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CLEARNET COMMUNICATIONS INC.

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2000

MAY 14 , 2001

CLEARNET COMMUNICATIONS INC.
ANNUAL INFORMATION FORM

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FORWARD LOOKING STATEMENTS

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This Annual Information Form and the Management's Discussion and Analysis of Clearnet Communications Inc., which is incorporated by reference herein, contains statements about expected future events and financial and operating results of Clearnet Communications Inc. ("Clearnet") that are forward-looking and subject to risks and uncertainties. Accordingly, Clearnet's actual results, performance, or achievement could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations generally, and also may materially differ from Clearnet's actual future experience involving any one or more of such matters, certain of which are discussed and the "Risks and Uncertainties" section of the Management's Discussion and Analysis and in various sections herein. Any statements do not reflect the potential impact of any future acquisitions, mergers or divestitures. In addition to the factors set forth therein among the other factors that could cause actual results to differ materially are including but not limited to the following: general business and economic conditions in Canada and Clearnets' service territories in Canada; adverse regulatory action including Canadian Radio-television and Telecommunications Commission contribution decisions and appeals; execution and acceptance of new product and market launches; availability of new handsets and services; prospects for subscriber growth; prospects for wireless penetration rates; the cost and availability of infrastructure and handsets; market acceptance of wireless telephony and data applications generally and Mike and Clearnet PCS specifically; regulatory developments; levels of competition; average subscriber revenue levels; churn rates; cost of acquisition; bad debt expenses; technological developments of ESMR and PCS and of present and future competing products and services; Clearnet's ability to successfully scale-up its client operation support areas in a timely manner to keep pace with subscriber growth; EBITA and capital expenditure trends; availability of sufficient financing; the consolidation of the wireless operations of TELUS with those of Clearnet ; the effect of health and safety concerns and other risk factors described in Clearnet's comprehensive public disclosure documents and other filings with securities commissions. Clearnet disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

CLEARNET

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Clearnet Communications Inc. is a holding company that was continued under the *Canada Business Corporations Act* on October 20, 1994. Clearnet has six wholly owned subsidiaries including Clearnet Inc., Clearnet PCS Inc. and 3817873 Canada Inc. Clearnet Inc., Clearnet PCS Inc. and 3817873 Canada Inc. are *Canada Business Corporations Act* corporations. In addition, two Clearnet's subsidiaries are partners in a wholly owned partnership, TELE-MOBILE COMPANY (formerly Clearnet Company).

The registered head office of these companies and the partnership is located at 200 Consilium Place, Scarborough, Ontario, M1H 3J3 and its telephone number is (416) 279-9000. There have been no amendments made to the articles of any of the companies in the past year.

In this Annual Information Form, unless the context otherwise requires, Clearnet Communications Inc. along with all of its wholly owned subsidiaries and the partnership are referred to as “Clearnet”.

On October 20, 2000 TELUS Corporation and certain of its subsidiaries ("TELUS") acquired 98.5% of Clearnet's outstanding shares. In January 2001, TELUS acquired the remaining 1.5% outstanding shares of Clearnet through a compulsory acquisition process. In 2001, Clearnet will be operating under the trade name TELUS Mobility. TELUS Mobility includes all the wireless operations of TELUS Communications Inc. which includes digital PCS and paging services in Alberta and British Columbia (“TMW”), digital PCS and ESMR services in selected markets nationally (the old Clearnet operations) and analogue cellular service in TELUS Mobilité’s (formerly QuebecTel Mobilité) territory in Québec (“QTM”).

TELE-MOBILE COMPANY is wholly owned by Clearnet Inc. and 3817873 Canada Inc. All the businesses of Clearnet Inc. were transferred to TELE-MOBILE COMPANY in October 2000. TELE-MOBILE COMPANY owns and operates an Enhanced Specialized Mobile Radio (“ESMR”) digital wireless business communications service under the Mike™[1] trade-mark (“Mike”), an analogue dispatch Specialized Mobile Radio (“SMR”) service and a multi-location mobile communications sales and service dealership division (“Clearnet Business Communications Centre” or “CBCC”). Spectrum Communications (Windsor) Inc. is an SMR service and mobile communications sales and service dealership.

Clearnet PCS Inc. owns and operates personal communications service (“PCS”) digital wireless communications network and numerous retail store outlets.

Clearnet’s Class A Non-Voting Shares are no longer traded on The Toronto Stock Exchange ("TSE") or on the NASDAQ following the TELUS acquisition of all the outstanding shares of Clearnet.

Corporate History

Clearnet Communications Inc. was incorporated under the laws of Ontario on January 16, 1984 under the name Brooktel Inc. On August 24, 1988, Brooktel Inc. changed its name to Airnet Services Inc. Airnet Services Inc. amalgamated with PSB International Inc. on November 1, 1990 and with MOCO Canada Inc. on March 1, 1991. In late 1992 and early 1993, Airnet Services Inc. disposed of its residual interests in all businesses, other than its holdings in Clearnet Inc. On May 1, 1993, Airnet Services Inc. amalgamated with two wholly owned

[1] Mike is a trade-mark used under licence from Clearnet Communications Inc.

subsidiaries and, on March 24, 1994, Airnet Services Inc. changed its name to Clearnet Communications Inc. It continued under the *Canada Business Corporations Act* on October 20, 1994.

Clearnet Inc. was incorporated under the laws of Ontario on March 14, 1985. It succeeded to the business of Clearbrook Communications Inc., a predecessor of Clearnet Inc., which was incorporated on September 27, 1983 and was granted its first SMR licence and obtained its first subscriber in April 1984. The Clearnet trademark was first used in Canada in April 1985. Clearnet Inc. was continued under the *Canada Business Corporations Act* on October 20, 1994 and amalgamated with a wholly owned subsidiary under the *Canada Business Corporations Act* on January 1, 1996.

Clearnet PCS Inc. was incorporated under the *Canada Business Corporations Act* on March 28, 1995.

3817873 Canada Inc. was incorporated under the *Canada Business Corporations Act* in October 2000. Clearnet Company was established in October 2000 and changed its name to TELE-MOBILE COMPANY on May 10, 2001.

Historically, Clearnet began as a small analogue dispatch service provider. In the mid-1990s, Clearnet's business strategy evolved, and the Company began pursuing a plan to become one of Canada's leading mobile phone service providers, one that could fully compete with the two incumbent cellular operators operating in each region of Canada.

During Clearnet's first phase of development, from the date of incorporation in 1984 until 1994, the Company's strategy was to become Canada's largest operator SMR dispatch communication networks in terms of number of subscribers, 800 MHz channels and population coverage ("POPs"). This strategy was successfully executed through a combination of internal growth and a series of SMR acquisitions. While still a relatively small company, by 1994 Clearnet had aggregated an 800 MHz SMR spectrum position in all major urban markets of Canada that was unrivalled. By this time, Motorola, Inc. (Motorola) had developed ESMR technology for use on 800 MHz SMR channels that, for the first time, provided digital mobile phone, dispatch, messaging and data transmission capabilities, all through one integrated multifunctional handset operating on one network.

In 1994, Clearnet announced its ESMR plan to become Canada's third major provider in each of its major operating regions of mobile telephone service, providing performance, features and quality of service comparable to that of cellular operators. In 1995, before launching its ESMR service, Clearnet was awarded one of two national 30 MHz PCS licences. As a result, Clearnet's combined SMR and PCS wireless spectrum position provided greater capacity than the mobile phone spectrum position of any other carrier in Canada. Since that time, Clearnet has executed a business plan to provide two state-of-the-art and complementary digital wireless services serving the full range of business and consumer segments, potentially allowing the Company to capture a sizeable share of the Canadian wireless industry's expected future growth.

In 1995 and 1996, Clearnet's activities were primarily directed toward (i) the build-out of its PCS and ESMR network infrastructures in major urban market areas; (ii) developing an organization across Canada with people, systems and operational processes capable of supporting rapid future subscriber growth; and (iii) raising capital to fund the capital requirements related to such activities. In 1997 and subsequent, Clearnets' activities were directed to the operation and growth of it's wireless networks.

In 2000, Clearnet was acquired by TELUS. The consolidation of the wireless operations of TMW QTM" with those of Clearnet began immediately. – also see 'Description of the Business – Corporate Reorganization'.

GENERAL DEVELOPMENT OF THE BUSINESS

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Prior to October 1994, Clearnet was a private company providing SMR and other dispatch radio services to industrial and commercial clients in Canada. Major events since then that have influenced or constituted part of Clearnet's development include:

- the October 1994 $112.8 million gross proceeds initial public offering in Canada and the United States of Class A Non-Voting Shares by Clearnet Communications Inc. Such shares trade in Canadian currency (stock symbol: NET.A) on both the Toronto Stock Exchange and the Montréal Exchange and in U.S. currency on NASDAQ's National Market Systems (stock symbol: CLNTF);

- the October 1994 acquisition of Motorola Canada Limited's Canadian SMR business in a share for assets transaction which had a fair market value of approximately $161 million;

- the November 1994 commencement of the build-out of the first phase of the Mike network covering the 1200 km. Windsor, Ontario to Québec City, Québec corridor;

- the December 1995 public issue by Clearnet Communications Inc. in the United States of 14 3/4% Senior Discount Notes due 2005 and warrants to purchase Class A Non-Voting Shares for gross proceeds of U.S. $180 million;

- the December 1995 announcement of the award to Clearnet of one of two 30 MHz national PCS licences;

- the May 1996 public issue in Canada and the U.S. by Clearnet Communications Inc. of 9.2 million Class A Non-Voting Shares for total gross proceeds of $239 million;

- the July 1996 selection by Clearnet of CDMA technology for its national PCS network and of Lucent Technologies Canada Inc. ("Lucent") as its supplier of such CDMA infrastructure and the announcement of vendor financing from Lucent of up to $475 million;

- the October 1996 launch of the Mike network from Windsor to Québec City;

- the December 1996 decision by the Canadian Radio-television and Telecommunications Commission (“CRTC”) to forbear from regulating Clearnet’s services thus placing Clearnet on the same regulatory footing (including no rate regulation) as the cellular service incumbents;

- the January 1997 announcement of Clearnet’s head office move in late 1997 to 218,000 square feet of space in 200 Consilium Place, in Scarborough in Metropolitan Toronto;

- the May 1997 completion of a national analogue cellular roaming agreement with Rogers Cantel Inc. for Clearnet’s PCS clients using dual mode/dual band handsets for implementation with Clearnet’s launch of its PCS Network;

- the May 1997 completion of a Mike roaming agreement (Mike’s Green Card service) with Nextel Communications, Inc. ("Nextel") for reciprocal roaming arrangements throughout Clearnet’s Mike coverage area for Nextel’s customers and throughout Nextel’s coverage area for Clearnet’s Mike clients for implementation on July 18, 1997;

- the May 1997 announcement by Lucent and Clearnet of Lucent’s creation of the Wireless Innovation Lab in Canada as a design, development and interoperability testing facility, managed by Lucent’s Bell Laboratories for the wireless industry;

- the August 1997 public issue in Canada and the United States by Clearnet of 2.9 million Class A Non-Voting Shares and the issue of 566,000 Canadian dollar 11 3/4% Senior Discount Notes due 2007 for total gross proceeds of $373 million;

- the September 1997 completion of a PCS roaming agreement with Sprint PCS for extensive digital PCS coverage for Clearnet’s PCS clients across the United States (implemented in July, 1998);

- the October 1997 commercial launch of Clearnet PCS in Toronto, Montreal and Vancouver followed in November in Edmonton and December in Ottawa-Hull; with full Canada-wide national roaming ability using dual mode/dual band Sony handsets;

- the December 1997 completion of a reciprocal PCS roaming agreement with PrimeCo Personal Communications L.P. ("Primco") that provides Clearnet PCS clients with extensive digital PCS roaming in the United States. Clearnet also receives roaming revenues from PrimeCo as PrimeCo subscribers travel to Canada and access service on Clearnet's digital PCS network (implemented in July, 1998);

- the March 1998 launch of Clearnet PCS in Calgary, Alberta;
- the May 1998 public issue in Canada and the United States by Clearnet Communications Inc. of 10.9 million Class A Non-Voting Shares and the issue of 500,000 Canadian dollar 10.4% Senior Discount Notes due 2008 for a total gross proceeds of $498 million;
- the June 1998 launch of direct internet sales of PCS through the Clearnet Web Store;
- the July 1998 introduction of straightforward, fixed-rate US roaming service for PCS clients;
- the August 1998 launch of Clearnet PCS in Kitchener-Waterloo, Guelph and Cambridge, Ontario;
- the September 1998 launch of the Mike network in Vancouver, British Columbia;
- the October 1998 launch of Clearnet PCS in Québec City followed in November in London, Ontario and in December in Victoria, British Columbia;
- the February 1999 issue of Canadian denominated 10.75% Senior Discount Notes due 2009 raising gross proceeds of $100 million;
- the February 1999 launch of Clearnet PCS in Barrie, Ontario;
- the March 1999 announcement of a new client care call centre in the Montréal suburb of St-Laurent, Québec. Clearnet's expansion in Québec has brought a total investment in the province to approximately $250 million;
- the March 1999 launch of the Mike Network in Victoria, British Columbia;
- the April 1999 closing of a $350 million Senior Secured Credit Facility by Clearnet Inc. for Clearnet's Mike business to refinance existing bank debt and to finance or refinance vendor financing amongst other purposes;
- the April 1999 issue of US denominated 10.125% Senior Discount Notes due 2009 raising gross proceeds of US $256 million (approximately $379 million);

- the July 1999 introduction of the Mike i1000plus and i500plus that integrate digital phone, Mike's Direct Connect two-way radio and alphanumeric paging with an Internet microbrowser, e-mail, fax and remote dial-up capabilities;

- the November 1999 launch of the Mike network in Alberta with coverage in Calgary, Edmonton and Red Deer, Alberta, as well as surrounding areas and highway corridors with the plan to expand to many other urban centres in 1999 and 2000;

- the November 1999 launch of digital PCS service in Halifax and other areas throughout Nova Scotia;

- the November 1999 issue of 3,000,000 Class A Non-Voting Shares raising gross proceeds of $120 million;

- the December 1999 closing of an additional $200 million in availability under the Lucent Credit Facility bringing the total credit facility to $675 million;

- the May 2000 strategic partnerships with internet service providers to allow Clearnet to develop the infrastructure, software applications and certain web content for wireless internet services;

- the May 2000 installation of new Lucent wireless equipment adhering to the new third generation (3G) CDMA2000 international standard;

- the June 2000 issue of 6.75% Subordinated Convertible Debentures due 2010 raising gross proceeds of $150 million;

- the July 2000 expansion of the Mike Network in Alberta adding service to more than 50 communities throughout Alberta at a cost of $170 million by the end of 2000;

- the August 2000 launch of Pay & Talk, Clearnet's web ready traditional prepaid service;

- the September 2000 offer by TELUS to buy all of the outstanding shares of Clearnet for approximately $6.6 billion;

- the September 2000 launch of flat-rate wireless internet service;

- the October 2000 closing of the TELUS acquisition of 98.5% of Clearnets' outstanding shares. The remaining 1.5% of the shares outstanding were acquired by TELUS in January 2001 though a compulsory acquisition;

- the October 2000 transfer of the Mike business from Clearnet Inc. to Clearnet Company – see 'Description of the Business – Corporate Reorganization';

- the November 2000 offer for redemption of Clearnets' 2005 Senior Discount Notes which closed in December 2000;

- the December 2000 repayment of the Mike Credit Facility;

- the December 2000 repayment of the Lucent Credit Facility;

- the December 2000 offer by TELUS to acquire all the outstanding 6.75% Subordinated Convertible Notes and Warrants which were completed in early 2001;

- The January 1, 2001 transfer of the Clearnet employees from Clearnet PCS Inc. to Clearnet Company – see 'Description of the Business – Corporate Reorganization';

- The May 10, 2001 change of name of Clearnet Company to TELE-MOBILE COMPANY

- The May 11, 2001 agreements by Clearnet and TELE-MOBILE COMPANY to purchase the wireless businesses operated by Clearnet PCS Inc., TMW and QTM. -– see 'Description of the Business – Corporate Reorganization';

- The May 11, 2001 commencement of an offer to repay and consent solicitation for all of its outstanding Senior Discount Notes.

DESCRIPTION OF THE BUSINESS

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Overview

Clearnet is a Canadian wireless communications company.

Clearnet's operations are primarily directed toward the provision of service on and expansion of its Clearnet PCS and Mike digital wireless networks. Clearnet has invested a significant amount of capital in building out the Mike and PCS networks to provide national coverage from its' subscribers. As at December 31, 2000, Clearnet digital covered approximately 21.7 million Mike POPs and 17.5 million PCS POPs.

Clearnet has shifted focus from its earlier phase of primarily building an infrastructure and organization to a current primary focus on significantly expanding its subscriber base and network revenues. Clearnet generates revenue from airtime billings from wireless services of the Mike, PCS and SMR networks and from equipment sales, rental and service of wireless subscriber units and accessories. The airtime and equipment sales, rental and service revenue is summarized in the Selected Consolidated Financial Information section of this Annual Information Form.

Clearnet expended approximately $2.0 million and $2.5 million in research and development activities in fiscal 2000 and 1999, respectively.

Clearnet manages its operations under one segment that provides wireless telecommunications products and services to it's customers. Substantially all of the Network revenue and Equipment, sales, rental and service revenue, as disclosed in the Selected Consolidated Financial Information section of this Annual Information Form, are to arm's length customers. Sales to TELUS since the date of the acquisition of Clearnet by to December 31, 2000 were $613,000.

Business Communications Services - Mike

Clearnet owns and operates an ESMR digital wireless business communications service under the Mike™ trademark. The Mike network was launched by Clearnet in 1996, initially in the larger population centres in Ontario and Québec (including Toronto and Montreal), and has since been expanded to cover other major urban areas in Ontario and Québec as well as most of the significant urban areas throughout Canada including Vancouver, Calgary, Edmonton and Victoria. The Mike network utilizes frequencies in the 800 MHz range which have propagation advantages over higher frequencies such as those used in digital PCS networks, resulting in more cost effective geographic coverage. While the amount of 800 MHz spectrum licensed to Clearnet varies by region, Clearnet has in excess of 10 MHz of spectrum available for its Mike network in Toronto, Montreal and Vancouver, Canada’s three largest metropolitan areas. Clearnet intends to continue to expand the Mike digital wireless service.

The Mike service is marketed primarily through independent and corporate-owned dealers to business and other organizations as a digital PCS-like service with the added benefit of Mike’s unique Direct Connect functionality, which provides low-cost instant connectivity for work groups. Mike also appeals to users desiring a full suite of integrated wireless services including digital telephone, dispatch and text messaging. Clearnet believes that its Mike service is unique in Canada because it provides fully integrated services, which include these features as well as wireless web services all on one network, with all services accessible to users through one multifunctional handset.

Through a reciprocal roaming arrangement with Nextel, Clearnet's Mike clients have digital service in most major urban areas throughout the United States. Clearnet has an exclusive arrangement with Nextel, which enables Clearnet to charge its Mike clients local rates for the use of Nextel wireless telephone services in the United States. Nextel's digital mobile network or the compatible digital network of Nextel Partners, Inc. serve significantly all of the top 100 U.S. markets. Because Clearnet and Nextel are strategic partners, the roaming agreement between the two organizations is such that in Canada only Mike clients benefit from "home-rate U.S. roaming" on all service plans.

In connection with its Mike business, Clearnet enjoys strategic relationships with Motorola Canada Limited ("Motorola"), a leading global wireless telecommunications company, and Nextel, the largest ESMR network operator in the United States and many other countries. Nextel ended 2000 with more than 7.6 million global digital subscribers. Motorola and Nextel had ownership in Clearnet prior to the TELUS acquisition and now have share ownership in TELUS. Clearnet believes these alliances provide it with competitive advantages in the areas of handset and infrastructure costs, U.S. roaming, product and service development, sales and marketing, and network operations and technology.

Clearnet also operates a separate retail division that sells, leases, rents, installs and services Mike, SMR and, to a lesser extent, Clearnet PCS subscriber units and accessories.

Personal Communications Services - Clearnet PCS

The Clearnet PCS network was commercially launched in certain major metropolitan areas in October 1997. Clearnet has since successfully launched commercial service on its PCS network in Canada's largest metropolitan areas with a total population digital coverage of 17.9 million at December 31, 2000 (1999 - 16.5 million).

The Clearnet PCS network utilizes 1.9 GHz range spectrum. Clearnet has implemented its PCS network using Code Multiple Access (CDMA) equipment. The business segment TELUS Mobility includes the analogue cellular networks of TMW and QTM and the digital wireless networks including the digital 800 MHz network of TMW and the digital 1.9 GHz (“PCS”) networks of Clearnet and TMW. The digital networks between the TELUS Mobility companies are technologically compatible. There is little overlap in market penetration; the bulk of Clearnet’s PCS subscribers are in Ontario and Québec while the bulk of the TMW digital subscribers are in Alberta and British Columbia. TELUS is planning to combine the two networks and is marketing them under one brand.

Substantially all of Clearnet's digital subscribers are provided extended coverage in Canada and the United States through analogue and digital roaming arrangements with other carriers typically on the analogue cellular network of a national Canadian cellular company by means of dual-mode handsets and tri-mode dual-band handsets which are planned to be implemented in 2001. – also see ‘Description of the Business – Corporate Reorganization'.

Clearnet currently markets its PCS services under the TELUS Mobility brand to the Canadian consumer and small office/home office wireless markets, primarily through retail distribution channels. Clearnet PCS handsets can now be purchased at outlets of national retailers, specialty independent dealers, university book and computer stores and Clearnet-operated retail locations and mall kiosks across Canada, which provide service and warranty support to Clearnet's independent channels. Since June 1998, Clearnet has operated the Clearnet Web Store, allowing Canadians to purchase Clearnet PCS phones and accessories online easily and securely for direct home delivery.

Clearnet believes that the increased scale and scope of TELUS Mobility will enhance its ability to develop and market new applications for wireless services, such as data and Internet access. Clearnet also believes that TELUS Mobility will benefit from operating synergies, including economies of scale, the elimination of overlapping market expenses, the conversion of roaming traffic to the combined TELUS Mobility network, increased efficiency in network operations and rationalization of corporate and administrative expenses as the TELUS Mobility operations are integrated in the future.

Clearnet also operates numerous retail locations throughout Canada. The stores sell Clearnet PCS and Mike subscriber units and accessories.

SMR Business

Prior to 1994, Clearnet's activities were directed primarily at the development, expansion and management of its SMR business. Clearnet's first license was granted and the first subscriber unit utilizing Clearnet's network was activated in April 1984. In areas where Clearnet's Mike network provides coverage, Clearnet is encouraging its analogue SMR users to convert to Mike service. Accordingly, excluding SMR business acquisitions, Clearnet's analogue SMR subscriber base has decreased and is expected to continue to do so throughout the foreseeable future.

Corporate Reorganization

Immediately after TELUS's acquisition of Clearnet in October 2000, Clearnet began the consolidation of the wireless operations of TMW and QTM with those of Clearnet and the process to align the legal structure with that consolidation. In October 2000, Clearnet Inc. transferred all of it's assets to Clearnet Company, now called TELE-MOBILE COMPANY. Clearnet Inc. owns substantially all of TELE-MOBILE COMPANY. On January 1, 2001, Clearnet PCS Inc. transferred all of the Clearnet employees to TELE-MOBILE COMPANY. On May 11, 2001, agreements were signed to transfer the Clearnet PCS, TMW and QTM operations into TELE-MOBILE COMPANY. Such transfers are conditional on the satisfaction or waiver of a number of conditions.

Once the reorganization is completed, TELUS Mobility's legal, accounting and corporate structure will enable it to: unite under a single corporate banner that simplifies and clarifies its combined national structure for clients, suppliers and partners; streamline its accounting, legal, tax and regulatory structures, saving it time and money through selective standardization and economies of scale; and take better advantage of separate financing and investment opportunities as they arise and attract strategic investors where appropriate.

Future Capital Requirements

Clearnet's Management's Discussion and Analysis, which includes the discussion on future capital requirements, is incorporated herein by reference and appears in Clearnet's 2000 Annual Report.

Employees

As at December 31, 2000, Clearnet had 2,840 (2,327 – 1999) full-time equivalent employees. Clearnet believes that its future success will depend upon its continued ability to attract and retain highly skilled and qualified employees. Clearnet believes that it enjoys good relations with its employees. The corporate reorganization described above will add approximately 1500 TMW employees and 100 QTM employees to TELE-MOBILE COMPANY.

On March 27, 2001, the Telecommunications Workers Union ("TWU"), currently representing approximately 1300 TMW unionized employees, filed three applications with the Canadian Industrial Relations Board ("CIRB") against each of TELUS Communications Inc., Clearnet and QuebecTel Mobilité seeking a review of the bargaining unit status of each of those entities to position TELUS Communications as the successor to Clearnet and QuebecTel Mobilité or alternatively that TELUS Communications, Clearnet and QuebecTel Mobilité are a single employer. In effect, the TWU has requested the CIRB to impose the TWU's jurisdiction over all non-exempt employees of Clearnet, all of whom are currently not represented by a union, and over all non-exempt employees of QTM, all of whom are currently represented by other unions. Once the CIRB has reviewed the submissions of the parties, a hearing is likely to be held to address these issues.

Capital Assets

The principal capital assets of Clearnet consist of telecommunications fixed assets and licences and frequencies and do not lend themselves to description by exact location. As at December 31, 2000, total investment of Clearnet in such assets was recorded at a net book value of $1.5 billion.

Capital expenditures in fiscal 2000 were $364 million (1999 - $372 million, 1998 - $282 million).

Properties

The properties Clearnet owns or leases are described below as of December 31, 2000 (unless otherwise specified). Clearnet occupies a total of approximately 655,300 square feet of office space, mobile switching and operations offices, and approximately 123,000 square feet of commercial space for its retail locations (including both PCS Flagship, Kiosk and CBCC stores). Approximate square footage is as follows:

Office, Mobile Switch and Operations Summary

Location[2]	Approximate Square Footage
Scarborough, Ontario	418,000
St. Laurent, Quebec	55,000
Burnaby, BC	52,000
Markham, Ontario (owned)	34,000
Etobicoke, Ontario (owned)	34,000
Calgary, Alberta (owned)	29,000
St. Laurent, Quebec (owned)	23,000
Halifax, Nova Scotia	8,000
Ottawa, Ontario	2,300

Retail Location Summary

Location[3]	Approximate Square Footage
Quebec (19 locations)	45,000
Ontario (32 locations)	44,000
Alberta (10 locations)	21,000
British Columbia (9 locations)	11,000
Nova Scotia (2 locations)	2,000

In addition, Clearnet leases or licences antenna sites that are primarily used, or are intended to be used, in conjunction with its SMR, Mike and PCS operations. The antenna sites include equipment shelters and typically comprise relatively little square footage. The antennas may be installed on either a tower or rooftop. As of December 31, 2000, Clearnet leased or licensed approximately 1340 antenna sites.

Competition

In the wireless service industry, there are three major competitors other than Clearnet (TELUS Mobility). These competitors compete with both Clearnet's Mike and PCS products. One major competitor in Eastern Canada is building its own network in Western Canada to compete in the provision of digital PCS wireless services. In the spectrum auction held in early 2001, a new entrant acquired spectrum in Alberta and British Columbia, in addition to incumbent providers that acquired additional spectrum in order to reinforce their competitive positions.

[2] All leased except as indicated.
[3] All leased except as indicated.

Legal Proceedings

There are no material legal proceedings pending against Clearnet. Clearnet participates in a variety of regulatory proceedings before the CRTC. Material ongoing proceedings are described briefly under “Regulation” in Clearnet’s Management’s Discussion and Analysis section of Clearnet's 2000 Annual Report, which is incorporated herein by reference.

Intellectual Property

Clearnet owns or has the right to use such intellectual property as necessary or convenient for the carrying on of its business. As an airtime service provider, the intellectual property inherent in its networks and the handsets that operate on such networks is typically held by the manufacturers. However, except for minor trade-marks which it displays on handsets with the permission of handset suppliers, all of the trade-marks including brands used in marketing Clearnet’s services are, Clearnet believes, owned by Clearnet. Clearnet attempts to register important trade marks under the *Canadian Trade Marks Act* and, occasionally, under similar legislation in the U.S. This registration process in the ordinary course takes a long time and, consequently, Clearnet cannot yet be certain of its rights to marks of which it has sought registration.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

(in $000's of Canadian dollars, except for per share data)

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The following selected five year consolidated financial data (except for the supplementary quarterly data) has been derived from and should be read in conjunction with Clearnet's audited consolidated financial statements for fiscal 2000 which are included in the 2000 Annual Report of Clearnet (the "Annual Statements") and its annual consolidated financial statements for previous years, which are prepared in accordance with accounting principles generally accepted in Canada.

	Fiscal Year Ended December 31,				
	2000	**1999**	**1998**	**1997**	**1996**
Income Statement Data:					
Network revenue	454,410	281,427	143,399	35,904	15,639
Equipment sales, rental and service revenue	87,733	72,066	84,830	62,046	23,123
Total revenue	542,143	353,493	228,229	97,950	38,762
Net loss[(3)]	821,457	588,225	550,425	220,000	37,138
Net loss per share[(3)]	14.04	10.77	11.01	5.34	1.03
Balance Sheet Data:					
Cash, cash equivalents and short-term investments	6,817	213,505	16,075	112,411	347,506
Net operating assets[(1)]	3,416	(49,314)	(36,954)	(16,478)	(47,248)
Capital assets	1,280,048	1,137,722	932,154	770,865	252,313
Total assets[(3)]	1,725,391	1,790,497	1,400,653	1,321,716	925,451
Long-term Debt	1,679,258	2,109,812	1,213,091	867,624	280,987
Total debt[(2) (3)]	2,653,862	2,109,866	1,286,587	872,844	283,214
Shareholders' equity (deficiency)	(1,103,628)	(510,109)	(47,309)	311,835	479,147

Supplementary Quarterly Data:

	Fiscal Quarter Ended 2000			
	Dec. 31	**Sept. 30**	**June 30**	**Mar. 31**
Total revenue	155,907	141,733	131,049	113,454
Net loss	337,089	160,867	162,377	161,124
Net loss per share	5.65	2.81	2.80	2.78

	Fiscal Quarter Ended 1999			
	Dec. 31	**Sept. 30**	**June 30**	**Mar. 31**
Total revenue	109,819	94,945	79,892	68,837
Net loss[(3)]	169,244	135,216	155,560	128,205
Net loss per share[(3)]	3.06	2.49	2.86	2.36

(1) Net operating assets consists of the sum of trade accounts receivable, commodity tax and other receivables, inventory, prepaid expenses, less bank indebtedness, current portion of deferred revenue and accounts payable and accrued liabilities, excluding current portion of obligations under capital lease.

(2) Total debt consists of bank indebtedness, current and long-term portion of long-term debt , due to TELUS Group and current and long-term portion of obligations under capital leases.

(3) Prior years restated for CICA HB S.3465 Accounting for Income Taxes, as disclosed in Clearnet's 2000 Consolidated Financial Statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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Clearnet's Management's Discussion and Analysis is incorporated herein by reference and appears in Clearnet's 2000 Annual Report.

RISKS AND UNCERTAINTIES

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Clearnet includes an analysis of Risks and Uncertainties in it's Management's Discussion and Analysis that is incorporated herein by reference and appears in Clearnet's 2000 Annual Report.

MARKET FOR SECURITIES

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Clearnet completed its initial public offering in October 1994 with the issuance of Class A Non-Voting Shares. Clearnet's Class A Non-Voting Shares were quoted on the Nasdaq National Market starting on October 13, 1994, under the symbol "CLNT" and traded on The Toronto Stock Exchange under the symbol "NET.A" starting on October 20, 1994. Since the completion of the TELUS acquisition of Clearnet commenced in October 2000, Clearnet's Class A Non-voting shares are no longer listed on the TSE or NASDAQ. Clearnet currently still has publically traded Senior Discount Notes that are primarily held in Canada and the U.S. and are not listed on any listed exchange.

FOREIGN OWNERSHIP RESTRICTIONS

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Clearnet is required by the *Telecommunications Act* (Canada) (the "Telecommunications Act") and the regulations thereunder to be a Canadian-owned and controlled corporation incorporated or continued under the laws of Canada or a province of Canada. Clearnet is considered, under the Telecommunications Act, to be Canadian-owned and controlled as long as: (a) not less than 80% of the members of its board of directors are individual Canadians; (b) Canadians beneficially own not less than 80% of its issued and outstanding voting shares; and (c) it is not otherwise controlled in fact by persons that are not Canadians. Clearnet understands that TELUS intends it to remain controlled by TELUS and that TELUS will ensure that Clearnet remains "Canadian" for the purposes of these ownership requirements.

Also, the Telecommunications Act provides that, in order for a company which holds shares in a carrier to be considered Canadian, not less than 66 2/3% of the issued and outstanding voting shares of that company must be owned by Canadians and that company must not otherwise be controlled in fact by non-Canadians. Accordingly, not less than 66 2/3% of the issued and outstanding voting shares of TELUS must be owned by Canadians and TELUS must not otherwise be controlled in fact by non-Canadians. Clearnet understands that to the best of TELUS' knowledge, Canadians beneficially own and control in the aggregate not less than 66 2/3% of the issued and outstanding Common Shares and TELUS is not otherwise controlled in fact by non-Canadians.

The regulations under the Telecommunications Act provide Canadian carriers and carrier holding companies, such as TELUS, with the time and ability to rectify ineligibility resulting from insufficient Canadian ownership of voting shares. Under these regulations, such companies may restrict the issue, transfer and ownership of shares, if necessary, to ensure that they and their subsidiaries remain qualified under such legislation. For such purposes, in particular but without limitation, a company may, in accordance with the provisions, if any, contained in such regulations:

(i) refuse to accept any subscription for any voting shares;

(ii) refuse to allow any transfer of voting shares to be recorded in its share register;

(iii) suspend the rights of a holder of voting shares to vote at a meeting of its shareholders; and

(iv) sell, repurchase or redeem any voting shares.

To ensure that TELUS remains Canadian and that any subsidiary of TELUS is and continues to be eligible to operate as a telecommunications common carrier under the Telecommunications Act or to be issued radio authorizations or radio licences as a radiocommunications carrier under the *Radiocommunication Act* (Canada) (the "Radiocommunications Act"), provisions substantially similar to the foregoing have been incorporated into TELUS' Articles permitting the directors to make determinations to effect any of the foregoing actions.

Also, Clearnet's Articles provide that Clearnet may, in connection with the issue, transfer or ownership of voting shares in its capital, take any action, or refuse to take any action, as the case may be, to the extent necessary to ensure that any subsidiary of Clearnet is and continues to be eligible to operate as a telecommunications common carrier under the *Telecommunications Act* or to be issued radio authorizations or radio licences as a radiocommunications carrier under the *Radiocommunication Act*, if and only to the extent that the business activities of such subsidiary require such eligibility.

Clearnet's Articles also provide that the board of directors of Clearnet may make such by-laws and pass such resolutions as the board may consider necessary or desirable in order to ensure that Clearnet maintains its status as a Canadian company for purposes of the Acts.

DIRECTORS AND OFFICERS

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Since the acquisition in October 2000 by TELUS of all shares in Clearnet Communications Inc., none of Clearnet's directors and officers as a group beneficially own, directly or indirectly any of Clearnet's Class B Voting Shares.

The section entitled 'Directors' in Clearnet's Form 28, Annual Filing of Reporting Issuer, dated May 18, 2001 sets out the name, municipality of residence, the principal occupations within the five preceding years, the periods of service and the expiry of the current term of each director and board member of Clearnet. Such section is incorporated herein by reference. Clearnet's board does not have an executive committee. The members of its audit committee and all other committees are identified in such section entitled 'Directors'.

Set out below are the names, municipalities of residence and principal occupations within the five preceding years of Clearnet's officers:

Name	Residence	Position
George A. Cope	Locust Hill, Ontario	President and Chief Executive Officer
Robert G. McFarlane	Unionville, Ontario	Executive Vice President, Chief Financial Officer (acting pending replacement)
Wade Oosterman	Toronto, Ontario	Executive Vice President, Sales and Marketing
John H. Phillips	Toronto, Ontario	Executive Vice President, Carrier Relations and General Counsel
Kevin A. Salvadori	Maple, Ontario	Executive Vice President, Chief Information Officer
Robert C. Simmonds	Ajax, Ontario	Chairman and Executive Vice President, Regulatory
Eros L. Spadotto	Mississauga, Ontario	Executive Vice President and Chief Technology Officer
John Watson	King City, Ontario	Executive Vice President, Client Operations
David D. Wells	Toronto, Ontario	Executive Vice President, Employee Services

George A. Cope is President and CEO of the new TELUS Mobility. Prior to the acquisition of Clearnet by TELUS, George served as President of Clearnet Communications since 1987 and as a Director since 1988. Under his stewardship, Clearnet became a public company that raised in excess of $3.2 billion in capital, launched two state-of-the-art digital wireless networks, grew its total number of clients across Canada to more than 700,000 and increased its employment to more than 2,500 team members nationwide.

Robert G. McFarlane is Chief Financial Officer of TELUS Corporation and in an acting capacity pending replacement, is Executive Vice President and Chief Financial Officer for TELUS Mobility. Since 1994 and prior to the acquisition of Clearnet by TELUS, Bob was Executive Vice President, Chief Financial Officer and Secretary Treasurer of Clearnet and a member of its Board of Directors. In his position, Bob is responsible for the development of corporate financial strategies, plans and policies as well as the delivery of these services. In addition, he is responsible for investor relations, financial reporting and control, and internal audit.

Wade Oosterman is Executive Vice President, Sales and Marketing of the new TELUS Mobility. Since 1994 and prior to the acquisition of Clearnet by TELUS, Wade served in the same role at Clearnet and was a member of its Board of Directors. In his role as Executive Vice President, Sales and Marketing, Wade is responsible for the development and execution of TELUS Mobility's overall sales and marketing strategy.

John H. Phillips is Executive Vice President, Carrier Relations and General Counsel of the new TELUS Mobility. Since 1994 and prior to the acquisition of Clearnet by TELUS, John served in the same role at Clearnet and was a member of its Board of Directors since May 1998. In addition to leading TELUS Mobility's Law Group, John participates in the company's major strategic initiatives, transactions and corporate commitments. John also plays a leading role in the Company's CRTC (Canadian Radio-television and Telecommunications Commission) activities.

Kevin A. Salvadori is Executive Vice President and Chief Information Officer of the new TELUS Mobility. Prior to the acquisition of Clearnet by TELUS, Kevin also served as in the same role at Clearnet since May 2000. From November 1997, Kevin was Executive Vice President, Client Operations. Before then, Kevin served as Director, Client Care from 1995 to 1997. In his role as Executive Vice President and Chief Information Officer, Kevin supports all aspects of TELUS Mobility's Information Technology including the continued development of an e-business presence, including Client Self Care, e-billing and assisting in development of wireless data services. He also supports the development of all new product and operational efficiency initiatives and all computer operations, including client billing.

Robert C. Simmonds is Executive Vice President, Regulatory of the new TELUS Mobility. Prior to the acquisition of Clearnet by TELUS, Bob served in the same role at Clearnet, as well as the Chairman of the Board of the company since 1994. Bob is widely regarded as one of Canada's leading wireless communications engineers having been heavily involved for the past 20 years in spectrum and regulatory activity regarding trunked land-mobile radio (SMR), ESMR, cellular radio, PCS, and cordless telephones.

Eros L. Spadotto is Executive Vice President and Chief Technology Officer of the new TELUS Mobility. Since January 2000 and prior to the acquisition of Clearnet by TELUS, Eros served in the same role at Clearnet. Before then he served as Executive Vice President, Networks and Information Systems since 1997. Before then Eros served as Clearnet's Vice President, Engineering and Network Services since 1995. Eros is responsible for the design and implementation of TELUS Mobility's network infrastructure across Canada. Eros brings to this role more than 10 years experience in the wireless telecommunications industry.

John Watson is the Executive Vice President, Client Operations of the new TELUS Mobility. Since May 2000 and prior to the acquisition of Clearnet by TELUS, John served in the same role at Clearnet. John served as Vice President, Channel Marketing since May 1998 and Director, Channel Marketing prior to that since May 1996. As Executive Vice President, Client Operations, John supports TELUS Mobility's Activations, Client Care and Client Operations teams.

David D. Wells is Executive Vice President, Employee Services of the new TELUS Mobility. Since April 1996 and prior to the acquisition of Clearnet by TELUS, David held the same position at Clearnet.As the Executive Vice President of Employee Services, David is responsible for all aspects of Human Resources, Continuous Learning and Facilities & Administration.

ADDITIONAL INFORMATION

Additional information, including directors' and certain executive officers' remuneration and indebtedness is contained in the Form 28 referred to above. Additional financial information is provided in Clearnet's comparative financial statements for its year ended December 31, 2000 a copy of which appears in Clearnet's 2000 Annual Report.

Any person may obtain single copies of the following documents upon request to Clearnet Communications Inc., c/o Shareholder Services, 200 Consilium Place, Scarborough, Ontario, M1H 3J3 or by e-mail address: investorrelations@clearnet.com:

(i) this Annual Information Form;

(ii) the 2000 "Management's Discussion and Analysis" of Clearnet and Clearnet's comparative financial statements for its year ended December 31, 2000 with the accompanying report of the auditors thereon;

(iii) Clearnet interim financial statements for periods after 2000; and

(iv) the Form 28 referred to above.