

This document is important and requires your immediate attention. If you are in doubt as to how to deal with it you should consult your investment dealer, stockbroker, bank manager, accountant, lawyer or other professional advisor.

No securities regulatory authority in Canada or in the United States has expressed an opinion about, or passed upon the fairness or merits of, the Offer or the adequacy of the information contained in this document and it is an offence to claim otherwise.

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made or directed to, nor will deposits be accepted from or on behalf of, Shareholders in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Shareholders in any such jurisdiction.

October 3, 2011



NOTICE OF VARIATION

1625907 ALBERTA LTD.

A CORPORATION WHOLLY-OWNED BY

VALEANT PHARMACEUTICALS INTERNATIONAL, INC.

OFFER TO PURCHASE FOR CASH

**ALL OF THE OUTSTANDING COMMON SHARES
(together with associated rights issued under the Shareholders Rights Plans)**

OF

AFEXA LIFE SCIENCES INC.

AT AN INCREASED PRICE OF \$0.85 FOR EACH COMMON SHARE

1625907 Alberta Ltd. (the "**Offeror**"), a wholly-owned subsidiary of Valeant Pharmaceuticals International, Inc. ("**Valeant**"), hereby gives notice that it is amending and varying the terms of its offer dated September 6, 2011, (the "**Original Offer**") to purchase, upon the terms and subject to the conditions of the Offer (as hereinafter defined), all of the issued and outstanding common shares, together with the associated rights (the "**SRP Rights**") issued under the shareholder rights plans described in the Original Offer and Circular (as hereinafter defined) (such common shares together with the SRP Rights, the "**Common Shares**") of Afexa Life Sciences Inc. (the "**Company**" or "**Afexa**"), including Common Shares issued after the date of the Offer but prior to the Expiry Time (as hereinafter defined) upon the conversion, exchange or exercise of Options (as defined in the Original Offer and Circular) or any other securities of Afexa that are convertible into or exchangeable or exercisable for Common Shares in order to: (i) increase the price payable under the Offer to \$0.85 in cash per Common Share, (ii) remove the Minimum Tender Condition, and (iii) modify certain sections of the Original Offer and Circular.

The Offer (as hereinafter defined) remains open for acceptance until 5:00 p.m. (Edmonton time) on October 17, 2011, unless the Offer is withdrawn or extended by the Offeror (the "**Expiry Time**").

THE OFFER HAS BEEN AMENDED TO INCREASE THE PRICE OFFERED PER COMMON SHARE TO \$0.85 IN CASH.

THE OFFER IS NO LONGER SUBJECT TO A MINIMUM TENDER CONDITION.

THE BOARD OF DIRECTORS OF AFEXA HAS UNANIMOUSLY RECOMMENDED THAT SHAREHOLDERS ACCEPT THE OFFER AND TENDER THEIR COMMON SHARES.

SHAREHOLDERS ARE ADVISED TO WITHDRAW ANY COMMON SHARES THEY HAVE DEPOSITED TO THE PALADIN OFFER AS PALADIN HAS ANNOUNCED THAT IT WOULD NOT TAKE-UP SHARES TENDERED TO THE PALADIN OFFER

The Offeror's increased Offer price of \$0.85 per Common Share represents a 20% premium to the Original Offer price per Common Share of \$0.71 and a premium of approximately 56% to Afexa's 30-trading day volume weighted average price of the Common Shares on the Toronto Stock Exchange (the "TSX") as of August 29, 2011 (the date before the announcement of the Original Offer) and a premium of 143% over the closing price of the Common Shares on the TSX on July 14, 2011, the last trading day prior to the announcement by Paladin Labs Inc. ("Paladin") of market purchases on July 15, 2011.

This Notice of Variation should be read in conjunction with the Original Offer, the accompanying circular dated September 6, 2011 (the "Circular" and, together with the Original Offer, the "Original Offer and Circular"), and the associated letter of transmittal (the "Letter of Transmittal") and notice of guaranteed delivery (the "Notice of Guaranteed Delivery") (collectively, the "Original Offer Documents"). Except as otherwise set forth herein, the terms and conditions previously set forth in the Original Offer Documents continue to be applicable in all respects. Unless the context otherwise requires, references in this document to the "Offer" mean the Original Offer, as amended or amended and varied by this Notice of Variation. Unless the context requires otherwise, capitalized terms used herein but not defined herein have the respective meanings set out in the Offer and the Circular.

If you have validly deposited and not withdrawn Common Shares under the Offer, you do not need to take any further action to accept the Offer and will automatically be entitled to receive under the Offer the increased consideration of \$0.85 per Common Share.

Shareholders who wish to accept the Offer must properly complete and execute the Letter of Transmittal (printed on yellow paper) or a manually signed facsimile and deposit it, together with the certificates representing their Common Shares, in accordance with the instructions in the Letter of Transmittal or Shareholders may follow the procedure for guaranteed delivery described under Section 3 of the Offer, "Manner of Acceptance — Procedure for Guaranteed Delivery". Alternatively, Shareholders whose Common Shares are registered in the name of CDS or DTC may accept the Offer by following the procedures for book-entry transfer described under Section 3 of the Offer, "Manner of Acceptance — Book-Entry Transfers". The Letter of Transmittal and Notice of Guaranteed Delivery that accompanied the Original Offer and Circular, each as amended by this Notice of Variation, are deemed to be amended to reflect the terms and conditions of this Notice of Variation.

Shareholders whose Common Shares are registered in the name of an investment dealer, stockbroker, bank, trust company or other nominee should contact that nominee for assistance if they wish to accept the Offer.

Questions and requests for assistance may be directed to Computershare Investor Services Inc. (the "Depositary") or Afexa's information agent, Georgeson Shareholder Communication Inc. ("Afexa's Information Agent"). Contact details for such persons may be found on the last page of this document. Additional copies of the Original Offer Documents and this Notice of Variation may be obtained without charge on request from the Depositary or Afexa's Information Agent at their respective address shown on the last page of this document. Additionally, copies of this document and related materials may be found at www.sedar.com.

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Shareholders in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the Laws of such jurisdiction. However, the Offeror or its agents may, in the Offeror's sole discretion, take such action as the Offeror may deem necessary to extend the Offer to Shareholders in such jurisdictions.

The Offeror has not authorized anyone to provide any information or make any representation about the Offer or the Offeror, Valeant or their affiliates that is different from, or in addition to, the information and representations contained in the Offer or in any materials regarding the Offer or the Offeror, Valeant or their affiliates accompanying this document. Shareholders should not rely on any information or any

representations regarding the Offer or the Offeror, Valeant or their affiliates not contained in the Offer or in the documents accompanying the Offer.

Unless otherwise specifically indicated, the information contained in this document is given as of the date of this document, and the Offeror undertakes no duty to update any such information, except as required by applicable Law.

NOTICE TO SHAREHOLDERS IN THE UNITED STATES

The Offer is being made for the securities of a Canadian issuer and the Offer is subject to Canadian disclosure requirements. Shareholders should be aware that such disclosure requirements are different from those of the United States. The enforcement by Shareholder of civil liabilities under the United States federal securities laws may be affected adversely by the fact that the Depository and Afexa's Information Agent named in the Original Offer or Circular may not be residents of the United States, and that all or a substantial portion of the assets of the Offeror and of said persons may be located outside the United States. The enforcement by Shareholders of civil liabilities under the United States federal securities laws may also be affected adversely by the fact that Afexa is incorporated under the Business Corporations Act (Alberta) and that some or all of its officers and directors may be residents of Canada or other jurisdictions outside the United States.

NOTICE TO HOLDERS OF AFEXA OPTIONS

The Offer is made only for Common Shares and is not made for any Options or any other securities of Afexa that are convertible into or exchangeable or exercisable for Common Shares.

Any holder of Options or any other securities to acquire Common Shares (other than SRP Rights) who wishes to accept the Offer must, to the extent permitted by the terms of the security and applicable law, fully convert, exchange or exercise such Options or any other securities to acquire Common Shares in accordance with their terms in order to obtain certificates representing Common Shares and tender such Common Shares in accordance with the terms of the Offer. See Section 7 of the Circular, "Stock Option Plans and Other Incentive Plans".

The income tax consequences to holders of Options or any other securities to acquire Common Shares are not described in the Circular. Any holders of Options or any other securities to acquire Common Shares should consult their own tax advisors for advice with respect to the actual or potential income tax consequences to them in connection with a decision they may make to convert, exchange or exercise or not to convert, exchange or exercise their Options or any other securities to acquire Common Shares prior to the Expiry Time or thereafter.

CURRENCY AND EXCHANGE RATES

All dollar references in the Notice of Variation and the Original Offer and Circular are in Canadian dollars, unless otherwise indicated. On September 30, 2011, the rate of exchange for the Canadian dollar, expressed in U.S. dollars, based on the noon rate as provided by the Bank of Canada was \$1.00 = US\$0.9626.

FORWARD-LOOKING STATEMENTS

Certain statements in this Notice of Variation or in the Original Offer and Circular (as well as in oral statements or other written statements made or provided or to be made or provided by the Offeror or Valeant), are forward-looking statements and are prospective in nature. Forward-looking statements are not based on historical facts, but rather on current expectations and projections about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. These statements generally can be identified by the use of forward-looking words such as "may", "should", "will", "could", "intend", "estimate", "plan", "anticipate", "expect", "believe" or "continue", or the negative thereof or similar variations. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Such forward-looking statements should therefore be construed in light of such factors, and the Offeror and Valeant are under no obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

NOTICE OF VARIATION

This Notice of Variation should be carefully read in conjunction with the Original Offer and Circular and the Letter of Transmittal and Notice of Guaranteed Delivery that accompanied the Original Offer and Circular as amended by this Notice of Variation.

October 3, 2011

TO THE HOLDERS OF COMMON SHARES OF AFEXA LIFE SCIENCES INC.:

By written notice to the Depositary given on October 3, 2011 and as set forth in this Notice of Variation, the Offeror has amended the Original Offer pursuant to which the Offeror offered to purchase all of the issued and outstanding Common Shares, including Common Shares issued after the date of the Original Offer but prior to the Expiry Time upon the conversion, exchange or exercise of Options or any other securities that are convertible into or exchangeable or exercisable for Common Shares by increasing the price payable under the Offer to \$0.85 in cash per Common Share and by deleting the Minimum Tender Condition referred to in paragraph 4(a) of the Original Offer.

Except as otherwise set forth in this Notice of Variation, the information, terms and conditions in the Original Offer and Circular and the Letter of Transmittal and Notice of Guaranteed Delivery that accompanied the Original Offer and Circular, continue to be applicable in all respects.

Unless otherwise defined herein or amended hereby, defined terms used in this Notice of Variation have the same meaning as in the Original Offer and Circular. The term "**Offer**" means the Original Offer, as expressly amended or supplemented by this Notice of Variation.

1. INCREASE IN OFFER PRICE

The Offeror has varied the Offer by increasing the price offered to Shareholders under the Offer to \$0.85 in cash per Common Share, representing a 20% premium to the Original Offer price per Common Share of \$0.71 and a premium of approximately 56% to Afexa's 30-trading day volume weighted average price of the Common Shares on the Toronto Stock Exchange (the "**TSX**") as of August 29, 2011 (the date before the announcement of the Original Offer) and a premium of 143% over the closing price of the Common Shares on the TSX on July 14, 2011, the last trading day prior to the announcement by Paladin Labs Inc. ("**Paladin**") of market purchases on July 15, 2011.

Assuming that all of the conditions of the Offer are satisfied or waived, Shareholders who tender their Common Shares to the Offer will receive the increased price per Common Share, including those Shareholders who have already validly deposited their Common Shares to the Offer and not withdrawn such deposit. Shareholders who have already validly deposited their Common Shares to the Offer do not need to do anything to receive the increased price offered per Common Share.

2. RECENT DEVELOPMENTS

Valeant Offer

On September 26, 2011, Valeant announced its intention to raise its offer for Afexa to \$0.85 in cash per Common Share, subject to Afexa's agreement to certain amendments to the Support Agreement, including a reduction in the Minimum Tender Condition.

On September 30, 2011, Valeant announced that the Afexa Board had unanimously recommended Valeant's amended Offer and, accordingly, approved entering into an agreement to amend the Support Agreement providing for:

- an increase in the Offer Price from \$0.71 in cash per Common Share to \$0.85 in cash per Common Share;
- the removal of the Minimum Tender Condition, such that the Offeror will take-up and pay for any and all Common Shares tendered to the Offer if the other conditions of the Offer are satisfied or waived by the

Offeror. The removal of the Minimum Tender Condition provides greater certainty to Shareholders that Common Shares tendered to the Offer will be taken-up and paid for; and

- an increase to the Termination Fee payable to the Offeror in certain circumstances from \$3.75 million to \$4.5 million. The increase is proportional to the increase in the aggregate purchase price payable by Valeant under the amended Offer.

Paladin Offer

On September 14, 2011, Paladin announced that it was extending the expiry time of its offer to acquire the outstanding Common Shares of Afexa to 8:00 p.m. (Toronto time) on September 28, 2011.

On September 25, 2011, Paladin announced an intention to increase its offer to acquire Common Shares of Afexa for \$0.81 in cash per Common Share or 0.0217 of a Paladin share for each Common Share, subject to the issuance of a cease trade order with respect to Afexa's Shareholder Rights Plans.

On September 26, 2011, Paladin confirmed its increased offer to acquire Common Shares of Afexa for \$0.81 in cash per Common Share or 0.0217 of a Paladin share for each Common Share.

On September 28, 2011, Afexa announced that due to the announcement by Valeant on September 26, 2011 of its intention to increase its Offer, Afexa recommended that Shareholders take no action to tender their Common Shares to the amended Paladin Offer.

On October 3, 2011, Paladin announced that it would not be taking up any shares under its offer since a condition of its offer could not be fulfilled.

Amendment to Support Agreement

From September 25, 2011 to September 30, 2011, the Offeror and Afexa discussed and exchanged correspondence with respect to certain amendments to the Support Agreement in connection with the Offeror increasing the Offer Price. The Afexa Board, following consultation with its legal and financial advisors, determined that the amended Offer was in the best interests of Afexa and the Shareholders and, accordingly, unanimously approved entering into an agreement to amend the Support Agreement and recommending that Shareholders accept the amended Offer. For a description of the amendments to the Support Agreement, refer to Section 3 of the Notice of Variation, "Amendments to the Support Agreement".

Other Recent Developments Concerning the Offer

On September 23, 2011, the Alberta Securities Commission (the "**Commission**") held a hearing with respect to an application by Paladin to cease trade the Shareholder Rights Plans. The Commission subsequently issued an order on September 26, 2011, effective on September 30, 2011, pursuant to which the Commission ordered, inter alia, that trading must cease with respect to any securities issued or to be issued in connection with the Shareholder Rights Plans.

3. AMENDMENTS TO THE SUPPORT AGREEMENT

On September 30, 2011, Valeant, the Offeror and Afexa entered into an agreement to amend the Support Agreement (the "**Amendment Agreement**"). The following is a summary of the Amendment Agreement. It does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the provisions of the Amendment Agreement. A copy of the Amendment Agreement has been filed with the Securities Authorities and is available on SEDAR at www.sedar.com under Afexa's profile.

Increase in the offer price

Under the terms of the Amendment Agreement, the Offeror has agreed to increase the consideration payable under the Offer from \$0.71 to \$0.85 in cash per Common Share.

Recommendation of the Board of Directors of Afexa

Afexa has confirmed that the Afexa Board of Directors, upon the recommendation of the Special Committee, and after consultation with their financial and legal advisors, including an opinion from Scotia Capital Inc. as financial advisors to Afexa that the consideration to be offered for Common Shares pursuant to the amended Offer is fair to all Shareholders (other than the Offeror, Valeant and their respective affiliates), has unanimously determined that it would be in the best interests of Afexa to support and facilitate the amended Offer and enter into the Amendment Agreement and recommend that Shareholders tender their Common Shares to the amended Offer.

Termination Fee

Afexa has agreed to increase to the amount of the Termination Fee payable to the Offeror in certain circumstances from \$3.75 million to \$4.5 million. The increase is proportional to the increase in the aggregate purchase price payable by Valeant under the amended Offer.

In addition, in order to reflect the terms of the Amendment Agreement, Section 8 of the Circular, "Agreements Related to the Offer – Support Agreement - Termination Fee" is amended by deleting the third subparagraph in its entirety and replacing it by the following:

"• on or after the date hereof and prior to the Expiry Time, an Acquisition Proposal (including, for greater certainty, an amendment to the offer made by Paladin on August 10, 2011) is publicly announced or any Person has publicly announced an intention to make an Acquisition Proposal (including, for greater certainty, an amendment to the offer made by Paladin on August 10, 2011), and such Acquisition Proposal has not expired, been withdrawn or been publicly abandoned, and (A) the Offeror has not taken up and paid for, pursuant to the Offer, such number of Common Shares equal to at least 50.01% of the outstanding Common Shares on a Fully-Diluted Basis, and (B) an Acquisition Proposal is or shall have been consummated no later than the date that is nine (9) months following the Expiry Time, in which case the Termination Fee shall be paid to the Offeror concurrently with the consummation of such Acquisition Proposal; provided that for the purposes of the above clause (B), the definition of "Acquisition Proposal" shall have the meaning assigned to such term in Section 1.1 of the Support Agreement, except that:

(X) references to "20% or more of any voting or equity securities of Afexa" in subparagraph (a) of the definition of "Acquisition Proposal" shall be replaced by: "a percentage of outstanding securities of any class of voting or equity securities of Afexa which is equal to or greater than the percentage of outstanding securities of any class of voting or equity securities of Afexa taken up and paid for by the Offeror pursuant to the Offer; and

(Y) any take-over bid, tender offer or exchange offer for any class of voting or equity securities of Afexa referenced in subparagraph (b) of the definition of "Acquisition Proposal" shall only be deemed to be consummated for the purposes of the above clause (B) where the Person making such take-over bid, tender offer or exchange offer, together with any Persons acting jointly or in concert with such Person, acquires a percentage of outstanding securities of any class of voting or equity securities of Afexa under the take-over bid, tender offer or exchange offer which, together with other voting or equity securities beneficially owned by such Person or any Persons acting jointly or in concert with such Person, is equal to or greater than the percentage of outstanding securities of any class of voting or equity securities of Afexa taken up and paid for by the Offeror pursuant to the Offer."

Minimum Tender Condition

Under the terms of the Amendment Agreement, the amended Offer will no longer be subject to a Minimum Tender Condition such that the Offeror will take-up and pay for any and all Common Shares tendered to the amended Offer

if the other conditions of the amended Offer are satisfied or waived by the Offeror. See Section 4 of this Notice of Variation, "Amendments to the Conditions of the Offer".

Board Representation

In order to reflect the terms of the Amendment Agreement, Section 8 of the Circular, "Agreements Related to the Offer – Support Agreement - Board Representation" is deleted in its entirety and replaced by the following:

"Afexa acknowledges that, promptly upon the take-up and payment by the Offeror pursuant to the Offer of such number of Common Shares equal to or in excess of 50.01% of the outstanding Common Shares on a Fully-Diluted Basis and from time to time thereafter, the Offeror shall, subject to compliance with Law and stock exchange requirements, be entitled to designate a number of directors of the Afexa Board, and any members of committees thereof, determined on a pro rata basis based on the proportion of the Common Shares on a Fully-Diluted Basis then held or controlled by the Offeror, such number of directors or members of committees rounded up to the nearest whole number. For example, to the extent that the Offeror controls 73% of the outstanding Common Shares of Afexa on a Fully-Diluted Basis and the board of directors is composed of 8 directors, the Offeror shall be entitled to designate 6 of such directors. Afexa shall not frustrate the attempts of the Offeror to do so and covenants to co-operate with the Offeror, subject to applicable Law and stock exchange requirements, to enable the designees of the Offeror to be elected or appointed to the Afexa Board, and any committees thereof and to constitute the applicable percentage of directors or members of committees, including, without limitation, at the request of the Offeror, by using its commercially reasonable efforts to increase the size of the Afexa Board and commercially reasonable efforts to secure the resignations of existing directors.

The provisions of this section shall not affect the Offeror's right to propose such number of nominees for election to the Afexa Board and to exercise the voting rights attached to the Offeror's Common Shares at any meeting of the Shareholders of Afexa at which directors are to be elected, as the Offeror determines in its sole discretion."

Lock-Up Agreements

Under the terms of the Amendment Agreement, Afexa has agreed to use commercially reasonable efforts to assist the Offeror in obtaining lock-up agreements from certain shareholders on substantially the same terms as the lock-up agreements executed on August 30, 2011.

Defined terms

Under the terms of the Amendment Agreement, the definition of "**Effective Time**" is deleted in its entirety and replaced by the following:

"**Effective Time**" means the time that the Offeror shall have taken up and paid for, pursuant to the Offer, such number of Common Shares equal to 50.01% of the outstanding Common Shares on a Fully-Diluted Basis. "

4. AMENDMENTS TO CONDITIONS OF THE OFFER

Section 4 of the Offer, "Conditions of the Offer", is amended by (A) deleting paragraph (a) in its entirety, (B) by replacing "Effective Time" by "Expiry Time" in paragraph (c), and (C) by deleting the following in the fourth paragraph of Section 4 at the bottom of page 21: "(i) increase or decrease the Minimum Tender Condition".

5. MANNER OF ACCEPTANCE

Common Shares may be deposited under the Offer in accordance with the provisions under Section 3 of the Offer, "Manner of Acceptance".

If you have validly deposited your Common Shares and not withdrawn such Common Shares under the Offer, you do not need to take any further action to accept the Offer. Any Common Shares that you have tendered will automatically be entitled to receive under the Offer the increased consideration of \$0.85 per Common Share.

6. TAKE-UP OF AND PAYMENT FOR DEPOSITED COMMON SHARES

Upon the terms and subject to the conditions of the Offer (including but not limited to the conditions specified in Section 4 of the Offer, "Conditions of the Offer", as amended by this Notice of Variation), the Offeror will take up and pay for Common Shares duly and validly deposited pursuant to the Offer in accordance with the terms of the Offer and not withdrawn pursuant to Section 8 of the Offer, "Right to Withdraw Deposited Common Shares" as soon as reasonably possible after the Expiry Time and in any event not later than ten (10) days after the Expiry Time of the Offer. Any Common Shares taken up will be paid for as soon as possible, and in any event not later than three (3) business days following the time at which such Common Shares are taken up under the Offer. Any Common Shares deposited pursuant to the Offer or after the first date on which Common Shares have been taken up and paid for by the Offeror will be taken up and paid for within ten (10) days of such deposit. No Common Shares shall be taken up or paid for prior to the Expiry Time of the Offer.

Shareholders are referred to Section 6 of the Offer, "Take up and Payment for Deposited Common Shares" for details as to take-up of and payment for Common Shares under the Offer.

7. RIGHT TO WITHDRAW DEPOSITED COMMON SHARES

Except as otherwise provided in Section 8 of the Offer, "Right to Withdraw Deposited Common Shares", all deposits of Common Shares pursuant to the Offer are irrevocable. Unless otherwise required or permitted by applicable Laws, any Common Shares deposited in acceptance of the Offer may be withdrawn at the place of deposit by or on behalf of the depositing Shareholders:

- a) at any time when the Deposited Common Shares have not been taken up by the Offeror under the Offer;
- b) if the Deposited Common Shares have not been paid for by the Offeror within three (3) business days after having been taken up; or
- c) at any time before the expiration of ten (10) days from the date upon which either:
 - i. a notice of change relating to a change which has occurred in the information contained in the Offer or the Circular, as amended from time to time, that would reasonably be expected to affect the decision of a Shareholder to accept or reject the Offer (other than a change that is not within the control of the Offeror or an affiliate of the Offeror), in the event that such change occurs before the Expiry Time or after the Expiry Time but before the expiry of all rights of withdrawal in respect of the Offer; or
 - ii. a notice of variation concerning a variation in the terms of the Offer (other than (A) a variation consisting solely of an increase in the consideration offered where the Expiry Time is not extended for more than 10 days and (B) a variation in the terms of the Offer consisting solely of the waiver of one or more of the conditions of the Offer),

is mailed, delivered or otherwise properly communicated (subject to abridgement of that period pursuant to such order or orders as may be granted by applicable courts or securities regulatory authorities) but only if such Deposited Common Shares have not been taken up by the Offeror at the date of the notice.

Shareholders should refer to Section 8 of the Offer, "Right to Withdraw Deposited Common Shares" for details and a description of the procedures for exercising the right to withdraw Common Shares under the Offer.

8. CONSEQUENTIAL AMENDMENTS AND VARIATIONS TO ORIGINAL OFFER DOCUMENTS

The Original Offer and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery that accompanied the Original Offer and Circular, each as amended by the Notice of Variation, shall be read together with this Notice of Variation, and amended to the extent necessary, in order to give effect to the amendments and supplements set forth in this Notice of Variation. Except as otherwise set forth in or amended by this Notice of Variation, the terms and conditions of the Original Offer and the information in the Original Offer and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery that accompanied the Original Offer and Circular, each as amended by the Notice of Variation continue to be applicable in all respects.

9. STATUTORY RIGHTS

Securities legislation in the provinces and territories of Canada provides Shareholders with, in addition to any other rights they may have at Law, one or more rights of rescission, price revision or to damages, if there is a misrepresentation in a circular or notice that is required to be delivered to those Shareholders. However, such rights must be exercised within prescribed time limits. Shareholders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult a lawyer.

APPROVAL AND CERTIFICATE OF 1625907 ALBERTA LTD.

Dated: October 3, 2011

The contents of the Notice of Variation together with the Original Offer and Circular have been approved and the sending, communication or delivery thereof to the Shareholders has been authorized by the board of directors of 1625907 Alberta Ltd.

The Notice of Variation together with the Original Offer and Circular, contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it is made.

1625907 ALBERTA LTD.

(Signed) J. MICHAEL PEARSON
Chief Executive Officer

(Signed) LIVIO DiFRANCESCO
Vice President, Finance

On behalf of the Board of Directors

(Signed) RAJIV DE SILVA
Director

(Signed) ROBERT CHAI-ONN
Director

APPROVAL AND CERTIFICATE OF VALEANT PHARMACEUTICALS INTERNATIONAL, INC.

Dated: October 3, 2011

The contents of the Notice of Variation together with the Original Offer and Circular have been approved and the sending, communication or delivery thereof to the Shareholders has been authorized by the board of directors of Valeant Pharmaceuticals International, Inc.

The Notice of Variation together with the Original Offer and Circular, contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it is made.

VALEANT PHARMACEUTICALS INTERNATIONAL, INC.

(Signed) J. MICHAEL PEARSON
Chairman and Chief Executive Officer

(Signed) PHILIP W. LOBERG
Executive Vice President and Interim
Chief Financial Officer

On behalf of the Board of Directors

(Signed) G. MASON MORFIT
Director

(Signed) LLOYD SEGAL
Director

Any questions and requests for assistance may be directed to Afexa's Information Agent:

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

The Depositary for the Offer is:

Inquiries:

COMPUTERSHARE INVESTOR SERVICES INC.

Toll Free (North America): 1-800-564-6253
E-Mail: corporateactions@computershare.com
Website: www.computershare.com

By Mail:

Computershare Investor Services Inc.
P.O. Box 7021, 31 Adelaide St E
Toronto, ON M5C 3H2

Attention: Corporate Actions

By Hand, by Courier or by Registered Mail:

Computershare Investor Services Inc.
9th Floor, 100 University Avenue
Toronto, Ontario M5J 2Y1

Attention: Corporate Actions