

THE SECURITIES ACT

)

Order No. 2665

)

Section 95(2)(c)

)

October 29, 1999

AIR CANADA

WHEREAS:

(A) Air Canada (the "Applicant") makes application to The Manitoba Securities Commission (the "Commission") for an order pursuant to subsection 95(2)(c) of the Act, exempting the Applicant from the requirement to include a formal valuation pursuant to the Securities Regulations and an Issuer Bid Circular.

(B) The Applicant has represented to the Commission that:

1. Air Canada is a corporation organized under the Canadian Business Corporations Act. Air Canada's Common Shares are listed on the Montreal Exchange, Toronto Stock Exchange, Winnipeg Stock Exchange, Alberta Stock Exchange and Vancouver Stock Exchange while the Class A Non-Voting Common Shares are listed on the Montreal Exchange, Toronto Stock Exchange and quoted on the Nasdaq Stock Market.
2. Air Canada intends to make an Issuer Bid to acquire up to 35% of the issued and outstanding shares of the company including both Common Shares and Class A Non-voting Shares.
3. In the Province of Ontario Air Canada intends to rely upon an exemption provided for in Ontario Local Policy 9.1 which exempts an Issuer from complying with the formal valuation requirements of the Takeover Bid provisions if there is a liquid market prior to the making of the Issuer Bid and, following the Issuer Bid, the minority security holders who decline the offer will have available a market which is not materially less liquid.
4. The Applicant has obtained an independent opinion from a broker/dealer which is a member of the Montreal Exchange and the Toronto Stock Exchange confirming that there is a liquid market with respect to these shares and that subsequent to the Issuer Bid such market will not be materially less liquid.

(C) On the basis of the foregoing, I am of the opinion that it would not be prejudicial to the public interest to grant the order requested.

I HEREBY ORDER, pursuant to a delegation to me by the Commission under subsection 4(1) of the Act of the powers in that behalf:

1. THAT, pursuant to subsection 95(2)(c) of the Act the Applicant is hereby exempted from the requirement to include a formal valuation as required by section 94(2) of the Securities Regulation to the Act provided that the Applicant complies with the provision of Ontario Local Policy 9.1.

2. THAT, the fee for this Order is \$550.00.

BY ORDER OF THE COMMISSION

Director - Legal