Amended and Restated Short Form Prospectus

This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offense. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended. Accordingly, except in limited circumstances, the securities offered hereby may not be offered or sold in the United States of America, and this short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States. See "Plan of Distribution".

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada (the permanent information record in Quebec). Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of Mitel Corporation, P.O. Box 13089, 350 Legget Drive, Kanata, Ontario K2K 1X3 (telephone: (613) 592-2122).

Additional Issue

July 17, 1998

MITEL CORPORATION
$172,000,000
8,000,000 Common Shares

The offering consists of common shares (the "Common Shares") of Mitel Corporation ("Mitel" or the "Company"). The outstanding Common Shares of the Company are listed for trading on The Toronto Stock Exchange, the Montreal Exchange, the New York Stock Exchange and The Stock Exchange, London. On July 9, 1998 the closing sale prices of the Common Shares on The Toronto Stock Exchange and the New York Stock Exchange, the stock exchanges on which the Common Shares are principally traded, were $20.35 and US$13.75 per share, respectively. The Toronto Stock Exchange and the Montreal Exchange have conditionally approved the listing of the Common Shares, subject to compliance with the requirements of these exchanges on or before September 30, 1998. The offering price of the Common Shares was determined by negotiation between Mitel and the Underwriters. The Common Shares, when issued, will not be precluded as investments under certain statutes and, in the opinion of counsel, will not constitute "foreign property" for purposes of the *Income Tax Act* (Canada). See "Eligibility for Investment".

Price: $21.50 per Common Share

	Price to Public	Underwriters' Fee	Proceeds to Company(1)
Per Common Share	$21.50	$0.86	$20.64
Total(2)	$172,000,000	$6,880,000	$165,120,000

(1) Before deducting expenses of the offering estimated at $1,000,000, which, together with the Underwriters' fee, will be paid from the general funds of the Company.
(2) The Company has granted to the Underwriters an option to purchase up to 800,000 additional Common Shares in whole or in part at any time on or before the closing of the offering, on the same terms and conditions as set forth above solely to cover over-allotments, if any. If the Underwriters exercise this over-allotment option in full, the total Price to Public, Underwriters' Fee and Proceeds to the Company will be $189,200,000, $7,568,000, and $181,632,000, respectively. See "Plan of Distribution". This short form prospectus qualifies the additional Common Shares issuable upon exercise of the Underwriters' over-allotment option.

The Underwriters, as principals, conditionally offer the Common Shares, subject to prior sale, if, as and when issued, sold and delivered by the Company and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution", and subject to the approval of certain legal matters on behalf of the Company by McCarthy Tétrault, and on behalf of the Underwriters by Blake, Cassels & Graydon.

Subscriptions for the Common Shares will be received subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time without notice. It is expected that definitive share certificates evidencing the Common Shares will be available for delivery at closing of this offering, which should take place on or about July 23, 1998 or such later date as may be agreed upon, but, in any event, not later than August 7, 1998.

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DOCUMENTS INCORPORATED BY REFERENCE

The following documents of the Company, filed with the various securities commissions or similar authorities in each of the provinces of Canada, are specifically incorporated by reference into and form an integral part of this short form prospectus:

(a) Annual Information Form of the Company on Form 10-K dated March 27, 1998;

(b) Audited Consolidated Financial Statements of the Company for the year ended March 27, 1998, together with the auditors' report thereon;

(c) Management Information Circular of the Company dated May 29, 1998, prepared in connection with the Company's annual and special meeting of shareholders to be held on July 23, 1998;

(d) Material Change Report dated July 2, 1998, in the form of Current Report of the Company on Form 8K/A, and supplemental information, consisting of: (i) Audited Combined Financial Statements of the four acquired affiliated entities which, together with their respective subsidiaries, comprise the Plessey Semiconductor Group ("Plessey"), as at and for the years ended March 31, 1997 and 1996, and the report of the independent accountants thereon; (ii) Unaudited Interim Combined Financial Statements of Plessey as at and for the nine months ended December 31, 1997 and 1996; (iii) Unaudited Pro Forma Condensed Financial Statements of the Company and Plessey, comprising a Balance Sheet as at December 26, 1997 and Statements of Income for the nine months ended December 26, 1997 and the year ended March 27, 1997, and the Compilation Report of the independent accountants thereon; (iv) Schedule of Reconciliation to Canadian Generally Accepted Accounting Principles on the Combined Financial Statements of Plessey as at and for the years ended March 31, 1997 and 1996, and the report of the auditors thereon; and (v) Unaudited Schedule of Reconciliation to Canadian Generally Accepted Accounting Principles on the Combined Financial Statements of Plessey as at December 31, 1997 and for the nine months ended December 31, 1997 and 1996; and

(e) Material Change Report dated July 17, 1998 with respect to the appointment of Mr. Kirk K. Mandy as President and Chief Executive Officer of the Company.

Any documents of the type referred to above and any material change report (excluding confidential material change reports) filed by the Company with a securities commission or any similar authority in Canada after the date of this short form prospectus and prior to the termination of the offering, shall be deemed to be incorporated by reference into this short form prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this short form prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not constitute a part of this short form prospectus, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or

an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

THE COMPANY

Mitel designs, manufactures and markets semiconductors, subsystems and systems to world markets in the communications industries. These products include integrated circuits for wired and wireless applications, application-specific integrated circuits ("ASICs"), optoelectronic devices and custom silicon wafers; voice communications systems, networked voice and data systems, applications and telephony-enabled servers; public switching systems; and alternate network and remote access products. The Company also provides related services. Service activities consist primarily of hardware and software maintenance, training and other ancillary support services. Mitel operates through two principal business units, Mitel Semiconductor and Business Communications Systems ("BCS").

Mitel Semiconductor's standard and application-specific integrated circuits, analog line components, optoelectronic devices and custom silicon wafers are distributed worldwide as high performance solutions primarily for the communications industries and also for specialized industries such as aerospace, medical and instrumentation technologies. Mitel Semiconductor's products are primarily non-commodity, specialized products that are proprietary in design and are often designed for a specific application or customer.

Mitel's BCS business unit designs, manufactures and markets customer premise telephone switching systems (also known as Private Branch Exchanges or PBXs), specialized proprietary telephones, datasets, terminals, systems and applications providing integrated telephony and computer functionality ("computer telephony integration"), convergent voice and data systems, public switching equipment and alternate network and remote access products.

Mitel Corporation was incorporated in Canada in 1971 and continued under the *Canada Business Corporations Act* in 1976. The registered office and the principal executive offices of Mitel are located at 350 Legget Drive, Kanata, Ontario, Canada K2K 1X3 (telephone: (613) 592-2122).

RECENT DEVELOPMENTS

As a result of several recent acquisitions, management of Mitel believes that the Company has increased its manufacturing capabilities and obtained complementary technology and product offerings and stronger distribution channels. The acquisitions were made in both the Mitel Semiconductor and BCS business units and include the transactions described below.

Mitel Semiconductor

On February 12, 1998, the Company acquired all of the capital stock of four affiliated entities which, together with their respective subsidiaries, comprise Plessey from The General Electric Company plc for US$225.0 million in cash. Plessey, headquartered in Swindon, United Kingdom, is an international semiconductor manufacturer for communications and media applications. Plessey now operates as Mitel Semiconductor Limited in the United Kingdom and as Mitel Semiconductor Americas, Inc. in the U.S. As a result of the Plessey acquisition, management believes that Mitel ranks among the major networking and telecommunications semiconductor companies in the world, with a diverse product portfolio, advanced technology expertise and the ability to manufacture bipolar, complementary metal oxide semiconductor ("CMOS") and optoelectronic components.

Management further believes that the Plessey acquisition significantly enhances the Company's operations, technologies and product portfolio by providing a strong customer base and an expanded geographic presence, enhanced research and development capabilities, increased manufacturing facilities and a diverse and complementary product line. As a result of the acquisition, Mitel obtained technology expertise in radio frequency and high-speed transmission for communications and ASICs markets, as well as gate-array and reduced instruction set computer processor technologies. The acquired manufacturing capability principally includes two semiconductor fabrication facilities, a leading-edge 150 mm bipolar facility in Swindon, United Kingdom, and a high performance 200 mm CMOS facility in Plymouth, United Kingdom, that uses 0.35 micron technology. The product portfolio consists of ASIC components, wireless applications and mass optical storage and networking (fast Ethernet) products, complemented by system level expertise for custom solutions. Management also believes that Plessey maintained a strong direct sales channel relationship with its customers that will also benefit Mitel as a result of the acquisition.

The Plessey acquisition was financed through syndicated credit facilities pursuant to a credit agreement dated as of February 12, 1998 for an aggregate amount of US$310 million (the "Credit Agreement"). The Credit Agreement provides senior secured credit facilities consisting of: (i) a 5-year Tranche A Term Loan amounting to US$85 million at a variable interest rate; (ii) a 6-year Amortization Extended Term Loan (AXELs℠, AXEL is a service mark of Goldman, Sachs & Co.) Series B loan amounting to US$150 million at a variable interest rate; and (iii) a 5-year revolving credit facility amounting to US$75 million that was unused at March 27, 1998, except for drawn letters of credit amounting to US$6.2 million, and was otherwise available for general corporate purposes. At March 27, 1998, Mitel had outstanding borrowings under the Credit Agreement consisting of a $211.9 million (US$150 million) AXELs℠ Series B loan at an effective annual interest rate of 8.25%, with scheduled repayments of principal in quarterly installments beginning June 1998 and due December 2003, and a $119.7 million (US$85 million) Tranche A Term Loan at an effective annual interest rate of 8.00%, with scheduled repayments of principal in quarterly installments beginning June 1998 and due February 2003. To secure Mitel's obligations under the Credit Agreement, Mitel granted to the lenders a first priority lien on substantially all of its personal property and certain of its real property, including a pledge of all of the shares of each of its principal subsidiaries. Mitel is subject to certain covenants, including financial ratios that it must maintain throughout the term of the Credit Agreement. The Company is also subject to certain mandatory prepayments in the event of asset sales (other than inventory), equity offerings and debt issuances, certain insurance proceeds, and defined excess cash flow. Mandatory prepayments range from 75% to 100% of the net cash proceeds and would be paid on a defined pro-rata basis toward the senior secured term loans. Management believes that the Company is currently in compliance with the terms of the Credit Agreement. See "Use of Proceeds", "Capitalization" and "Plan of Distribution".

Business Communications Systems

On May 8, 1998, the Company acquired the assets of the Customer Premises Equipment Business Unit of Centigram Communications Corporation ("Centigram") for US$22.0 million in cash. Mitel also purchased receivables and inventories related to that business for US$4.8 million in cash. The addition of Centigram's leading voice messaging solutions to Mitel's broad communications product portfolio is expected to permit Mitel to respond to increasing customer demand for voicemail and unified messaging applications. The acquired business unit is based in San Jose, California, with worldwide sales coordinated through a broad network of independent distributors and agents.

On May 19, 1998, the Company acquired the products, technology, research and development facilities and sales and marketing organization of Telecom Sciences Corporation Limited, based in Glasgow, United Kingdom, for £3.4 million in cash. The acquisition enhances Mitel's product portfolio with Integrated Services Digital Network business products for the small-to-medium enterprise market.

Appointment of President and Chief Executive Officer

On July 17, 1998, the Company announced the appointment of Mr. Kirk K. Mandy as President and Chief Executive Officer of the Company, effective July 23, 1998. Dr. John B. Millard, the current President and Chief Executive Officer of the Company announced his intention to retire in January 1998.

USE OF PROCEEDS

The net proceeds to Mitel from the sale of the Common Shares, after deducting estimated expenses of this offering and the Underwriters' fee but before exercise of the Underwriters' over-allotment option, will amount to approximately $164,120,000 (or, if the Underwriters exercise their over-allotment option in full, approximately $180,632,000). Mitel will use the net proceeds to repay approximately $123,100,000 (assuming the over-allotment option is not exercised) of the Company's indebtedness under the Credit Agreement and to pay certain related expenses. See "Recent Developments", "Capitalization" and "Plan of Distribution". The balance of the net proceeds are expected to be used for working capital and general corporate purposes. Pending the application of the net proceeds, Mitel will invest the net proceeds in interest bearing accounts and short term interest bearing securities.

CAPITALIZATION

The following table sets forth the consolidated capitalization of Mitel at March 27, 1998 and June 26, 1998 and as adjusted to give effect to the completion of the offering of the Common Shares and the application of a portion of the net proceeds therefrom. See "Recent Developments" and "Use of Proceeds".

	Outstanding as at March 27, 1998	Outstanding as at June 26, 1998	Outstanding as at June 26, 1998 after giving effect to this offering[4]
	(in millions of dollars, except per share data)		
Long-term debt[1]:			
AXELs[sm] Series B loan[2]	$211.9	$215.6	$171.7
Tranche A term loan[2]	119.7	122.2	43.0
Capital leases at various rates of interest and other	84.5	81.1	81.1
Non-interest bearing government loans[2]	3.8	4.3	4.3
Total long-term debt	419.9	423.2	300.1
Shareholders' equity:			
Preferred shares, unlimited authorized, 1983 R&D Series	37.2	37.2	37.2
	(1,616,500 shs)	(1,616,500 shs)	(1,616,500 shs)
Common Shares, unlimited authorized[3]	157.3	157.9	329.9[4]
	(108,394,631 shs)	(108,519,256 shs)	(116,519,256 shs)
Contributed surplus	32.3	32.3	32.3
Retained earnings	202.9	202.9[6]	195.0[5]
Translation account	5.8	5.8[6]	5.8
Total shareholders' equity	435.5	436.1	600.2
Total capitalization	$855.4	$859.3	$900.3

(1) Includes current portion of long-term debt. See Note 9 to the Audited Consolidated Financial Statements of Mitel for the year ended March 27, 1998.
(2) A first priority lien on substantially all of the Company's personal property and certain of its real property, including a pledge of all of the shares of each of its principal subsidiaries, was granted by Mitel to secure this loan.
(3) Does not include outstanding options on Common Shares as at March 27, 1998. See Note 12 to the Audited Consolidated Financial Statements of Mitel for the year ended March 27, 1998.
(4) Assumes the Underwriters' over-allotment option is not exercised.
(5) After deducting the Underwriters' fee and expenses of this offering payable by the Company estimated at $6,880,000 and $1,000,000, respectively.
(6) Balance is as at March 27, 1998.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following table presents selected historical consolidated financial information of the Company for the periods and as of the dates indicated. The financial data for the fiscal years ended March 1998, 1997, 1996, 1995 and 1994 have been derived from Mitel's Audited Consolidated Financial Statements. The financial summary should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Mitel's Audited Consolidated Financial Statements included in the Company's Form 10-K incorporated by reference in this short form prospectus.

	Fiscal year ended March,				
	1998	1997	1996	1995	1994
	(in millions of dollars, except per share data)				
Income Statement Data:					
Revenue	$888.5	$695.5	$576.4	$589.4	$496.4
Gross research and development expense	92.4	61.5	46.5	44.9	37.1
Net Income	91.9	38.0	51.0	31.8	20.7
Net Income per Common Share	0.82	0.32	0.45	0.27	0.16
Balance Sheet Data (as at fiscal year end):					
Working capital	245.9	206.3	210.3	208.4	174.2
Total assets	1,237.7	584.8	517.1	440.6	376.4
Total long-term debt	419.9	57.8	50.8	43.5	31.7
Shareholders' equity	435.5	339.5	302.8	263.0	231.7

DESCRIPTION OF SHARE CAPITAL

The share capital of Mitel consists of an unlimited number of Preferred Shares (including the $2.00 Cumulative Redeemable Convertible Preferred Shares, R&D Series (the "R&D Series Shares")), and an unlimited number of Common Shares. As at June 30, 1998, 1,616,500 R&D Series Shares and 108,519,256 Common Shares were outstanding.

The following summary of the principal attributes of the Preferred Shares, the R&D Series Shares and the Common Shares does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Articles of Mitel.

Preferred Shares

The Preferred Shares are issuable in series. The Board of Directors of Mitel is authorized to fix the number of shares in each series, and to determine their designation and attributes, which may include voting rights. The Preferred Shares are entitled to priority over the Common Shares with respect to the payment of dividends and the distribution of property of Mitel in the event of any liquidation, dissolution or winding-up of Mitel.

The holders of R&D Series Shares are entitled to receive, if, when and as declared by the Board of Directors of Mitel, fixed cumulative preferential cash dividends at a rate per share of $2.00 per annum, payable quarterly. Mitel may redeem at any time the R&D Series Shares on payment of $25.00 per share, plus accrued and unpaid dividends. Mitel must make reasonable efforts to purchase 1% of the R&D Series Shares (22,400 shares) in each calendar quarter (4% per annum) at a price not exceeding $25.00 per share, plus accrued and unpaid dividends and reasonable costs of purchase. In the event of any liquidation, dissolution or winding-up of Mitel, the holders of R&D Series Shares are entitled to $25.00 per share, plus accrued and unpaid dividends. In the event that dividends are not declared and paid on a quarterly basis, Mitel may not, while dividends are in arrears, redeem less than all of the outstanding R&D Series Shares. To date, all of the purchase and dividend requirements of the R&D Series Shares have been met.

Common Shares

The holders of Common Shares are entitled to one vote for each share held at all meetings of shareholders, except meetings at which only holders of Preferred Shares of one or more series are entitled to vote. The holders of Common Shares are entitled to receive dividends if, as and when declared by the Board of Directors of Mitel, subject to the rights of holders of Preferred Shares. In the event of any liquidation, dissolution or winding-up of Mitel, subject to the rights of holders of Preferred Shares, the holders of Common Shares are entitled to participate rateably in any distribution of the remaining property of Mitel.

DIVIDEND POLICY

Mitel has not declared or paid any dividends on its Common Shares. Mitel does not anticipate paying any dividends on its Common Shares in the foreseeable future. It is anticipated that for the foreseeable future any earnings generated from Mitel's operations will be retained for use in Mitel's business. Any future determination as to the payment of dividends will be at the discretion of the Board of Directors of the Company and will depend upon Mitel's operating results, financial condition and capital requirements, general business conditions and such other factors as the Board of Directors of Mitel deems relevant, including any contractual or statutory restrictions on Mitel's ability to pay dividends. Pursuant to the Credit Agreement, Mitel is required to maintain a minimum net worth, and is restricted from declaring and paying any dividends (other than dividends on the Preferred Shares). Since the Company does not anticipate declaring or paying any dividends on its Common Shares, the covenant is not expected to have an impact on Mitel's dividend policy.

PRICE RANGE AND TRADING VOLUME OF COMMON SHARES

The Common Shares are listed for trading on The Toronto Stock Exchange, the Montreal Exchange, the New York Stock Exchange and The Stock Exchange, London. The following table sets forth the market price range and the approximate trading volumes of the Common Shares on The Toronto Stock Exchange and the New York Stock Exchange, the stock exchanges on which the Common Shares are principally traded, for the calendar periods indicated.

	The Toronto Stock Exchange		
	Price Range		Approximate Trading Volume
	High	Low	(in thousands)
1996			
First Quarter	$ 9.125	$ 7.125	39,835
Second Quarter	10.00	8.38	19,352
Third Quarter	9.60	7.75	12,039
Fourth Quarter	9.65	8.50	17,976
1997			
First Quarter	10.85	6.35	35,407
Second Quarter	8.20	6.60	16,023
Third Quarter	10.95	7.30	16,225
Fourth Quarter	13.00	10.00	28,665
1998			
First Quarter	19.20	10.55	29,619
April	21.30	18.25	12,456
May	24.00	19.50	12,992
June	22.60	18.45	15,751
July (to July 9)	20.50	19.55	2,992

	New York Stock Exchange		
	Price Range		Approximate Trading Volume
	High	Low	(in thousands)
1996			
First Quarter	US$ 6.625	US$ 5.125	5,902
Second Quarter	7.375	6.125	4,236
Third Quarter	6.875	5.75	1,437
Fourth Quarter	7.25	6.25	1,288
1997			
First Quarter	8.125	4.625	4,156
Second Quarter	6.00	4.750	1,523
Third Quarter	7.9375	5.1875	3,251
Fourth Quarter	9.3125	7.125	2,974
1998			
First Quarter	13.50	7.313	2,972
April	15.00	13.00	615
May	16.50	13.50	1,285
June	15.5625	12.5625	1,527
July (to July 9)	14.0625	13.3125	171

On July 9, 1998, the closing sale prices of the Common Shares on The Toronto Stock Exchange and the New York Stock Exchange, the stock exchanges on which the Common Shares are principally traded, were $20.35 and US$13.75, respectively.

PLAN OF DISTRIBUTION

Under an agreement (the "Underwriting Agreement") dated July 2, 1998 among Mitel and RBC Dominion Securities Inc., ScotiaMcLeod Inc., Nesbitt Burns Inc., First Marathon Securities Limited and Newcrest Capital Inc. (collectively the "Underwriters"), Mitel has agreed to sell and the Underwriters have severally and not jointly agreed to purchase on or about July 20, 1998 or such other date not later than August 7, 1998 as may be agreed upon, subject to the terms and conditions stated therein, in the aggregate all but not less than all of the 8,000,000 Common Shares offered by this short form prospectus at an aggregate price of $172,000,000 being $21.50 per Common Share, payable in cash to Mitel. The Underwriters will receive a fee of $0.86 per Common Share for their services performed in connection with this offering. The Underwriting Agreement provides that, in accordance with applicable securities policies, after the Common Shares are initially released for sale, the public offering price and other selling terms may from time to time be varied by RBC Dominion Securities Inc.

The obligations of the Underwriters under the Underwriting Agreement are subject to certain conditions which must be satisfied by Mitel at or prior to closing and may be terminated on the occurrence of certain stated events. However, the Underwriters are obligated to take up and pay for all of the Common Shares offered hereunder (other than those covered by the over-allotment option described below) if any Common Shares are purchased under the Underwriting Agreement.

Mitel has also granted to the Underwriters an option to purchase up to 800,000 additional Common Shares in whole or in part at any time on or before the closing of the offering, on the same terms and conditions as set forth above solely to cover over-allotments, if any. If the Underwriters exercise such over-allotment option in full, the total issue price will be $189,200,000, the total Underwriters' fee will be $7,568,000, and the total net proceeds to Mitel will be $181,632,000. The Underwriters may exercise such over-allotment option in whole or in part to cover over-allotments, if any, at any time on or before the closing of this offering. This short form prospectus qualifies the Common Shares issuable upon exercise of the Underwriters' over-allotment option.

Mitel has agreed to indemnify the Underwriters and their directors, officers, employees and agents against certain liabilities.

Pursuant to policy statements of the Ontario Securities Commission and the Commission des valeurs mobilières du Québec, the Underwriters may not, throughout the period of distribution under this offering, bid for or purchase Common Shares of Mitel. The foregoing restriction is subject to certain exceptions, as long as the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of such securities. These exceptions include a bid or purchase permitted under the bylaws and rules of The Toronto Stock Exchange and the Montreal Exchange relating to market stabilization and passive market-making activities. In connection with this offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Common Shares of Mitel at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

Mitel has agreed in the Underwriting Agreement that it will not (subject to certain exceptions), without the prior consent of the Underwriters, offer, issue, sell or otherwise dispose of any Common Shares of Mitel or any securities convertible into or exchangeable or exercisable for Common Shares of Mitel for a period of 90 days from the date of closing of this offering.

The Common Shares offered hereby have not been and will not be registered under the United States *Securities Act of 1933*, as amended (the "U.S. Securities Act"), and accordingly may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the U.S. Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Common Shares within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act.

ELIGIBILITY FOR INVESTMENT

Eligibility of the Common Shares offered hereby for investment by purchasers to whom any of the following statutes apply is, in certain cases, governed by criteria which such purchasers are required to establish as policies or guidelines pursuant to the applicable statute (and, where applicable, the regulations thereunder) and is subject to the prudent investment standards and general investment provisions provided therein:

Insurance Companies Act (Canada)
Trust and Loan Companies Act (Canada)
Pension Benefits Standards Act, 1985 (Canada)
Pension Benefits Act (Ontario)
An Act respecting insurance (Quebec)
An Act respecting trust companies and savings companies (Quebec)
Supplemental Pension Plans Act (Quebec)

In the opinion of McCarthy Tétrault and Blake, Cassels & Graydon, the Common Shares, if issued on the date hereof, would be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds and deferred profit sharing plans within the meaning of the *Income Tax Act* (Canada) ("Plans") and, based in part on a certificate of the Company as to certain factual matters, would not constitute "foreign property" for Plans, registered pension plans or other persons subject to Part XI of the *Income Tax Act* (Canada).

LEGAL MATTERS

Certain legal matters relating to the Common Shares offered hereby will be passed upon for the Company by McCarthy Tétrault, and for the Underwriters by Blake, Cassels & Graydon. The partners and associates of McCarthy Tétrault and Blake, Cassels & Graydon, as a group, each beneficially own, directly or indirectly, less than one percent of the outstanding Common Shares of Mitel. Mr. Hubert T. Lacroix, a partner of McCarthy Tétrault, has been a director of Mitel since July 21, 1992.

AUDITORS AND TRANSFER AGENTS AND REGISTRARS

The auditors of Mitel are Ernst & Young, 55 Metcalfe Street, Ottawa, Ontario K1P 6L5.

Montreal Trust Company, at its principal transfer offices in Halifax, Montreal, Toronto, Winnipeg, Regina, Calgary and Vancouver, is the transfer agent and registrar for the Common Shares of Mitel. In addition, Bank of Nova Scotia Trust Company of New York, at its principal transfer office in New York, New York, is co-transfer agent and co-registrar for the Common Shares of Mitel.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in several of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities within two business days after receipt, or deemed receipt, of a prospectus and any amendment. In several of the provinces securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages where the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

CERTIFICATE OF MITEL CORPORATION

Dated: July 17, 1998

The foregoing, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities laws of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland. For the purpose of the *Securities Act* (Quebec), this short form prospectus, as supplemented by the documents incorporated herein by reference, contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed.

(Signed) JOHN B. MILLARD
President and
Chief Executive Officer

(Signed) JEAN-JACQUES CARRIER
Vice-President of Finance
and Chief Financial Officer

On behalf of the Board of Directors

(Signed) JONATHAN I. WENER
Director

(Signed) HUBERT T. LACROIX
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: July 17, 1998

To the best of our knowledge, information and belief, the foregoing, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities laws of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland. For the purposes of the *Securities Act* (Quebec), to our knowledge, this short form prospectus, as supplemented by the documents incorporated herein by reference, contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed.

RBC DOMINION SECURITIES INC.

By: (Signed) Daniel R. Coholan

SCOTIAMCLEOD INC.

By: (Signed) Fergus W. Gould

NESBITT BURNS INC.

By: (Signed) Janet C. Griffin

FIRST MARATHON SECURITIES LIMITED

By: (Signed) John MacLennan

NEWCREST CAPITAL INC.

By: (Signed) Peter Grosskopf

The following includes the name of each person having an interest, either directly or indirectly, to the extent of not less than five percent in the capital of:

RBC DOMINION SECURITIES INC.: RBC Dominion Securities Limited, a majority-owned subsidiary of a Canadian chartered bank;

SCOTIAMCLEOD INC.: a wholly-owned subsidiary of a Canadian chartered bank;

NESBITT BURNS INC.: a wholly-owned subsidiary of The Nesbitt Burns Corporation Limited, a majority-owned subsidiary of a Canadian chartered bank;

FIRST MARATHON SECURITIES LIMITED: a wholly-owned subsidiary of First Marathon Inc.; and

NEWCREST CAPITAL INC.: A. Boileau, P. Brehl, D. Davidson, D. Dawson, R. Dorrance, D. Gordon, J. Gravel, P. Grosskopf, J. Hinds, S. MacNicol, J. Massicotte, D. McCracken, J. O'Sullivan, L. Pettigrew, R. Pryde, B. Robert, Sanwa Holdings Canada Inc., M. Schwartz and G. Williams.