

Unofficial Translation

IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and  
Newfoundland

AND IN THE MATTER OF  
THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF  
APPLICATIONS

AND IN THE MATTER OF Phoenix International Life Sciences Inc.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Makers") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and Newfoundland (the "Jurisdictions") have received an application from Phoenix International Life Sciences Inc. ("Phoenix") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that Phoenix be exempted from both the requirement to file interim financial statements for the period ended February 29, 2000 and to mail these Financial Statements to its registered security holders;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), la Commission des valeurs mobilières du Québec is the principal regulator for this application;

AND WHEREAS Phoenix has represented to the Decision Maker that:

1. Phoenix is a corporation existing under the *Canada Business Corporations Act*.
2. Phoenix's fiscal year end is August 31.
3. Phoenix is authorized to issue an unlimited number of common shares (the "Phoenix Shares"), of which 28,344,802 Phoenix Shares were issued and outstanding on March 9, 2000.
4. Phoenix is a reporting issuer or the equivalent under the Legislation in each of the provinces of Canada and the Phoenix Shares are listed for trading on the Toronto Stock Exchange and the Nasdaq National Market.
5. On March 10, 2000, MDS Inc. (the "Offeror") made a take-over bid (the "Offer") to purchase all the outstanding Phoenix Shares.
6. On March 27, 2000, the Offeror extended the Offer to April 7, 2000.
7. On April 7, 2000, approximately 97% of Phoenix Shares had been tendered to the Offer.

8. The Offeror has notified Phoenix, on April 19, 2000, that he has taken up and paid for all of the Phoenix Shares tendered under the Offer and, pursuant to the compulsory acquisition procedure set forth in Section 206 of the *Canada Business Corporations Act*, mailed its compulsory acquisition documents to the dissenting shareholders.

9. As soon as the transaction will be completed, the Offeror intends to make application to the various applicable securities regulatory authorities to terminate Phoenix's reporting issuer status. Therefore, it is unnecessary and a waste of money to prepare those interim financial statements.

10. Phoenix has no other securities outstanding.

11. Phoenix is a reporting issuer and has not defaulted on any of its duties pursuant to the Legislation.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE Decision of the Decision Makers under the Legislation is that the requirement contained in the Legislation to file the Financial Statements for the period ended February 29, 2000 and to concurrently send these Financial Statements to the registered holders of its securities shall not apply to Phoenix.

Dated on "April 28", 2000

Me Jacques Labelle  
Directeur général et  
chef de exploitation