

## Press Release

Toronto, Ontario, December 14, 2005 - Medical Discovery Management Corporation ("MDMC") announced that MDS Capital Corp. ("MDSCC") has signed an agreement under which Impax Capital Corp. or its affiliates ("Impax") will acquire all of the issued and outstanding shares of MDMC, the manager of Canadian Medical Discoveries Fund Inc. ("CMDF") and Canadian Medical Discoveries Fund II Inc. ("CMDF II" and together with CMDF, the "CMDF Funds"). MDMC has provided the management of the CMDF Funds since their inception, beginning with CMDF in 1994.

MDSCC is one of Canada's largest venture capital firms and is a leading North American venture capital company focused exclusively on investing and helping to build emerging life science companies. Its public retail funds and private institutional limited partnerships provide a continuum of value-added financing. The sale of its public retail funds is the first step in MDSCC's restructuring under new Chief Executive Officer Peter van der Velden, whose goal is to refocus MDSCC on venture capital investing for institutional investors in the health care sector.

Upon completion of this transaction, Impax will be the sole shareholder of MDMC, and MDMC will continue to manage the CMDF Funds under the existing management agreements. Impax is a specialty financial services firm that has been built upon the proven track record of its principals as leaders of innovation in the industry. Impax's principals have a wealth of experience in life sciences investment management, private equity, structured products and income trusts. "We are excited by the opportunity to further support venture capital investment in the life sciences sector, one of the fastest growing and most dynamic components of the economy," said Gord McMillan, Chairman of Impax.

"We are very pleased that the future management of MDMC will be under the guidance of Impax. They have an excellent team, and under their management, it is anticipated that the CMDF Funds will continue to operate as distinctly health care focused funds, thereby continuing to play a unique role in the overall funding landscape for emerging Canadian health care companies", said Peter van der Velden, President & Chief Executive Officer of MDSCC.

### **About Canadian Medical Discoveries Funds**

The CMDF Funds are labour sponsored venture capital investment funds ("LSIFs"). The primary objective of the CMDF Funds is to achieve long-term capital appreciation through investments in eligible Canadian businesses engaged in the health sciences sector. CMDF is Canada's most mature health science LSIF, with over \$230 million in managed assets. CMDF invests in businesses in all stages of development – from start-up through commercialization and expansion. Established in 1994 and available across Canada, CMDF has venture capital investments in approximately 80 companies involved in health sciences, biotechnology, diagnostics, medical devices, drug discovery and development, health care delivery services and e-health. With approximately \$20 million in managed assets, the companion fund, CMDF II, was established in 2002 and focuses on investments in the later stages of development.

This transaction, which is subject to all customary approvals including regulatory approval, is anticipated to close in the first quarter of 2006.

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