



Afexa Life Sciences Inc.

October 3, 2011

Dear Fellow Afexa Life Sciences Inc. Shareholder:

Your Board of Directors has carefully reviewed and considered the Increased Valeant Offer. Based on this review, the Board has voted unanimously to recommend that you accept the Increased Valeant Offer and tender your Common Shares to the Increased Valeant Offer.

The Board of Directors has unanimously accepted the Increased Valeant Offer for the following reasons:

- **The Increased Valeant Offer of \$0.85 per Common Share represents a 19.7% premium to the Valeant Offer of \$0.71 per Common Share and, before Paladin's announcement that it will not be taking up any Common Shares under the Amended Paladin Offer, a 4.9% premium to the \$0.81 cash consideration offered under the Amended Paladin Offer and a 5.6% premium to the Paladin share consideration offered under the Amended Paladin Offer based on the September 30, 2011 closing price of the Paladin shares.**
- **Scotia Capital Inc. has delivered a written opinion stating that the consideration offered for the Common Shares under the Increased Valeant Offer is fair, from a financial point of view, to Shareholders.**

For the above reasons, we recommend you accept the Increased Valeant Offer and tender your Common Shares to the Increased Valeant Offer.

Additionally, Paladin has announced that it will not take up any shares under the Amended Paladin Offer. If you have already tendered any of your Common Shares to the Amended Paladin Offer, you should withdraw them immediately. Shareholders who have tendered Common Shares to the Amended Paladin Offer and who wish to obtain advice or assistance in withdrawing their Common Shares are urged to contact their broker or Georgeson, the information agent retained by Afexa, at the telephone number or email address listed on the back of this letter. Georgeson is also available to respond to other enquiries regarding the information in the attached Notice of Change to Directors' Circular.

On behalf of the Board of Directors of Afexa, we thank you for your continued support.

Sincerely,

A handwritten signature in black ink that reads "Bill White".

William B. White

Chair of the Board and Interim Chief Executive Officer

A handwritten signature in black ink that reads "John A. Rogers".

John A. Rogers

Chair of the Special Committee

Shareholders requiring advice or assistance concerning the Increased Valeant Offer or the Amended Paladin Offer are urged to contact:

Georgeson

100 University Avenue
11th Floor, South Tower
Toronto, Ontario M5J 2Y1

North American Toll Free Number: 1-866-676-3005
Email: askus@georgeson.com