

**CANADIAN MEDICAL DISCOVERIES FUND INC.
CANADIAN MEDICAL DISCOVERIES FUND II INC.**

(the “Funds”)

This notice is being provided to you for informational purposes only, and you are not required to take any action as a result of this transaction.

NOTICE OF CHANGE OF CONTROL

Jovian Capital Corporation (“Jovian”) has given notice that it intends to exercise its option to indirectly acquire 100% of the securities of Fairway Asset Management Corp. (“Fairway”). Fairway, indirectly, owns a majority interest in Medical Discovery Management Corporation, the manager of the Funds (the “Manager”). As a result of this direct change of control of Fairway, control of the Manager is also changing.

Jovian is a publicly-traded company listed on the TSX Venture Exchange (JVN). Jovian is a holding and management company with interests in a variety of financial service firms specializing in wealth and asset management. The Jovian group of companies operates as a national financial services organization with approximately \$12.0 billion of client assets. The Jovian group of companies provides wealth accumulation, asset protection and service solutions under a number of consumer brands. Jovian provides overall structure, strategic direction and management oversight, as well as economies of scale to each of its related companies.

Jove Investment Management Inc. (“Jove”) is the investment advisor to the Funds and Felcom Data Services Inc. (“Felcom”) is the registrar and transfer agent for the Funds. Jove and Felcom are wholly-owned subsidiaries of Jovian and therefore will be affiliates of the Manager. There are no anticipated changes to any of the service providers to the Funds.

This transaction, which is subject to applicable regulatory approvals, is currently expected to close in December 2006.

For more information about Jovian and the manager, please visit their websites at www.joviancapital.com and www.cmdf.com or review the Management Information Circular included in this package. If you have any questions concerning the transaction and its effect on the Funds, please call the Manager at 416.601.2440 or 1.866.299.7929.