

TO: Ernst & Young LLP, Chartered Accountants, and
Deloitte & Touche LLP, Chartered Accountants

NOTICE OF CHANGE OF AUDITOR

In connection with the change of auditors of Prism Medical Ltd. (the "Company") from Ernst & Young LLP, Chartered Accountants ("Ernst & Young") and pursuant to section 4.11 of National Instrument 51-102 - *Continuous Disclosure Obligations* ("NI 51-102"), the Company hereby gives notice that:

1. Ernst & Young tendered their formal resignation, at the request of the Company, as auditors of the Company as of July 6, 2006 (the "Termination Date"), and the Company has approved the appointment of Deloitte & Touche LLP, Chartered Accountants ("Deloitte & Touche"), as successor auditors of the Company.
2. There were no reservations in the reports of Ernst & Young on the Company's financial statements for the Company's two most recently completed fiscal years, including the period subsequent to the most recently completed period for which an audit report was issued and preceding the Termination Date.
3. The resignation of Ernst & Young and the appointment of Deloitte & Touche has been considered and approved by the Audit Committee and the Board of Directors of the Company.
4. In the opinion of the Company, there are no "reportable events" as defined in section 4.11 of NI 51-102.

DATED at Toronto, Ontario this 12th day of July, 2006.

**On behalf of the Board of Directors
of Prism Medical Ltd.**

Name: Howard Taylor
Title: Chairman, Audit Committee