

Headnote:

Mutual Reliance Review System for Exemptive Relief Applications - Issuer has one beneficial equity holder - Issuer has five beneficial option holders and four beneficial warrant holders who are residents of Canada - issuer deemed to have ceased to be a reporting issuer.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am. s. 83.

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA, SASKATCHEWAN,
ONTARIO AND QUEBEC

AND

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

AND

IN THE MATTER OF
WARATAH PHARMACEUTICALS INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the **ADecision Maker@**) in each of Alberta, Saskatchewan, Ontario and Québec (the **AJurisdictions@**) has received an application from Waratah Pharmaceuticals Inc. (the **AFiler@**) for a decision under the securities legislation of the Jurisdictions (the **ALegislation@**) that the Filer be deemed to have ceased to be a reporting issuer or the equivalent under the Legislation;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the **ASystem@**), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS the Filer has represented to the Decision Makers that:

(a) The Filer is a reporting issuer in Alberta, Saskatchewan, Ontario and Québec

and has its head office in Toronto, Ontario.

- (b) Waratah Pharmaceuticals Inc., a predecessor company to the Corporation (the **Old Waratah**) was incorporated on April 20, 2000 pursuant to the laws of the Canada Business Corporations Act (the **ACBCA**).
- (c) On January 15, 2002, Old Waratah amalgamated with 3974863 Canada Inc. under a plan of arrangement (the **Arrangement**) under the CBCA and continued as the Filer.
- (d) The authorized share capital of the Filer consists of an unlimited number of common shares (the **Common Shares**) of which one common share is outstanding. The Filer also has 4,853,616 warrants (the **Warrants**) and 2,545,500 options (the **Options**) outstanding.
- (e) Pursuant to the Arrangement, shareholders of Old Waratah received 0.83333 of a common share of Transition Therapeutics Inc. (the **Transition**) for each common share of Old Waratah held. All outstanding warrants and options to acquire Old Waratah shares were cancelled and replaced with the Warrants and the Options, as applicable, on a one-for-one basis.
- (f) Each Warrant and Option is exercisable into Transition common shares with appropriate adjustments to the number of Transition common shares and on the same terms as to exercise time, exercise price and expiry and all other terms and conditions of such Old Waratah warrant or option, as applicable.
- (g) Transition is a reporting issuer in each of the Jurisdictions.
- (h) As a result of the Arrangement, Transition holds all of the Common Shares. There are twenty-one (21) beneficial holders of the Options, of which two (2) are residents of Ontario, two (2) are residents of Alberta, one (1) is a resident of Quebec, and sixteen (16) are non-Canadian residents. There are five (5) beneficial holders of the Warrants, of which one (1) is a resident of Ontario, two (2) are residents of Alberta, one (1) is a resident of British Columbia and one (1) is a non-Canadian resident.
- (i) The common shares of Old Waratah were delisted from the Canadian Venture Exchange on January 28, 2002 and no securities of the Filer are listed or traded on any exchange or market in Canada or elsewhere.
- (j) Other than the Common Shares, the Options and the Warrants, the Filer has no securities, including debt securities, outstanding.
- (k) The Filer does not intend to seek public financing by way of an issue of

securities.

- (l) To the best of its knowledge, the Filer is not in default of any requirements under the Legislation.

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

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 Filer cease to be a reporting issuer under the Legislation.

DATED on this 8th of March, 2002

AR. Stephen Paddon@

AH. Lorne Morphy.Q.C.@
