delivered personally, by overnight express delivery service or by local courier service shall be deemed given as of actual receipt. Mailed notices shall be deemed given three (3) business days after mailing. Notices delivered by telex or facsimile transmission shall be deemed given upon receipt by the sender of the answerback (in the case of a telex) or transmission confirmation (in the case of a facsimile transmission) if transmitted before 5:00p.m. (recipient's local time) on a business day, and otherwise on the following business day.

If to IntelGenx:
lntelGenx Corp.
6425 Abrams
Ville St-Laurent (Quebec) H4S 1X9
Canada
Attention: President and CEO Facsimile Number: (514) 331-0436

If to Par:
Par Pharmaceutical, Inc.
300 Tice Boulevard
Woodcliff Lake, NJ 07677
Attention: General Counsel
Facsimile Number: (201) 802-4600

13.9 **Governing Law and Jurisdiction** . This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to the conflicts of law provisions thereof with the exception of Sections 5-1401 and 5-1402 of the New York General Obligations Law. The Parties irrevocably agree that the State and Federal Courts located in the State, City, and County of New York, shall have exclusive jurisdiction to deal with any disputes arising out of or in connection with this Agreement and that venue is proper in such Courts. Each Party hereby expressly consents and submits to the personal jurisdiction of Federal and State Courts in the State, City and County of New York. The UN Convention on Contracts for the International Sale of Goods shall not apply to this Agreement.

13.10 **Force Majeure** . A Party shall not be liable for non performance or delay in performance to the extent that such non performance or delay in performance is not due to its negligence and is caused by any event reasonably beyond the control of such Party, including wars, hostilities, revolutions, riots, civil commotion, national emergency, unavailability of supplies, epidemics, fire, flood, earthquake, force of nature, explosion, terrorist act, embargo, or any other Act of God, or any law, proclamation, regulation, ordinance, or other act or order of any court, Governmental Authority (each a " **Force Majeure Event** ").

In the event that either Party is prevented from discharging its obligations under this Agreement on account of a Force Majeure Event, such Party shall notify the other forthwith, and shall nevertheless use Commercially Reasonable Efforts to discharge its said obligations, even if in a partial or compromised manner. If either Party is unable to perform its obligations hereunder as a result of a Force Majeure Event for a period of nine (9) months or greater, then the other Party shall have the right, upon its issuance of notice to the other Party, to terminate this Agreement.

13.11 **Entire Agreement** . This Agreement and any Exhibits attached hereto constitute the entire agreement between Par and IntelGenx with respect to each Products and AG Product and supersede all prior representations, understandings and agreements with respect to such Product and AG Product. This Agreement and any Exhibits attached hereto shall prevail over those of any purchase order, agreement, or other document or understanding of any kind pertaining to such sale.

13.12 **Counterparts** . This Agreement may be executed in one or more counterparts, including by transmission of facsimile or PDF copies of signature pages, each of which shall for all purposes are deemed to be an original and all of which shall constitute on instrument.

13.13 **Third Party Beneficiaries** . Except as expressly provided herein, nothing in this Agreement, either express or implied, is intended to or shall confer upon any Third Party any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

13.14 **Cumulative Rights** . The rights and remedies of each of the Parties under or pursuant to this Agreement are cumulative, may be exercised as often as such Party considers appropriate and are in addition to its rights and remedies under general law.

IN WITNESS WHEREOF, the Parties have executed this Development and Commercialization Agreement to be effective as of the Effective Date.

PAR PHARMACEUTICAL, INC.

By: _____
Paul V. Campanelli, Chief Executive Officer

INTELGENX CORP.

By: _____
Horst Zerbe, Chief Executive Officer

Exhibit A
Products

[***]

Exhibit B

Listing of Activities Associated with the Development of an ANDA

1. Reference Listed Drug evaluation

    a. Drug product literature search
    b. Physico-chemical characterization of RLD
    c. Perform 3 month elevated temperature stability tests if deemed necessary
    d. Evaluate innovator container/closure system
    e. Evaluate RLD impurity, stability profile evaluation (exposure to heat, light, oxygen, acid and base)
    f. Define packaging component specifications

2. Analytical Development

    a. Develop stability indicating assay methods for active ingredients, and other specific excipients, where possible
    b. Author all analytical test procedures for raw materials, packaging components and finished product

3. Container/Closure System Evaluation

    a. Review supplier specifications for all packaging (container/closure, filler, desiccant) components
    b. Establish packaging components (container/closure filler, desiccant) specifications
    c. Perform container/closure integrity studies and issue final report
    d. Perform light penetration studies, where applicable, and issue final report

4. Raw Materials and packaging materials

    a. Determine level of impurities/degradants allowed for active drug substance
    b. Establish incoming specifications for raw materials, packaging components, and labeling

5. Drug Development

    a. Develop the formulation composition and process, identifying critical processing parameters
    b. Establish master batch process (“Master Formula”), having all elements needed to assure compliance with cGMPs
    c. In collaboration with the manufacturer, develop processing narrative with key aspects for the production process
    d. Develop product stability criteria and provide justification for all stability criteria
    e. Establish developmental and commercial stability protocols
    f. Perform comparative impurity assessment between innovator and proposed product if required to justify stability of the product
    g. Perform a literature based product safety assessment (required when product impurity profiles exceed or differ from that of the innovator)
    h. Establish physicochemical equivalence between the product and RLD

i. Provide a comparison of the qualitative/quantitative composition of proposed product and RLD formulation
j. Write Product Development Report explaining the development approach justifying API grade, excipient, process, process parameters, and batch size.
k. Provide assistance during the PAI, if needed.
l. Provide technical support as needed during patent litigation.

6. Bioequivalence Pilot Study

a. Evaluate and Recommend bioequivalence pilot study design to improve probability of success.

Exhibit C

Technology Transfer Materials

1. Information about raw materials including quantities and grades
2. Analytical method validated for finished product in collaboration with Par
3. Formulation for high and low dose
4. Ink and packaging identification (to be performed in collaboration with manufacturer)
5. Formulation development report
6. Process flow diagram
7. Informal stability data

Exhibit D

Net Profit Report

	Month x	Month y	Month z	X
Units				
PRODUCT X				$ -
Total Units	**$ -**	**$ -**	**$ -**	**$ -**
Gross Sales				
PRODUCT X				$ -
Total Gross Sales	**$ -**	**$ -**	**$ -**	**$ -**
Accrued Sales Credits				
Rebates				$ -
Admin Fees				$ -
Trade and Quantity Discounts				$ -
Chargebacks				$ -
Returns				$ -
Price Adjustments				$ -
Medicaid				$ -
Cash Discounts				$ -
Total Accrued Sales Credits	**$ -**	**$ -**	**$ -**	**$ -**
Net Sales				
PRODUCT X				$ -

Total Net Sales		**$ -**	**$ -**	**$ -**	**$ -**
Acquisition Cost					
PRODUCT X	$xx.xx				$ -
Total Cost of Goods Sold		**$ -**	**$ -**	**$ -**	**$ -**
Less: Marketing Cost Allowance					$ -
Net Profit		**$ -**	**$ -**	**$ -**	**$ -**
Profit Split to Partner	**xx%**	**$ -**	**$ -**	**$ -**	**$ -**
Sales Allowance Roll forward					
Beginning Balance		$ -	$ -	$ -	$ -
Accrued Sales Credits					$ -
Processed Credits					$ -
Ending Balance		**$ -**	**$ -**	**$ -**	**$ -**

Exhibit E

[***]

Exhibit 23.1

RICHTER

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 of IntelGenx Technologies Corp. of our report dated March 10, 2014 relating to our audits of financial statements of IntelGenx Technologies Corp. as of and for the years ended December 31, 2013 and 2012 appearing in this Annual Report on Form 10-K of IntelGenx Technologies Corp. for the year ended December 31, 2013.

Richter LLP

Montréal, Québec,
Canada
March 10, 2014

[1] CPA auditor, CA, public accountancy permit No. A110982

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Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Rajiv Khosla, certify that:

1. I have reviewed this Annual Report on Form 10-K of IntelGenx Technologies Corp. for the year ended December 31, 2013;

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 registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer 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 15d – 15f) for the registrant 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 registrant, 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 registrant'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 registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant'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 registrant'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 registrant's internal control over financial reporting.

March 11, 2014

By: /s/ *Rajiv Khosla*
Rajiv Khosla
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Paul A. Simmons, certify that:

1. I have reviewed this Annual Report on Form 10-K of IntelGenx Technologies Corp. for the year ended December 31, 2013;

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 registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer 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 15d – 15f) for the registrant 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 registrant, 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 registrant'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 registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's certifying other officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant'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 registrant'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 registrant's internal control over financial reporting.

March 11, 2014

By: /s/ *Paul A. Simmons*
Paul A. Simmons
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

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

In connection with the Annual Report of IntelGenx Technologies Corp. (the "Company") on Form 10-K for the year ended December 31, 2013 as filed with the Securities and Exchange Commission (the "Report"), I, Rajiv Khosla, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report 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 Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

March 11, 2014

By: /s/ *Rajiv Khosla*
Rajiv Khosla
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

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

In connection with the Annual Report of IntelGenx Technologies Corp. (the "Company") on Form 10-K for the year ended December 31, 2013 as filed with the Securities and Exchange Commission (the "Report"), I, Paul A. Simmons, Principal Financial and Accounting Officer of the Company, certify, pursuant to 18 U.S.C. §. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report 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 Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

March 11, 2014

By: /s/ *Paul A. Simmons*
Paul A. Simmons
Chief Financial Officer
(Principal Financial and Accounting Officer)