

December 3, 2007

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, QUÉBEC, ONTARIO,
NEW BRUNSWICK, NOVA SCOTIA, PRINCE EDWARD ISLAND, NEWFOUNDLAND
AND LABRADOR (the "JURISDICTIONS")

AND

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

AND

IN THE MATTER OF
PROMETIC LIFE SCIENCES INC. (the "ISSUER")

AND

IN THE MATTER OF
NANUQ INVESTMENTS LTD.
(the "PURCHASER" and, together with the Issuer, the "FILERS")

MRRS Decision Document

Background

1. The local securities regulatory authority or regulator (the "**Decision Maker**") in each of the Jurisdictions has received an application from the Issuer (the "**Issuer Application**") for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that:

(a) this decision and the Issuer Application and Purchaser Application (as defined below) made in respect thereto (collectively, the "**Confidential Materials**") be held in confidence by the Decision Makers until the occurrence of the earliest of the following:

(i) the date on which a supplement ("**Prospectus Supplement**") to the base shelf prospectus is filed by the Issuer describing the terms of the equity purchase agreement (the "**Agreement**") entered into between the Issuer and the Purchaser;

(ii) the date the Issuer advises the Decision Makers that there is no longer any need to hold the Confidential Materials in confidence;
and

(iii) 90 days after the date of this decision;

(b) a decision pursuant to section 8.1 of National Instrument 44-101 ("**NI 44-101**") and section 11.1 of National Instrument 44-102 ("**NI 44-102**") that the requirements to include the following information in a prospectus (collectively, the "**Prospectus Form Requirements**") do not apply to the Issuer in connection with the distribution or distributions (the "Distribution") by the Issuer of its subordinate voting shares (the "**Shares**") through the Purchaser, as underwriter, to purchasers ("**TSX Purchasers**") who purchase Shares directly from the Purchaser on the Toronto Stock Exchange ("**TSX**") during the period (the "**Distribution Period**") that commences on the date of commencement of the pricing period under a draw down notice delivered under the Agreement and ends on the date that is the earlier of

A. the date on which the Purchaser notifies the Issuer that the distribution of the Shares purchased from the Issuer on the date of settlement (the "**Settlement Date**") has ended; and

B. the 40th day after the Settlement Date:

(i) the statement respecting statutory rights of withdrawal and rescission or damages in the form prescribed in item 20 of Form 44-101F1 of NI 44-101 ("**Form 44-101F1**"), provided the following is substituted therefor:

Securities legislation in the Jurisdictions provides purchasers with the right to withdraw from an agreement to purchase securities and with remedies for rescission (and, in the province of Québec, price revision) or damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment are not delivered to the purchaser, provided that the remedies are exercised by the purchaser within the time limit prescribed by securities legislation.

However, TSX Purchasers of Shares will not have any right to withdraw from an agreement to purchase the Shares and will not have remedies of rescission, price revision or damages for nondelivery of the Prospectus because the Prospectus relating to Shares purchased by a TSX Purchaser will not be delivered as permitted under an MRRS decision document dated •, 2007.

Securities legislation in the Jurisdictions also provide purchasers with remedies for rescission (and, in the province of Québec, price revision) or damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment contain a misrepresentation, provided that the remedies are exercised by the purchaser within the time limit prescribed by

securities legislation. Any remedies under securities legislation in the Jurisdictions that a TSX Purchaser of Shares may have against the Issuer or the Purchaser for rescission, price revision or damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment contain a misrepresentation remain unaffected by the non-delivery of the Prospectus and the MRRS decision referred to above.

TSX Purchasers should refer to the applicable provisions of the securities legislation and the MRRS decision referred to above for the particulars of their rights or consult with a legal adviser; and

(ii) in respect of NI 44-102:

(A) the second sentence of the disclosure required by section 5.5.2;

(B) the statement in section 5.5.3;

2. The Decision Maker in each of the Jurisdictions has received an application from the Purchaser (the "**Purchaser Application**") for a decision under the Legislation that:

(a) the requirement in the Legislation that prohibits a person or company from trading in a security or acting as an underwriter unless the person or company is registered as a dealer, or is registered as a salesperson or as a partner or as an officer of a registered dealer and is acting on behalf of the dealer (the "**Registration Requirement**") does not apply to the Purchaser, Innerkip Capital Management Inc. ("**Innerkip**") or the directors, officers or employees of the Purchaser or Innerkip in connection with the Distribution; and

(b) the requirement in the Legislation that a dealer not acting as agent of the purchaser who receives an order to subscribe for or purchase a security offered in a distribution deliver to the purchaser or its agent the prospectus and any amendment thereto or not later than the second working day after the subscription or purchase (the "**Prospectus Delivery Requirement**") does not apply to the Purchaser or to dealers through whom the Purchaser distributes the Shares and consequently no rights of withdrawal or rights of rescission, price revision or damages for non-delivery of the Prospectus arise;

3. Under the Mutual Reliance Review System for Exemptive Relief Applications:

(a) the Autorité des marchés financiers is the principal regulator for this application; and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

4. Defined terms contained in National Instrument 14-101 – Definitions have the same meaning in this decision unless they are defined in this decision.

Representations

The Filers

5. The Purchaser is a corporation incorporated under the laws of the Cayman Islands.

6. The Purchaser has been established to purchase and sell, as principal, securities of public companies, including, without limitation, the purchase of equity securities pursuant to equity draw down facilities, as described below.

7. The Purchaser is not a reporting issuer in any jurisdiction of Canada or a registrant under the U.S. securities legislation

8. Innerkip, a corporation incorporated under the laws of Ontario, is registered with the Ontario Securities Commission as an investment counsel portfolio manager and limited market dealer and is the investment adviser and investment manager to the Purchaser. Innerkip makes decisions to purchase and sell securities on behalf of the Purchaser pursuant to authority granted by the Purchaser to Innerkip to fully manage certain accounts of the Purchaser.

9. Innerkip is not a TSX participating organization.

Proposed Distribution of Shares

10. The Purchaser is proposing to enter into the Agreement with the Issuer, under which the Purchaser would agree to purchase up to C\$15 million of Shares over a defined period not to exceed two years in a series of draw downs.

11. The Agreement will provide that during the term of the Agreement neither the Purchaser nor any of its affiliates will sell Shares other than those (i) that the Purchaser reasonably expects to have the obligation to purchase under the terms of the Agreement, or (ii) held in any accounts directly or indirectly managed by the Purchaser.

12. Under the Agreement, the Purchaser will agree to purchase up to C\$15 million of Shares on terms that enable the Issuer to determine the timing and dollar amount of Shares the purchaser

will purchase. Specifically, the Issuer has the right, but not the obligation, to sell the Shares to the Purchaser, in a series of draw downs over two years.

13. The Issuer will determine how many Shares to sell within specific minimum and maximum dollar amounts for each draw down, subject to the aggregate maximum dollar amount under the Agreement. The number of Shares the Purchaser must purchase is determined by the dollar amount specified by the Issuer in its draw down notice.

14. When the Issuer gives the Purchaser notice that the Issuer intends to make a draw down under the Agreement, the Purchaser is obligated to purchase the dollar amount of Shares from the Issuer at a predetermined percentage discount from the daily volume weighted average price of the Shares over a period of trading days commencing no more than five trading days after the date of the draw down notice. The purchase obligation with respect to a trading day does not arise if the volume weighted average price on that trading day is less than the greater of the Floor Price (as defined below) and the floor price, if any, specified in the draw down notice.

15. The Agreement will provide that, at the time of each draw down notice and each sale of Shares, the Issuer will make a representation to the Purchaser that the Prospectus contains full, true and plain disclosure of all material facts relating to the Issuer and securities being distributed. The Issuer would therefore be unable to proceed with sales of Shares when it is in possession of undisclosed information that would constitute a material fact or a material change in respect of the securities.

16. If after the Issuer delivers a draw down notice to the Purchaser, the sale of the Shares specified in the notice, taking into consideration prior sales, would constitute a material fact or material change, the Issuer would have to suspend sales under the Agreement until either: (i) it had issued a press release and filed a material change report or amended the Prospectus; or (ii) circumstances had changed so that the sales would no longer constitute a material fact or material change.

17. In determining whether the sale of the number of securities specified in the draw down notice would constitute a material fact or material change, the Issuer will take into account a number of factors, including, without limitation: (i) the parameters of the draw down notice including the number of Shares proposed to be sold; (ii) the percentage of the outstanding subordinate voting shares that number represents; (iii) the difference between the recent market price of the subordinate voting shares and the floor price specified in the draw down notice; (iv) recent developments in the business, affairs and capital structure of the Issuer; and (v) prevailing market conditions generally.

18. After receipt of a draw down notice, the Purchaser may seek to sell the Shares purchased under the draw down, or engage in hedging strategies, in order to reduce the economic risk associated with the purchase of securities of the Issuer.

19. The Purchaser may, but is not obligated to, distribute the Shares on a non-fixed price basis to TSX Purchasers during the Distribution Period.

20. The Purchaser may be considered to be acting as an "underwriter" and a draw down under the Agreement may be considered to be an indirect distribution of Shares by the Issuer to TSX Purchasers with the Purchaser acting as the underwriter of the Distribution.

21. A person or company acting as an underwriter is subject to the Registration Requirement.

22. A dealer not acting as agent of the purchaser who sells securities offered in a distribution to which the prospectus requirement applies is subject to the Prospectus Delivery Requirement.

23. The Purchaser is seeking an exemption from the Prospectus Delivery Requirement on behalf of itself and dealers through whom it sells the Shares because TSX Purchasers will not be readily identifiable as the dealer acting on behalf of the Purchaser may combine the sell orders made under the prospectus with other sell orders and the dealer acting on behalf of a TSX Purchaser may combine a number of purchase orders.

24. The Purchaser will effect all sales of Shares during the Distribution Period, other than those made to a lender of Shares, through the TSX.

The Issuer

25. The Issuer is a corporation existing under the laws of Canada and a reporting issuer under the Legislation.

26. The Issuer and its subsidiaries are engaged in the development, manufacture and commercialization of products for the biopharmaceutical industry. The Issuer's registered and head office is located in Mount-Royal, Quebec.

27. The Issuer is authorized to issue an unlimited number of Shares of which 258,684,412 Shares were issued and outstanding as at September 30, 2007.

28. The Shares of the Issuer are listed and posted for trading on the TSX.

29. As at September 30, 2007, the aggregate market value of the outstanding Shares was \$97,006,654.50.

30. The Issuer is eligible to file a short form prospectus under NI 44-101.

31. The Issuer has filed a base shelf prospectus (the "**Base Shelf Prospectus**") dated November 3, 2006 under the Legislation and (a) within two business days after entering into the Agreement will file the Prospectus Supplement relating to the distribution of the Shares to the Purchaser and the Distribution of the Shares to TSX Purchasers through the facilities of the TSX at the market price at the time of sale; and (b) within two business days after the end of the pricing period with respect to each draw down, will file a prospectus supplement (the "**Pricing Supplement**") disclosing the number of Shares sold pursuant to the draw down to the Purchaser and the price per Share.

32. The Issuer will issue a news release upon entering into the Agreement and will file the Agreement on SEDAR. The news release will disclose that the Base Shelf Prospectus and Prospectus Supplement have been filed on SEDAR and specify where and how Purchasers may obtain a copy. A copy of the news release will also be posted on the website of the Issuer.

33. The Base Shelf Prospectus, as supplemented by the Prospectus Supplement, as amended, (collectively, the "**Prospectus**") will qualify the Distribution of the Shares to TSX Purchasers during the Distribution Period.

34. The Base Shelf Prospectus, as supplemented by the Prospectus Supplement, as amended, and the Pricing Supplement will qualify the distribution of the Shares to the Purchaser as described in the Pricing Supplement.

35. The Prospectus Supplement will contain an underwriter's certificate in the form set out in section 2.2 (b) of Appendix B to NI 44-102 signed by the Purchaser.

36. The Issuer will disclose the number and price of Shares sold to the Purchaser under the Agreement in its annual financial statements and MD&A filed on SEDAR.

Decisions

37. 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 decisions has been met.

38. The decision of the Decision Makers under the Legislation is that:

(A) the Prospectus Form Requirements do not apply to the Issuer in connection with the Distribution so long as:

1. the number of subordinate voting shares distributed by the Issuer under one or more equity lines of credit, including the Agreement, during any 12-month period in the term of the Agreement does not exceed 10 per cent of the aggregate number of subordinate voting shares outstanding at the beginning of such 12-month period.

2. the Issuer issues a news release immediately

(a) upon entering into the Agreement, disclosing certain terms of the Agreement including the

(i) aggregate maximum issue price of the Shares that may be distributed under the Agreement, and

(ii) floor price ("**Floor Price**") per Share, being the lowest price not taking into account the draw down discounted percentage, at which the Issuer may sell Shares to the Purchaser under the

Agreement, which price may be adjusted by the Issuer and the Purchaser pursuant to the terms of the Agreement;

(b) upon amending the Floor Price if the amendment constitutes a material fact or material change as defined under the Legislation, disclosing the amended Floor Price; and

(c) upon delivery of a draw down notice to the Purchaser if the maximum dollar value of Shares the Purchaser may be obligated to purchase exceeds 2 percent of the aggregate market value of the subordinate voting shares issued and outstanding at the date of delivery of the notice.

3. the Issuer files the Prospectus Supplement that (a) qualifies (i) the distribution of the Shares to the Purchaser, and (ii) the distribution of the Shares to the TSX Purchasers during the Distribution Period; and (b) includes the disclosure required by subsection 9.1 (3) of NI 44-102.

4. the Issuer files a Pricing Supplement within two business days after the end of the pricing period with respect to each draw down disclosing the number of Shares sold pursuant to that draw down to the Purchaser and the price per Share.

5. the Issuer delivers to the Decision Makers and the TSX, upon request, a copy of each draw down notice delivered by the Issuer to the Purchaser under the Agreement.

6. the Issuer includes the statement set out in paragraph 1(b) B. (i) in the Prospectus Supplement.

(B) the Registration Requirement does not apply to the Purchaser, Innerkip or the directors, officers or employees of the Purchaser or Innerkip in connection with the Distribution so long as:

1. the Purchaser does not solicit offers to purchase the Shares in any of the Jurisdictions and effects all Distributions of Shares during the Distribution Period through the TSX using a dealer unaffiliated with the Purchaser or the Issuer;

2. no extraordinary commission or consideration is paid by the Purchaser to a person or company in respect of the Distribution of the Shares; and

3. the Purchaser makes available to the Decision Makers, upon request, full particulars of trading and hedging activities by the Purchaser (and, if relevant, trading and hedging activities by affiliates of the Purchaser) in relation to securities of the Issuer during the term of the Agreement.

(C) the Prospectus Delivery Requirement does not apply to the Purchaser or to dealers through whom the Purchaser distributes the Shares, and consequently no rights of withdrawal or rights of rescission, price revision or damages for non-delivery of the Prospectus arise under the Legislation, so long as the immediately preceding conditions 1 through 3 are met.

(D) the Confidential Materials will be held in confidence by the Decision Makers until the occurrence of the earliest of the following:

1. the date on which the Prospectus Supplement is filed by the Issuer;
2. the date the Issuer advises the Decision Makers that there is no longer any need to hold the Confidential Materials in confidence; and
3. 90 days after the date of this decision.

(E) this decision will terminate on the date that is 25 months after the date on which the Prospectus Supplement is filed in the Jurisdictions.

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Quebec Securities Commission

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Quebec Securities Commission

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Corporate Secretary
Quebec Securities Commission