CERTIFIED RESOLUTIONS OF THE
BOARD OF DIRECTORS OF
MDS INC.

"**BE IT RESOLVED THAT:**

Approval of Underwriting Agreement

1. The engagement letter dated March 29, 1999 (the "Engagement Letter") between Yorkton Securities Inc. and MDS Inc. ("the Corporation") be ratified and approved.

2. The Corporation be and it is hereby authorized to enter into an underwriting agreement (the "Underwriting Agreement") among Yorkton Securities Inc., CIBC Wood Gundy Securities Inc., TD Securities Inc. and ScotiaMcLeod Inc. (collectively, the "Underwriters") and the Corporation as contemplated in the Engagement Letter.

3. Any one officer or director of the Corporation be and is hereby authorized and directed to execute, for and on behalf of the Corporation, and to deliver the Underwriting Agreement in such form as such officer or director may in his or her absolute discretion determine, the execution of such document in accordance with the provisions of this paragraph being conclusive evidence of such determination.

4. The issue and sale of 3,000,000 Class B Non-Voting Shares in the capital of the Corporation (the "Class B Non-Voting Shares"), at a price of $33.65 per share for aggregate gross proceeds of $100,950,000 on a bought deal basis and otherwise upon the terms and subject to the conditions set out in the Underwriting Agreement, be and the same are hereby authorized and approved.

5. The Corporation be and it is authorized to pay to the Underwriters, in accordance with the terms of the Underwriting Agreement, a fee equal to $1.346 for each Class B Non-Voting Share sold by the Underwriters in consideration of the financial, advisory and other services rendered and to be rendered by the Underwriters in connection with the transactions contemplated thereunder.

Short Form Prospectus

1. Authorization and approval is hereby given for the issuance and sale by the Corporation of 3,000,000 Class B Non-Voting Shares pursuant to a short form prospectus filed with the securities regulatory authorities in all of the provinces of Canada.

2. The preliminary short form prospectus (the "Preliminary Prospectus"), substantially in the form of the draft submitted to this meeting, and a (final) short

form prospectus (the “Final Prospectus”), substantially in the form of the Preliminary Prospectus relating to the issue and sale of 3,000,000 Class B Non-Voting Shares, are hereby approved, subject to such additions, deletions and changes as may be authorized by the directors and officers signing the certificate contained in each of the Preliminary Prospectus and the Final Prospectus, their signatures on each such certificate to be conclusive evidence of such authorization.

3. The President and Chief Executive Officer of the Corporation and the Senior Vice-President, Finance and Chief Financial Officer of the Corporation (or, if either or both of them are unavailable, such other officer or officers of the Corporation as the relevant securities commissions may permit) on behalf of the Corporation, and any two directors of the Corporation (other than such officers) on behalf of the board of directors of the Corporation, are hereby authorized to sign the certificate of the Corporation contained in each of the Preliminary Prospectus and the Final Prospectus.

4. The officers and directors referred to in paragraph 3 above are hereby authorized to sign the certificate in the French language version of each of the Preliminary Prospectus and the Final Prospectus subject to the receipt of favourable opinions of experts as to the adequacy of the French translation thereof and, if required, the documents incorporated by reference therein.

5. The incorporation by reference in the Preliminary Prospectus of: (a) the annual information form of the Corporation dated February 22, 1999; (b) the annual audited comparative consolidated financial statements of the Corporation for the year ended October 31, 1998, the auditor’s report thereon and the notes thereto and Management’s Discussion and Analysis of Operating Results and Financial Position as contained in the Corporation’s Annual Report for the year ended October 31, 1998; (c) the unaudited comparative consolidated financial statements of the Corporation for the three months ended January 31, 1999; and (d) the Management Proxy Circular dated January 4, 1999 in respect of the annual meeting of shareholders of the Corporation held on February 23, 1999, is hereby approved.

6. The incorporation by reference in the Final Prospectus of each of the documents incorporated by reference in the Preliminary Prospectus, together with such additional documents as may be required to be incorporated by reference in the Final Prospectus pursuant to applicable securities laws, is hereby approved.

7. The proper officers of the Corporation be and they are hereby authorized to file, or arrange for the filing, with the securities regulatory authorities in each of the provinces of Canada and with the Director appointed under the *Canada Business Corporations Act*, the Preliminary Prospectus, the Final Prospectus and such other documents and materials as are necessary for the purpose of obtaining receipts therefor.

Listing on The Toronto Stock Exchange

1. The making of an application by the Corporation for the listing and posting for trading on The Toronto Stock Exchange of an additional 3,000,000 Class B Non-Voting Shares be and it is hereby authorized, approved, confirmed and ratified.

General

1. The Corporation be and it is hereby authorized and directed to do and perform all such acts and things as may be necessary or desirable to implement the transactions described in the foregoing resolutions and any one officer or director of the Corporation be and is authorized and directed to execute and deliver, on behalf of the Corporation, all such instruments and agreements and to do and perform and come to be done and performed all such acts and things as may be necessary or desirable in connection therewith or to give effect to the foregoing resolutions."

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I, Peter E. Brent, Corporate Secretary of MDS Inc. (the "Corporation"), hereby certify for and on behalf of the Corporation, and not in my personal capacity, that the foregoing is a true and correct copy of resolutions of the directors of the Corporation which are in full force and effect and unamended as of the date hereof.

DATED this 8th day of April, 1999.

"Peter E. Brent"

Peter E. Brent