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ARIZONA CORPORATION COMMISSION

1844(A)(5)
File
JAMES MATTHEWS
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SECURITIES DIVISION
(602) 542-4242
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June 23, 1992

Robert R. Gregory, Esq.
Law Offices of John S. Stoppelman, P.C.
The Ellipse, Suite 420
4350 North Fairfax Drive
Arlington, Virginia 22203

RE: Deprenyl Research Limited/No-Action Request

Dear Mr. Gregory:

On the basis of the facts set forth in your letter of June 4, 1992, and in reliance upon your opinion as counsel, the Securities Division will not recommend enforcement action for violation of the Securities Act of Arizona should the transaction take place as set forth in your letter.

As this position is premised upon the facts set forth in your letter, it should not be relied on for any other set of facts or by any other person. Please also note that this position applies only to the registration requirements of the Act; the anti-fraud provisions of the Act continue to be applicable.

We have attached a photocopy of your letter. By doing this we are able to avoid having to recite or summarize the facts set forth therein.

Very truly yours,

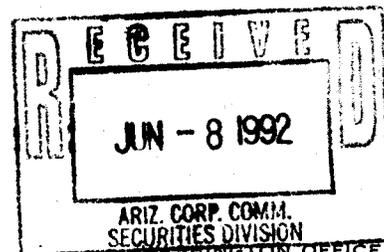
Handwritten signature of Dee Ridell Harris in cursive.

DEE RIDDELL HARRIS
Director of Securities

DRH:jb

Attachment

LAW OFFICES OF
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JOHN S. STOPPELMAN
ROBERT R. GREGORY
GREGG S. AVITABILE

June 4, 1992

Mr. Dee R. Harris, Director
Securities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Re: Request for Interpretive Opinion
and/or No Action Letter

Dear Mr. Harris:

We are special securities counsel to Deprenyl Research Limited ("Deprenyl") and Bone Health, Inc. (the "Company"), a newly formed Canadian corporation, in connection with the proposed distribution (the "Distribution") by Deprenyl of 18,322,500 warrants of the Company as a dividend to the shareholders of Deprenyl on the record date for the Distribution.

The Company is currently a wholly-owned subsidiary of Deprenyl, incorporated in May 1992 under the laws of Canada. Deprenyl has formed the Company to develop products including prescription pharmaceuticals for the Canadian Market for the treatment of bone diseases and in particular osteoporosis. Osteoporosis is a disease generally associated with aging which is characterized by excessive loss of bone mineral, resulting in decreased bone density over time. It affects predominantly postmenopausal women, and causes thinning of all bones, shrinkage in height, bowing of the body and fractures of the hips and back. Depending upon the outcome of research currently under way, the Company intends to concentrate its initial efforts upon seeking regulatory approval in Canada for the use of One-Alpha D₂ in the treatment of osteoporosis. Rights to market One-Alpha D₂ in Canada were granted to the Company by Deprenyl pursuant to a sub-license under a license agreement dated as of March 26, 1990 between Deprenyl and Bone Care International, Inc., which owns the proprietary rights to One-Alpha D₂. This was done to focus the prospects for commercializing One-Alpha D₂ in Canada in one Corporation. The Company and Deprenyl determined that it was preferable for Deprenyl to transfer the Canadian rights to One-Alpha D₂ to the Company and to distribute the warrants to shareholders now, rather than at some future date at which time the value of the license rights may be substantially higher. A

Mr. Dee R. Harris, Director
Arizona Corporation Commission
June 4, 1992
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complete description of these matters can be found in the Registration Statement.

On behalf of our clients, we respectfully request that the Securities Division of the Arizona Corporation Commission (the "Division") concur in our conclusion that the transaction described below is exempt from registration under the Securities Act of Arizona (the "Act").

Deprenyl, a Canadian corporation whose securities are listed on NASDAQ-NMS, has announced that it will declare a dividend of Canadian ("Cdn") \$0.20 on each of its Common Shares, payable to its shareholders. The dividend will be paid by distributing to shareholders one warrant of the Company for each Common Share of Deprenyl on the record date. Holders of such warrants will be entitled to either (i) purchase one Common Share of the Company between March 1, 1993 and May 7, 1993 for Cdn.\$0.30 or (ii) redeem the warrant of the Company for Cdn.\$0.20 in cash at any time before the warrant expires on May 7, 1993. The warrants are not transferable until March 1, 1993, following which they will become transferrable until they expire. Shareholders resident in the United States will receive 0.85 of a warrant for each Common Share of Deprenyl held, since Deprenyl is required to withhold 15% of any dividend payable to a U.S. resident as a withholding tax.

We believe that the distribution of the warrant as a dividend meets the requirements of an exempt transaction under Section 44-1844(5) of the Act, as a "distribution by a corporation of capital stock or other securities to its stockholders ... as a stock dividend or other distribution out of retained earnings." We have been informed by the accountants for Deprenyl that the dividend will be treated as a distribution from the retained earnings of Deprenyl, and therefore, we ask you to concur in our belief that this exemption from registration should apply to the distribution.

This is a two-stage transaction. The second stage involves the exercise of the warrant and will be initiated by a subsequent S.E.C. filing after the results of certain clinical tests are known.

We request an exemption to the fullest extent possible with the understanding that if an exemption is not available for the exercise of the warrant, the Company will seek further qualification of that transaction by coordination at a later date.

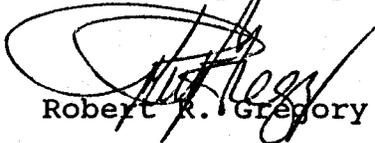
Mr. Dee R. Harris, Director
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We estimate that there are approximately 10,000 shares of Deprenyl common stock held by residents of Arizona. Deprenyl has determined to distribute the dividend to all of its shareholders. Each shareholder has the right to redeem the warrant for cash or to hold the warrant to determine if the warrant has any value in excess of \$0.20 Cdn. If the Distribution is not permitted in Arizona, then residents of Arizona will not have the opportunity to share in any possible appreciation of the price of the warrants.

The distribution has not commenced and it is anticipated that such distribution will not occur until approval of the SEC and Ontario Securities Commission is obtained. We ask, however, that because of the time schedule, that the Division provide us with a response as soon as possible.

A firm check in the amount of \$200.00 has been enclosed as payment of the required fee. If you require any additional information or are unable to concur with the conclusion herein stated without additional discussion, please do not hesitate to contact us prior to any written response.

Yours very truly,



Robert R. Gregory

RRG/mw

BONEOPIN.AZ