

Canadian Medical Discoveries Fund Inc. ("CMDF") and Canadian Medical Discoveries Fund II Inc.

Toronto, October 6, 2006 – Canadian Medical Discoveries Fund Inc. ("CMDF") and Canadian Medical Discoveries Fund II Inc. ("CMDF II") (together, the "CMDF Funds") announced today that they intend to propose to the shareholders of each fund that the CMDF Funds amalgamate and continue operations as Canadian Medical Discoveries Fund Inc. (the "Amalgamated Fund").

The proposed amalgamation has been approved by the board of directors of each of the CMDF Funds. Medical Discovery Management Corporation ("MDMC" or the "Manager"), the manager of each of the CMDF Funds, and the board of directors of each of the CMDF Funds, believe that the proposed amalgamation is in the best interests of shareholders and therefore recommends that shareholders of each of the CMDF Funds approve the amalgamation proposal.

The Amalgamated Fund's fundamental investment objective will be to achieve long-term capital appreciation through investment in eligible Canadian businesses engaged in the health sciences sector, with emphasis on those businesses involved in testing and development, or production and commercialization.

In addition to requiring the approval of the shareholders of each CMDF Fund, the proposed amalgamation is subject to regulatory approval. Shareholder meetings for each of the CMDF Funds are scheduled to be held on November 30, 2006. The shareholders of each CMDF Fund will be asked to vote on, among other things, a special resolution to approve the proposed amalgamation.

The proposed amalgamation contemplates a merger transaction whereby, among other things, shareholders of Class A shares of the CMDF Funds will be entitled to receive, in exchange for those shares, Class A, Series I shares of the Amalgamated Fund having substantially similar attributes and an equivalent value, all as determined on the effective date of the amalgamation.

Further details with respect to terms, conditions and benefits of the amalgamation will be outlined in the materials that will be provided or made available to shareholders in advance of the shareholders meetings.

The amalgamation and related changes are subject to regulatory approval and approval by the shareholders of each of the CMDF Funds. There can be no assurances that the amalgamation will be completed on the basis proposed or at all.

Appointment of New Investment Advisor

The CMDF Funds are pleased to announce the appointment of Jove Investment Management Inc. ("Jove") as the Investment Advisor to the Funds. Jove has a strong team of professionals that specialize in life sciences investment management. The members of that team who will be dedicated to the CMDF Funds include:

Michael Cross, MBA, Ph.D., Senior Vice President, Venture Investments, has more than 6 years of venture capital experience in life sciences. Dr. Cross also has a wide range of operational experience as COO, Managing Director and Vice-President positions in several public and private companies in the health sciences sector where he was instrumental in helping to build value and liquidity for shareholders.

Donna Parr, MA-IR, MBA, Senior Vice President, Venture Investments, has over 20 years of experience in venture capital, merchant banking, private equity, and corporate banking. Ms. Parr

helped found and is currently active in AceTech Ontario (the Academy of Technology CEOs) and Canadian Women in Private Equity.

Hemanth J. Varghese, BSc(Hons), Ph.D., Assistant Vice President & Senior Investment Analyst, prior to joining Jove was the Director of Pre-clinical Imaging and Corporate Development at the Robarts Research Institute in London where he had been focused on the commercialization of novel healthcare technologies for several years.

Benjamin Matthews, BSc(Hons), MS, Senior Investment Analyst, recently joined Jove after spending the last four years managing a wide range of biotechnology portfolios in the University Industry Liaison Office and Technology Transfer Department at the University of British Columbia. Prior to that, Mr. Matthews was a consultant for the Canadian Institutes of Health Research, Millennium Research Group, and the Hospital for Sick Children.

The appointment of the above-mentioned personnel is subject to regulatory approval, where applicable.

Change of Control of Medical Discovery Management Corp

As previously announced, Fairway Asset Management Corp. ("Fairway") acquired 100% of the securities of the Manager in January, 2006. Jovian Capital Corporation ("Jovian"), through a wholly owned subsidiary, acquired 100% of the Class "A" shares and 49% of the Class "C" shares of Fairway on May 9, 2006. Jovian has agreed to acquire the balance of the Class "C" shares of Fairway, and thereby, indirectly own 100% of the securities of the Manager, subject to customary approvals. It is anticipated that this change of control will be completed in December of 2006.

MDMC has provided the management of the CMDF Funds since their inception, beginning with CMDF in 1994, and will continue to manage the CMDF Funds under the existing management agreements.

Jovian is a publicly-traded company listed on the TSX Venture Exchange (JVN). Jovian is a management and holding 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 billion of client assets.

CMDF is Canada's most mature health science retail venture capital fund. Established in 1994 and available across Canada, CMDF has venture capital investments in more than 50 companies involved in health sciences, biotechnology, diagnostics, medical devices, drug discovery and development, health care delivery services and e-health.

Interested investors should contact their financial advisors, or call Medical Discovery Management Corp. at 416-601-2440.