PROSPECTUS SUPPLEMENT
(To Short Form Base Shelf Prospectus Dated June 26, 2001)

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended, and, subject to certain exceptions, may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons. See "Plan of Distribution".

New Issue August 8, 2001

Agrium

Cdn. $500,000,000 Medium Term Notes (Unsecured)

Agrium Inc. (the "Corporation") may from time to time offer to the public medium term notes (the "Notes") having maturities of not less than one year. The Notes will be issued under the Trust Indenture, will be unsecured and will rank *pari passu*, except as to redemption and/or sinking fund provisions, with all other unsecured and unsubordinated indebtedness of the Corporation. The Notes will be either interest bearing or non-interest bearing and may be issued at par, at a discount or at a premium. The Notes will be issued at rates of interest, if any, and at prices determined at the time of issue based on a number of factors.

The specific terms of any offering of Notes will be established at the time of the offering and sale of the Notes and set forth in a pricing supplement or other prospectus supplement which will accompany this prospectus supplement. Such terms will include, where applicable and without limitation, the aggregate principal amount of Notes being offered, the currency, the issue and delivery date, the maturity date, the issue price, the interest rate (either fixed or floating and, if floating, the manner of calculation thereof), the interest payment date(s), the redemption, exchange or conversion provisions (if any) or repayment terms, whether the Notes are issued or payable on an instalment basis, the underwriters, dealers or agents involved in the offering, the actual commission of the underwriters, dealers or agents, the form (either global or definitive), the method of distribution, and the actual net proceeds to the Corporation. The Corporation may set forth in a pricing supplement or other prospectus supplement specific terms pertaining to the Notes which are not within the options and parameters set forth in this prospectus supplement.

The Notes will be issued by the Corporation from time to time in an aggregate amount of up to Cdn. $500,000,000 (or the equivalent thereof in other currencies based on the applicable exchange rate at the time of the offering) during the 25 month period that the short form base shelf prospectus of the Corporation dated June 26, 2001 remains valid. Such aggregate amount shall be calculated, in the case of interest bearing Notes, on the basis of the principal amount of the Notes issued, and in the case of non-interest bearing Notes, on the basis of the gross proceeds received by the Corporation. Such aggregate principal amount is subject to reduction in the event of the sale by the Corporation of other Debt Securities pursuant to another prospectus supplement to the short form base shelf prospectus into which this prospectus supplement is incorporated.

In the opinion of counsel, the Notes offered hereby, if issued on the date hereof, would be eligible for investment under certain statutes as set out under the heading "Eligibility for Investment".

There is no market through which the Notes may be sold and purchasers may not be able to resell Notes purchased under this prospectus supplement.

Rates on Application

The Notes will be offered severally by one or more of BMO Nesbitt Burns Inc., CIBC World Markets Inc., Merrill Lynch Canada Inc., RBC Dominion Securities Inc., Scotia Capital Inc. and TD Securities Inc., or by such other investment dealers as may be selected from time to time by the Corporation (collectively, the "Dealers" and individually a "Dealer"), acting as agents of the Corporation or as principals, as the case may be, subject to confirmation by the Corporation pursuant to the Dealer Agreement referred to under the heading "Plan of Distribution". The rate of commission payable in connection with each sale of Notes by the Dealers will be as set forth in the Dealer Agreement or as determined from time to time by agreement between the Corporation and the Dealers and will be set forth in a pricing supplement or other prospectus supplement which will accompany this prospectus supplement. The Notes may be purchased from time to time by any of the Dealers, as an underwriter or dealer purchasing as principal, at such prices and with such commissions as set forth in the Dealer Agreement or as may be agreed upon by the Corporation and any such Dealers, for resale to the public at prices to be negotiated with each purchaser. Such resale prices may vary during the distribution period and as between purchasers. Compensation to any such Dealer will be increased or decreased by the amount by which the aggregate price paid by the purchasers for Notes exceeds or is less than the aggregate price paid by such Dealer, acting as principal, to the Corporation. The Corporation may also offer the Notes from time to time directly to one or more purchasers, pursuant to applicable statutory exemptions or discretionary exemptions, at such prices and upon such terms as may be negotiated with any such purchasers, in which case no commission will be paid to the Dealers.

Under applicable securities legislation, the Corporation may be considered to be a connected issuer of some or all of the Dealers as each are directly or indirectly wholly-owned or majority-owned subsidiaries or affiliates of Canadian chartered banks which are or may become lenders to the Corporation and to which the Corporation is presently or may in the future become indebted. A portion of the net proceeds from the sale of the Notes will be used to reduce outstanding indebtedness of the Corporation or its subsidiaries, all or a portion of which may be due to some or all of such lenders. See "Plan of Distribution" and "Use of Proceeds".

The Notes offered hereunder have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and, subject to certain exceptions, may not be offered or sold within the United States, or to, or for the account or benefit of U.S. persons. See "Plan of Distribution".

The Notes are a new issue of securities with no established trading market. The Notes will not be listed on any securities exchange. The Dealers may make a market in the Notes after completion of the offering, but will not be obligated to do so and may discontinue any market-making activities at any time without notice. No assurance can be given as to the liquidity of the trading market for the Notes.

The offering of Notes is subject to approval of certain legal matters on behalf of the Corporation by Blake, Cassels & Graydon LLP and on behalf of the Dealers by Bennett Jones LLP.

IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of the Notes being offered. The second part, the accompanying short form base shelf prospectus of the Corporation dated June 26, 2001, gives more general information, some of which may not apply to the Notes being offered. The accompanying short form base shelf prospectus is referred to as the "prospectus" in this prospectus supplement.

If the description of the Notes varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should rely on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. The Corporation has not authorized anyone to provide purchasers of Notes with different or additional information. The Corporation is not making an offer of the Notes in any jurisdiction where the offer is not permitted by law. Purchasers of Notes should not assume that the information contained in or incorporated by reference in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the date on the front of this prospectus supplement.

In this prospectus supplement, all capitalized terms and acronyms used and not otherwise defined herein have the meanings provided in the accompanying prospectus.

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DOCUMENTS INCORPORATED BY REFERENCE

This prospectus supplement is deemed to be incorporated by reference into the accompanying prospectus, as of the date thereof, solely for the purposes of the offering of the Notes. Other documents are also incorporated or deemed to be incorporated by reference into the accompanying prospectus. See "Documents Incorporated by Reference" in the accompanying prospectus.

A pricing supplement or other prospectus supplement containing the specific variable terms for an issue of the Notes will be delivered to purchasers of such Notes together with this prospectus supplement and the accompanying prospectus and will be deemed to be incorporated by reference into the accompanying prospectus as of the date of the pricing supplement or other prospectus supplement solely for the purposes of the offering of the Notes covered by such pricing supplement or other prospectus supplement.

Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this prospectus supplement 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 prior statement. Any statement or document so modified or superseded shall not, except to the extent so modified or superseded, be incorporated by reference and constitute a part of this prospectus supplement.

DESCRIPTION OF THE NOTES

The following description of the Notes is a summary of certain of their material attributes and characteristics, and does not purport to be complete. The terms and conditions set forth in this section will apply to each Note unless otherwise specified in the applicable pricing supplement or other prospectus supplement. For further particulars of the terms of the Notes, reference should be made to the accompanying prospectus and to the Trust Indenture (as defined below).

General

The Notes will be unsecured obligations of the Corporation ranking equally and *pari passu* with all other unsecured and unsubordinated debt of the Corporation and will be issued under a trust indenture referred to in the accompanying prospectus (the "Trust Indenture") to be entered into between the Corporation and CIBC Mellon Trust Company, as trustee (the "Trustee"). The Notes will be issued by the Corporation from time to time in an aggregate amount of up to Cdn. $500,000,000 (or the equivalent thereof in other currencies based on the applicable exchange rate at the time of the offering) during the 25 month period that the short form base shelf prospectus of the Corporation dated June 26, 2001 remains valid. Such aggregate amount shall be calculated, in the case of interest bearing Notes, on the basis of the principal amount of the Notes issued, and in the case of non-interest bearing Notes, on the basis of the gross proceeds received by the Corporation. Such aggregate principal amount is subject to reduction in the event of the sale by the Corporation of other Debt Securities pursuant to another prospectus supplement to the accompanying prospectus into which this prospectus supplement is incorporated. The Notes will be issued at rates of interest, if any, and at prices determined at the time of issue based on a number of factors, including prevailing market conditions and advice from the Dealers.

The Notes will have maturities of not less than one year and will either be interest bearing or non-interest bearing and may be issued at par, at a discount or at a premium. The Notes will be issued in minimum denominations of $1,000 and integral multiples thereof in Canadian currency, or such other currencies or denominations as may be determined at the time of issue and as specified in the applicable pricing supplement or other prospectus supplement.

The specific variable terms of any offering of Notes will be established at the time of the offering and sale of the Notes and set forth in a pricing supplement or other prospectus supplement which will accompany this prospectus supplement. Such terms will include, where applicable and without limitation, the aggregate principal amount of Notes being offered, the currency, the issue and delivery date, the maturity date, the issue price, the interest rate (either fixed or floating and, if floating, the manner of calculation thereof), the interest payment date(s), the redemption, exchange or conversion provisions (if any) or repayment terms, whether the Notes are issued or payable on an instalment basis, the Dealers involved in the offering, the actual commission of the Dealers, the form (either global or definitive), the method of distribution and the actual net proceeds to the Corporation. The Corporation may set forth in a pricing supplement or other prospectus supplement specific terms pertaining to the Notes which are not within the options and parameters set forth in this prospectus supplement.

Under the Trust Indenture, in addition to the right to issue Notes with terms different from Notes previously issued, without the consent of the holders of Notes then issued and outstanding under the Trust Indenture, the Corporation will have the right to reopen a previous issue of Notes and issue additional Notes having terms identical to such previously issued Notes.

Form of Notes

Unless otherwise specified in the applicable pricing supplement or other prospectus supplement, the Notes will be issued in the form of fully registered global notes (the "Global Notes") held by, or on behalf of The Canadian Depository for Securities Limited or a successor (collectively, the "Depository") as custodian for its participants, and will be registered in the name of the Depository or its nominee. Except as described below, no purchaser of a Note will be entitled to a certificate or other instrument from the Corporation or the Depository evidencing the purchaser's ownership of the Note. Instead, the Notes will be represented only in book-entry form. Beneficial interests in the Global Notes, constituting ownership of the Notes, will be represented through book-entry accounts of institutions (including the Dealers) acting on behalf of beneficial owners, as direct and indirect participants of the Depository ("participants"). Each purchaser of a Note represented by a Global Note will receive a customer confirmation of purchase from the Dealer or Dealers from whom the Note is purchased in accordance with the practices and procedures of the selling Dealer or Dealers. The practices of the Dealers may vary but generally customer confirmations are issued promptly after execution of a customer order. The Depository will be responsible for establishing and maintaining book-entry accounts for its participants having interests in Global Notes.

Currently, the Depository only allows depository eligibility for securities denominated in Canadian or United States dollars. Any Notes denominated in a currency other than Canadian or United States dollars will be represented by Notes in definitive form ("Definitive Notes") until such time as the Depository allows depository eligibility for issues of securities denominated in such currencies.

If the Depository notifies the Corporation that it is unwilling or unable to continue as depository in connection with the Global Notes, or if at any time the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and the Corporation and the Trustee are unable to locate a qualified successor, or if an event of default has occurred and is continuing with respect to the Notes, or if the Corporation elects to terminate the book-entry system, beneficial owners of Notes represented by Global Notes will receive Definitive Notes. Beneficial owners of Notes represented by Global Notes may also receive Definitive Notes if the Trustee gives notice pursuant to the Trust Indenture that an event of default has occurred and is continuing with respect to the Notes. In addition, if provided in the applicable pricing supplement or other prospectus supplement, Notes may be issued in the form of Definitive Notes.

Transfer of Notes

Transfers of beneficial ownership of Notes represented by Global Notes will be effected through records maintained by the Depository for such Global Notes or its nominee (with respect to interests of participants) and on the records of participants (with respect to interests of persons other than participants). Beneficial owners who are not participants, but who desire to purchase, sell or otherwise transfer ownership of or other interest in Global Notes, may do so only through participants.

The ability of a beneficial owner of an interest in a Note represented by a Global Note to pledge the Note or otherwise take action with respect to such owner's interest in a Note represented by a Global Note (other than through a participant) may be limited due to the lack of a physical certificate.

The registered holder of a Definitive Note may transfer or exchange such Note at the principal office of the Trustee or other registrar in Calgary, Alberta or at such other place or places as may from time to time be designated by the Corporation with the approval of the Trustee. Definitive Notes may be exchanged for Notes (other than Notes represented by the Global Note) of the same or other authorized form or denomination or denominations of the same aggregate principal amount of the Notes, bearing the same interest rate and of the same maturity date. Reasonable charges, including a sum sufficient to cover any tax or other governmental charge payable, may be imposed by the Trustee or other registrar in connection with the exchange or transfer of Notes.

Payment of Interest and Principal

Payments of interest, if any, and principal of and premium, if any, on each Global Note will be made to the Depository or its nominee, as the case may be, as registered holder of the Global Note. As long as the Depository or its nominee is the registered holder of a Global Note, the Depository or its nominee, as the case may be, will be considered to be the sole owner of the Global Note for the purpose of receiving payments of interest, if any, and principal of and premium, if any, on the Global Note and for all other purposes under the Trust Indenture and the Global Note. The record date for the payment of interest will be that day which is the fifth business day prior to the applicable interest payment date. Interest payments on Global Notes will be delivered to the Depository or its nominee, as the case may be.

The Corporation understands that the Depository or its nominee, upon receipt of any payment of interest, if any, or principal and premium, if any, in respect of a Global Note, will credit participants' accounts, on the date the interest, if any, or principal and premium, if any, is payable, with payments in amounts proportionate to their respective interests in the principal amount of such Global Note as shown on the records of the Depository or its nominee. The Corporation also understands that payments of interest, if any, or principal and premium, if any, by participants to the owners of beneficial interests in such Global Note held through such participants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such participants. The responsibility and liability of the Corporation in respect of payments on Notes represented by Global Notes is limited solely and exclusively, while the Notes are in Global Note form, to making payment of interest, if any, and principal and premium, if any, due on such Global Note to the Depository or its nominee. The Corporation will not have any responsibility or liability for any aspect of the records relating to beneficial ownership interests in the Global Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

If the due date for payment of interest, if any, or principal of or premium, if any, on any Note is not, at the place of payment, a business day, such payment will be made on the next business day and the holder of such Note shall not be entitled to any further interest or other payment in respect of such delay.

Fixed and Floating Rate Notes

An interest bearing Note may be issued as a fixed rate Note or as a floating rate Note. Unless otherwise specified in the applicable pricing supplement or other prospectus supplement, the following terms of Notes that bear interest at a fixed rate ("Fixed Rate Notes") will apply.

Fixed Rate Notes will be denominated in Canadian dollars. Unless otherwise specifically provided in the terms thereof, each Fixed Rate Note will bear interest from the later of the date of such Note and the last interest payment date to which interest shall have been paid or made available for payment on such Note provided that, in respect of the first interest payment date after the issuance thereof, each Fixed Rate Note will bear interest from the later of the date of such Note and the last interest payment date preceding the issuance of such Note, if applicable. The interest rate applicable to a particular Fixed Rate Note will be specified in the applicable pricing supplement or other prospectus supplement.

Interest on each Fixed Rate Note will be payable semi-annually on such dates as are specified in the applicable pricing supplement or other prospectus supplement. Interest payments on each interest payment date for Fixed Rate Notes will include interest accrued to, but excluding, such interest payment date.

CREDIT RATINGS

The following table discloses the credit ratings of the Corporation's unsecured and unsubordinated long-term debt securities, including the Notes, by the rating agencies indicated:

Rating Agency	Rating	Outlook
Standard & Poor's Corporation	BBB	Stable
Dominion Bond Rating Service Limited	BBB (high)	Stable
Moody's Investors Service, Inc.	Baa2	Stable

Standard & Poor's Corporation ("S&P") and Dominion Bond Rating Service Limited ("DBRS") credit ratings are on a long term debt rating scale that ranges from "AAA" to "D", which represents the range from highest to lowest quality of such securities rated. According to the S&P rating system, an obligor rated BBB is the fourth highest of eight available rating categories and is considered to have adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments on the Notes. The ratings from AA to CCC may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. According to the DBRS rating system, its rating of BBB is the fourth highest of ten available rating categories and is considered to be of adequate credit quality. Protection of interest and principal is considered acceptable, but the entity is fairly susceptible to adverse changes in financial and economic conditions, or there may be other adversities present which reduce the strength of the entity and its rated securities. The ratings from AAA to D may be modified by the addition of a "high" or "low" to show relative standing within the major categories.

Moody's Investors Service, Inc. ("Moody's") credit ratings are on a long term debt rating scale that ranges from "Aaa" to "C", which represents the range from highest to lowest quality of such securities rated. According to the Moody's rating system, debt securities rated Baa are the fourth highest of nine available rating categories and are considered as medium-grade obligations, i.e. they are neither highly protected nor poorly secured. Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such securities lack outstanding investment characteristics and in fact have speculative characteristics as well. Moody's applies numerical modifiers 1, 2 and 3 in each generic rating classification from Aa through Caa in its corporate bond rating system. The modifier 1 indicates that the issue ranks in the higher end of its generic rating category, the modifier 2 indicates a mid-range ranking and the modifier 3 indicates that the issue ranks in the lower end of its generic rating category.

Credit ratings are intended to provide investors with an independent measure of credit quality of an issue of securities. The credit ratings accorded to the debt securities by the rating agencies are not recommendations to purchase, hold or sell the debt securities inasmuch as such ratings do not comment on market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if in its judgment circumstances so warrant, and if any such rating is so revised or withdrawn, the Corporation is under no obligation to update this prospectus supplement.

PLAN OF DISTRIBUTION

Pursuant to a dealer agreement dated August 7, 2001 (the "Dealer Agreement ") between the Corporation and the Dealers, the Dealers are authorized, as agents of the Corporation, for such purpose only, to solicit offers from time to time to purchase Notes in each of the provinces of Canada, directly and through other investment dealers approved by the Corporation. The rate of commission payable in connection with sales by the Dealers of Notes will be as set forth in the Dealer Agreement or as determined from time to time by agreement between the Corporation and the Dealers and will be set forth in a pricing supplement or other prospectus supplement which will accompany this prospectus supplement. The Dealer Agreement also provides that Notes may be purchased from time to time by any of the Dealers as an underwriter or dealer purchasing as principal, at such prices and at such commissions as set forth in the Dealer Agreement or as may be agreed upon from time to time between the Corporation and such Dealers, for resale to the public at prices to be negotiated with each purchaser. Such resale prices may vary during the distribution period and as between purchasers. Each Dealer's compensation will be increased or decreased by the amount by which the aggregate price paid by the purchasers for the Notes exceeds or is less than the aggregate price paid by the Dealers, acting as principal, to the Corporation. If any Dealer agrees to purchase Notes as principal, the Dealer will have the right to terminate its obligations upon the occurrence of certain stated events.

The Corporation may also offer Notes to one or more purchasers directly, pursuant to applicable statutory exemptions or discretionary exemptions, at such prices and terms as may be negotiated with any such purchasers.

In addition, a Dealer may offer the Notes it has purchased as principal to other dealers. A Dealer may sell Notes to any dealer at a discount and, unless otherwise specified in a pricing supplement or other prospectus supplement, such discount allowed to any dealer will not be in excess of the discount to be received by the Dealer from the Corporation. Unless otherwise indicated in a pricing supplement or other prospectus supplement, any Note sold to a Dealer as principal will be purchased by the Dealer at a price equal to 100% of the principal amount thereof less a percentage equal to the commission applicable to any agency sale of a Note of identical maturity, and may be sold by the Dealer to investors and other purchasers at prevailing market prices at the time of resale as determined by the Dealers to certain dealers as described above.

The Dealers have agreed not to buy or offer to buy, to sell or offer to sell, or to solicit any offer to buy, any Notes as part of any distribution under this prospectus supplement in the United States, its territories and possessions, except in certain transactions exempt from the registration requirements of the U.S. Securities Act. The Notes have not been and will not be registered under the U.S. Securities Act and may not be offered, sold or delivered in the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the U.S. Securities Act, including, if contemplated in the applicable pricing supplement or prospectus supplement, as the case may be, transactions under Rule 144A under the U.S. Securities Act. The Dealers have severally agreed that they will not offer or sell the Notes in the United States, except in such an exempt transaction. In addition, until 40 days after the commencement of the offering of any Notes, an offer or sale of any such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an applicable exemption from the registration requirements of the U.S. Securities Act. If deemed necessary by the Corporation, a United States depository may be appointed by the Corporation in connection with the sale of Notes pursuant to any exempt transactions of the nature described in this paragraph, which United States depository may be in addition to or in lieu of the Depository. Terms used in this paragraph have the meanings given to them by Regulation S under the U.S. Securities Act.

In connection with this offering, the Dealers may over-allot or effect transactions intended to fix or stabilize the market price of the Notes at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Dealers may from time to time purchase and sell the Notes in the secondary market but are not obligated to do so. There can be no assurance that there will be a secondary market for the Notes. The offering price and other selling terms for such sales in the secondary market may, from time to time, be varied by the Dealers.

The Corporation has agreed to indemnify the Dealers and their directors, officers and employees against liabilities arising out of, among other things, any misrepresentations in the accompanying prospectus and this prospectus supplement and the documents incorporated by reference therein and herein, other than liabilities arising out of any misrepresentations made by the Dealers.

The Corporation and, if applicable, the Dealers, reserve the right to reject any offer to purchase Notes in whole or in part. The Corporation also reserves the right to withdraw, cancel or modify the offering of Notes under this prospectus supplement without notice.

Under applicable securities legislation, the Corporation may be considered to be a connected issuer to some or all of the Dealers. Each of these Dealers is, directly or indirectly, a wholly-owned or a majority-owned subsidiary or an affiliate of a Canadian chartered bank which is or may become a member of one or more syndicates under the Corporation's various current credit facilities or credit facilities which the Corporation may enter into in the future. The Corporation is in compliance with the terms of each of its current credit facilities. None of the banks affiliated with the Dealers were involved in the decision to offer the Notes and none will be involved in the determination of the terms of the distribution of the Notes. As a consequence of the sale of the Notes from time to time under a pricing supplement or other prospectus supplement, each of the Dealers will receive a commission on the principal amount of any Notes sold by it. A portion of the net proceeds from the sale of the Notes will be used to reduce outstanding indebtedness of the Corporation or its subsidiaries, all or a portion of which may be due to some or all of the banks affiliated with the Dealers. See "Use of Proceeds".

The Corporation is currently indebted to the banks affiliated with RBC Dominion Securities Inc. and Scotia Capital Inc. The total amount of such indebtedness as at July 31, 2001 was approximately U.S. $110 million, which indebtedness represented approximately 11.7% of the total indebtedness of the Corporation as at that date.

USE OF PROCEEDS

The net proceeds from the issuance of Notes under this prospectus supplement will be the issue price thereof less any fees or commissions of the underwriters, dealers or agents and expenses of issue paid in connection therewith. Such net proceeds cannot be estimated as of the date of this prospectus supplement as the amount will depend on the terms, conditions and provisions set forth in each pricing supplement or other prospectus supplement and the extent to which Notes are issued under this prospectus supplement and during the 25 month period that the accompanying prospectus remains valid. The maximum aggregate amount of the Notes will not exceed $500,000,000 (or the equivalent thereof in other currencies based on the applicable exchange rate at the time of the offering). Such amount shall be calculated, in the case of interest bearing Notes, on the basis of the principal amount of Notes issued by the Corporation, and, in the case of non-interest bearing Notes, on the basis of the gross proceeds received by the Corporation. The maximum aggregate principal amount is subject to reduction in the event of the sale by the Corporation of other Debt Securities pursuant to another prospectus supplement to the accompanying prospectus.

Unless otherwise specified in a pricing supplement or other prospectus supplement, the net proceeds resulting from the issuance of Notes will be used by the Corporation to reduce outstanding indebtedness of the Corporation or its subsidiaries, to finance capital expenditures and investments by the Corporation or its subsidiaries or for general corporate purposes. The expenses of this offering and commissions will be paid out of the Corporation's general funds.

ELIGIBILITY FOR INVESTMENT

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Corporation, and Bennett Jones LLP, counsel to the Dealers, the Notes offered hereby, if issued on the date hereof, would be eligible investments, as at such date, under, or their purchase would not be prohibited by, the statutes listed below (and where applicable, the regulations thereunder), in each case subject to compliance with the general investment provisions thereof and in certain cases subject to compliance with the prudent investment requirements thereof and the satisfaction of additional requirements relating to investment or lending policies or goals.

Insurance Companies Act (Canada)
Pension Benefits Standards Act, 1985 (Canada)
Trust and Loan Companies Act (Canada)
Financial Institutions Act (British Columbia)
Pension Benefits Standards Act (British Columbia)
Alberta Heritage Savings Trust Fund Act (Alberta)
Employment Pension Plans Act (Alberta)
Insurance Act (Alberta)
Loan and Trust Corporations Act (Alberta)
The Pension Benefits Act, 1992 (Saskatchewan)
The Insurance Act (Manitoba)
The Pension Benefits Act (Manitoba)
The Trustee Act (Manitoba)
Loan and Trust Corporations Act (Ontario)
Pension Benefits Act (Ontario)
Trustee Act (Ontario)
an Act respecting insurance (Québec) (in respect of an insurer, as defined therein, incorporated under the Province of Québec, other than a guarantee fund corporation)
an Act respecting trust companies and savings companies (Québec) (for a trust company investing its own funds and deposits it receives and a savings company, as defined therein, which invests in its own funds)
Supplemental Pension Plans Act (Québec)

In the opinion of such counsel, the Notes offered hereby, if issued on the date hereof, would also be, at such date, qualified investments under the *Income Tax Act* (Canada) for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans and deferred profit sharing plans (other than trusts governed by a deferred profit sharing plan for which the named employer is the Corporation or is a corporation which does not deal at arm's length with the Corporation).

TRANSFER AGENT AND REGISTER

The register and transfer books for the Notes will be kept at the principal office of CIBC Mellon Trust Company in Calgary, Alberta.

CERTIFICATE OF THE DEALERS

Dated: August 8, 2001

To the best of our knowledge, information and belief, the short form base shelf prospectus dated June 26, 2001, together with the documents incorporated therein by reference, as supplemented by the foregoing, as of the date of each supplement hereto, will constitute full, true and plain disclosure of all material facts relating to the securities offered hereby and by such supplement as required by the securities laws of each province of Canada and will not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed.

BMO Nesbitt Burns Inc. By: (signed) Aaron M. Engen	CIBC World Markets Inc. By: (signed) T. Timothy Kitchen	Merrill Lynch Canada Inc. By: (signed) Rory J. Tyler
RBC Dominion Securities Inc. By: (signed) Gordon J. Bell	Scotia Capital Inc. By: (signed) Gregory M. Rudka	TD Securities Inc. By: (signed) Lee Pettigrew