

THE SECURITIES ACT) Order No. 3384
)
Section 20) June 18, 2001

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WHEREAS:

(A) Application has been made by T[é]bec It[é]rie (the "Applicant") to The Manitoba Securities Commission (the "Commission") for an order pursuant to subsection 20(1) of *The Securities Act*, R.S.M. 1988, c. S50 (as amended) (the "Act") that certain trades in securities of the Applicant shall be exempt from sections 6 and 37 of the Act.

(B) It has been represented to the Commission by the Applicant that:

1. The Applicant was incorporated by letters patent on June 1, 1976 under the *Companies Act* (Quebec) and was continued under that act on January 1, 1982. The Applicant's head office and executive offices are located at 7151 Jean-Talon Est, bureau 700, Anjou, Quebec. The Applicant is a wholly-owned subsidiary of 3588378 Canada Inc., a Bell Canada subsidiary.
2. The Applicant owns and operates a public telecommunications network which carries communications through the emission, transmission and reception of voice, data and images.
3. The authorized share capital of the Applicant consists of an unlimited number of common shares without par value ("Common Shares") and an unlimited number of first preferred shares, with or without par value, issuable in series. As at June 5, 2001, the issued and outstanding share capital of the Applicant consisted of 5,082,265 Common Shares and 200 Series 5 First Preferred Shares.
4. The Applicant is a reporting issuer or the equivalent in each of the provinces in Canada.
5. The Applicant has filed a preliminary short form prospectus dated June 5, 2001, in each province in Canada respecting the Offering (the "Prospectus").
6. Holders of Series 8 Shares will, subject to certain conditions, have the right to convert on July 1, 2006 and on July 1 every five (5) years thereafter (a "Series 8 Conversion Date"), their Series 8 Shares into an equal number of First Preferred Shares, Series 9 of the Applicant (the "Series 9 Shares") upon giving the Applicant notice thereof not earlier than forty-five days prior to, but not later than the close of business on the 10th day preceding a Series 8 Conversion Date (the "Series 8 Holder Conversion Right").

7. Holders of Series 9 Shares will, subject to certain conditions, have the right to convert on July 1, 2011 and on July 1 every five (5) years thereafter (a "Series 9 Conversion Date"), their Series 9 Shares into an equal number of Series 8 Shares upon giving the Applicant notice thereof not earlier than forty-five days prior to, but not later than the close of business on the 10th day preceding a Series 9 Conversion Date (the "Series 9 Holder Conversion Right").

8. Following the close of business on the 10th day preceding a Series 8 Conversion Date, if the Applicant determines after having taken into account all shares tendered pursuant to the Series 8 Holder Conversion Right or the Series 9 Holder Conversion Right, as the case may be, that there would be outstanding on such Conversion Date less than 600,000 Series 8 Shares, such remaining number of Series 8 Shares shall automatically be converted on such Series 8 Conversion Date into an equal number of Series 9 Shares (the "Series 8 Automatic Conversion"). Additionally, if the Applicant determined at such time that there would be outstanding on such Series 8 Conversion Date less than 600,000 Series 9 Shares then no Series 8 Shares shall be converted into Series 9 Shares pursuant to the Series 8 Automatic Conversion.

9. Following the close of business on the 10th day preceding a Series 9 Conversion Date, if the Applicant determines after having taken into account all shares tendered pursuant to the Series 9 Holder Conversion Right or the Series 8 Holder Conversion Right, as the case may be, that there would be outstanding on such Series 9 Conversion Date less than 600,000 Series 9 Shares, such remaining number of Series 9 Shares shall automatically be converted on such Series 9 Conversion Date into an equal number of Series 8 Shares (the "Series 9 Automatic Conversion"). Additionally, if the Applicant determined at such time that there would be outstanding on such Series 9 Conversion Date less than 600,000 Series 8 Shares then no Series 9 Shares shall be converted into Series 8 Shares pursuant to the Series 9 Automatic Conversion.

(C) The Commission is of the opinion that it would not be prejudicial to the public interest to grant the order requested.

IT IS ORDERED:

1. THAT, pursuant to section 20 of the Act all trades in connection with a Series 8 Automatic Conversion and a Series 9 Automatic Conversion shall be exempt from sections 6 and 37 of the Act provided that no commission or other remuneration is paid or given to any person in respect of such trades except for ministerial or professional services or for services performed by a person or company registered for trading in securities under the Act.

2. THAT the fee for this order shall be \$1,000.00.

BY ORDER OF THE COMMISSION

Director