

MATERIAL CHANGE REPORT

ITEM 1: REPORTING ISSUER

MDS Inc.
100 International Blvd.
Toronto, Ontario
M9W 6J6

ITEM 2: DATE OF MATERIAL CHANGE

April 6, 2000

ITEM 3: PRESS RELEASE

MDS Inc. ("MDS") issued a press release with respect to the material change on April 6, 2000. A copy of the press release is attached.

ITEM 4: SUMMARY OF MATERIAL CHANGE

MDS announced that the shareholders of Phoenix International Life Sciences Inc. ("Phoenix") have tendered approximately 97% of their common shares in Phoenix (the "Phoenix Shares") in favour of MDS' take-over bid (the "Offer") for all of the issued and outstanding Phoenix Shares. Accordingly, all conditions to the Offer have been satisfied. Under the terms of the Offer, MDS will begin to take up and pay for the Phoenix Shares on April 7, 2000.

ITEM 5: FULL DESCRIPTION OF MATERIAL CHANGE

MDS announced that the shareholders of Phoenix have tendered approximately 97% of their Phoenix Shares in favour of the Offer to purchase all of the issued and outstanding Phoenix Shares. Accordingly, all conditions to the Offer have been satisfied. Under the terms of the Offer, MDS will begin to take up and pay for the Phoenix Shares on April 7, 2000.

MDS intends to acquire the balance of the Phoenix Shares not tendered pursuant to the compulsory acquisition provisions of the *Canada Business Corporations Act*.

MDS also announced that its shares will begin trading on the New York Stock Exchange at market open on April 7, 2000 under the stock symbol "MDZ".

ITEM 6: RELIANCE ON CONFIDENTIALITY SECTION OF THE ACT

This filing is not being made on a confidential basis.

ITEM 7: OMITTED INFORMATION

None

ITEM 8: SENIOR OFFICER – FOR FURTHER INFORMATION CONTACT

Peter E. Brent
Senior Vice-President &
General Counsel and Corporate Secretary

ITEM 9: STATEMENT OF SENIOR OFFICER

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto this 7th day of April, 2000

MDS INC.

per: "Peter E. Brent"

Name: Peter E. Brent
**Title: Senior Vice-President &
General Counsel and
Corporate Secretary**

IT IS AN OFFENCE FOR A PERSON TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE ACT OR THIS REGULATION THAT AT THE TIME AND IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.

Schedule “A”

Phoenix Shareholders Accept MDS Offer to Purchase MDS Lists on NYSE

Toronto, Canada, April 6, 2000... MDS Inc. (TSE: MDS, NYSE: MDZ) is pleased to announce that the shareholders of Phoenix International Life Sciences Inc. (Phoenix) have tendered approximately 97% of their shares in favour of the purchase of Phoenix, and accordingly all conditions to the MDS offer have been satisfied. Under the terms of the offer MDS will begin taking up the Phoenix shares on April 7, 2000.

MDS will also begin trading on the New York Stock Exchange at market open on April 7th, under the stock symbol “MDZ”.

“ This is a day of growth milestones for MDS — the completion of the Phoenix acquisition and our listing on the NYSE all in one day. MDS is now positioned as a clear leader in the early stage through proof of concept stage in the contract research business. We are looking forward to growing our position in this exciting market,” said John Rogers, MDS President and CEO.

MDS Inc. (TSE: MDS, NYSE: MDZ) is an international health and life sciences company. In many of its products and services, it is among the largest and most respected companies in the world. MDS fights disease. It does this by providing: laboratory testing, imaging agents for nuclear medicine testing, sterilization systems for medical and consumer products, research services to speed discovery and development of new drugs, therapy systems for planning and delivery of cancer treatment, analytical instruments to assist in the development of new drugs, and medical / surgical supplies. MDS employs more than 8,500 highly skilled people at its global operations on four continents. Detailed information about the company is available at the MDS Web site at www.mdsintl.com or by calling 1-888-MDS-7222, 24 hours a day.

For Further Information Contact:

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