This is a preliminary short form prospectus relating to these securities, a copy of which has been filed with the securities commission or regulatory authority in each of the provinces of Canada but which has not yet become final for the purpose of a distribution to the public. Information contained herein is subject to completion or amendment. These securities may not be sold to, nor may offers to buy be accepted from, residents of such jurisdictions prior to the time a receipt for the final short form prospectus is obtained from the appropriate securities commission or other regulatory authority.

**Preliminary Short Form Prospectus Dated April 6, 1999**

*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 offence. The securities offered hereby have not been registered under the U.S. Securities Act of 1933, as amended, and subject to certain exceptions, may not be offered or sold by the Underwriters within the United States of America or to U.S. persons. 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. Copies of the documents incorporated herein by reference may be obtained on request without charge from Ross J. Meacher, Corporate Secretary, Intrawest Corporation, Suite 800, 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6 (telephone: (604) 669-9777). For the purposes of the Province of Quebec, this simplified prospectus contains information to be completed by consulting the permanent information record. A copy of the permanent information record may be obtained from the Corporate Secretary of Intrawest Corporation at the above address and telephone number.*

*New Issue*

INTRAWEST

# INTRAWEST CORPORATION

## 3,000,000 Common Shares

All of the common shares (''Common Shares'') offered hereby are being sold by Intrawest Corporation (the ''Company''). The Common Shares are listed for trading on The Toronto Stock Exchange (the ''TSE'') and The Montreal Exchange (the ''ME'') under the trading symbol ''ITW'' and on the New York Stock Exchange (the ''NYSE'') under the trading symbol ''IDR''. On April 5, 1999, the closing price of the Common Shares on the TSE was $26.00 per share. See ''Price Range and Trading Volume of Common Shares''.

**See "Risk Factors" beginning on page 9 for a discussion of certain considerations relevant to an investment in the Common Shares offered hereby. In the opinion of counsel, the Common Shares will on the date of closing qualify for investment under certain statutes. See "Eligibility for Investment".**

| | Public Offering Price | Underwriting Fee | Proceeds to Company(1) |
|---|---|---|---|
| Per Share | $25.40 | $1.02 | $24.38 |
| Total(2) | $76,200,000 | $3,060,000 | $73,140,000 |

(1) Before deducting expenses payable by the Company estimated at $300,000.

(2) The Company has granted the Underwriters an option, exercisable during the 30 day period ending on May 6, 1999, to purchase up to an additional 450,000 Common Shares on the same terms as set forth above to cover over-allotments, if any. If such option is exercised in full, the total Public Offering Price, Underwriting Fee and Proceeds to Company will be $87,630,000, $3,519,000 and $84,111,000, respectively. See ''Plan of Distribution''.

---

The Underwriters, as principals, conditionally offer the Common Shares, subject to prior sale, if, as and when issued by the Company and delivered to 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, Vancouver, and Preston, Gates & Ellis LLP, Seattle, and on behalf of the Underwriters by Osler, Hoskin & Harcourt, Toronto, and Shearman & Sterling, Toronto.

**One of the Underwriters is a subsidiary of a Canadian chartered bank which is a lender of debt to the Company, a portion of which debt is to be reduced through the application of the net proceeds of this offering. Consequently, the Company may be considered to be a connected issuer of such Underwriter. See "Use of Proceeds" and "Plan of Distribution".**

Subscriptions 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 the closing of this offering will take place on or about April 22, 1999, but in any event not later than May 25, 1999, and that certificates for the Common Shares offered hereby will be available for delivery at such time.

## TABLE OF CONTENTS



## ELIGIBILITY FOR INVESTMENT

In the opinion of McCarthy Tétrault and Osler, Hoskin & Harcourt, subject to compliance with the prudent investment standards and the general investment provisions and restrictions of the statutes referred to below (and, where applicable, the regulations thereunder) and, in certain cases, subject to the satisfaction of the requirements relating to investment or lending policies or goals and, in certain cases, the filing of such policies or goals, the Common Shares offered hereby will not, at the date of issue, be precluded as investments by or under the following statutes:

*Insurance Companies Act* (Canada)
*Trust and Loan Companies Act* (Canada)
*Pension Benefits Standards Act, 1985* (Canada)
*Loan and Trust Corporations Act* (Ontario)
*Pension Benefits Act* (Ontario)
*An Act respecting insurance* (Quebec) (in respect of insurers other than guarantee fund corporations)
*An Act respecting trust companies and savings companies* (Quebec) (except trust companies with respect to funds, other than deposits, which are administered for other persons)
*Supplemental Pension Plans Act* (Quebec)
*Financial Institutions Act* (British Columbia)
*Pension Benefits Standards Act* (British Columbia)
*Loan and Trust Corporations Act* (Alberta)

In the opinion of such counsel, the Common Shares offered hereby, if, as and when listed on a prescribed stock exchange in Canada, will be qualified investments under the *Income Tax Act* (Canada) and the regulations thereunder for trusts governed by registered retirement savings plans, registered retirement income funds or deferred profit sharing plans.

## EXCHANGE RATE INFORMATION

The Company publishes its consolidated financial statements in Canadian dollars. **All dollar amounts set forth in this Prospectus are expressed in Canadian dollars, except where otherwise indicated.** The following table sets forth certain exchange rates based on the noon buying rate in New York City for cable transfers in Canadian dollars as certified for customs purposes by the Federal Reserve Bank of New York (the ''Noon Buying Rate''). Such rates are set forth as US dollars per $1.00 and are the inverse of rates quoted by the Federal Reserve Bank of New York for Canadian dollars per US$1.00. On April 5, 1999, the inverse of the Noon Buying Rate was $1.00 per US$0.6679

| | Year ended September 30 | Nine months ended June 30 | Years ended June 30 | | | Six months ended December 31 | |
|---|---|---|---|---|---|---|---|
| | 1994 | 1995 | 1996 | 1997 | 1998 | 1997 | 1998 |
| High | 0.7731 | 0.7442 | 0.7527 | 0.7513 | 0.7305 | 0.7305 | 0.6822 |
| Low | 0.7166 | 0.7023 | 0.7236 | 0.7145 | 0.6784 | 0.6945 | 0.6341 |
| Period end | 0.7457 | 0.7279 | 0.7322 | 0.7241 | 0.6790 | 0.6999 | 0.6504 |
| Average(1) | 0.7365 | 0.7237 | 0.7348 | 0.7308 | 0.7028 | 0.7129 | 0.6510 |

(1) The average of the exchange rates on the last business day of each month during the applicable period.

## DOCUMENTS INCORPORATED BY REFERENCE

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

(a) the Annual Information Form of the Company dated September 14, 1998 for the fiscal year ended June 30, 1998 including the Management's Discussion and Analysis of the Company for the year ended June 30, 1998;

(b) the Information Circular of the Company dated October 9, 1998 (except for the sections entitled ''Report on Executive Compensation'' and ''Performance Graph'') distributed in connection with the Company's annual general meeting held on November 16, 1998;

(c) the audited consolidated financial statements of the Company for the years ended June 30, 1998 and 1997, together with the notes thereto and the auditors' report thereon (the ''Annual Consolidated Financial Statements''); and

(d) the unaudited consolidated financial statements of the Company for the six months ended December 31, 1998 and 1997 (the ''Interim Consolidated Financial Statements'' and, together with the Annual Consolidated Financial Statements, the ''Consolidated Financial Statements'').

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

**Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained herein, or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. 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 that it modifies or supersedes. The making of 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. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.**

Copies of the documents incorporated herein by reference may be obtained on request without charge from Ross J. Meacher, Corporate Secretary, Intrawest Corporation, Suite 800, 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6 (telephone: (604) 669-9777).

In this Prospectus, unless the context otherwise requires, the ''Company'' or ''Intrawest'' refers to Intrawest Corporation, either alone or together with its subsidiaries and their respective interests in joint ventures and partnerships. Unless otherwise specified, ''fiscal'' in connection with a year means, with respect to the Company, in the case of any year prior to 1995, the 12 months ended September 30, in the case of 1995, the nine months ended June 30 and, in the case of any year after 1995, the 12 months ended June 30.

As used in this Prospectus, ''skier visit'' means one guest accessing a ski mountain on any one day and ''unit'' means one condominium-hotel unit, one townhome unit, one single-family lot or 1,000 square feet of commercial space.

In this Prospectus, the Company's ''resort EBITDA'' is computed as operating revenue from ski and resort operations minus operating expenses from ski and resort operations, after deducting employee housing interest included in ski and resort operations expenses, and excludes any allocation of general and administrative costs; the Company's ''real estate EBITDA'' is computed as operating revenue from real estate minus operating expenses from real estate, after deducting capitalized interest included in real estate cost of sales, and excludes any allocation of general and administrative costs; and ''total Company EBITDA'' is computed as earnings before interest expense, income taxes and depreciation and amortization, plus interest included in real estate costs and in ski and resort operations expenses minus interest income. Resort EBITDA, real estate EBITDA and total Company EBITDA are not terms that have established meanings under generally accepted accounting principles, but are referred to in this Prospectus because management of the Company believes that they are indicative measures of a company's operating performance and are generally used by investors to evaluate companies in the resort industry. Such terms should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles.

## THE COMPANY

The Company was formed by an amalgamation on November 23, 1979 under, and is governed by, the *Company Act* (British Columbia). The registered office of the Company is located at 1300 – 777 Dunsmuir Street, Vancouver, British Columbia, Canada, V7Y 1K2, its executive office is located at Suite 800, 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6 and its telephone number is (604) 669-9777. The Company maintains a web site at *www.intrawest.com.*

### Overview

Intrawest is the leading developer and operator of mountain resorts across North America. The Company's principal strength is its ability to combine expertise in resort operations and real estate development. By combining high quality resort services and amenities with innovative residential and commercial real estate development, the Company has generated, and has implemented strategies that it expects will continue to generate, increases in the number of visitors, return on assets and average selling prices of real estate at its resorts. In fiscal 1998 the Company's resort EBITDA was $83.2 million on revenues of $367.4 million. For the same period, the Company's real estate EBITDA was $56.8 million on revenues of $230.7 million. Ski and resort operations represented approximately 62% and real estate operations represented approximately 38% of the Company's consolidated revenues from continuing operations.

### Resort Operations

Intrawest's network of ten mountain resorts, which are geographically diversified across North America's major ski regions, enables it to provide a wide range of distinctive vacation experiences. The Company's resorts include Whistler/Blackcomb (rated as North America's number one ski resort for the past seven years by *Mountain Sports & Living* (formerly called *Snow Country*) magazine) and Panorama in British Columbia, Blue Mountain in Ontario, Tremblant and Mont Ste. Marie in Quebec, Stratton in Vermont, Snowshoe in West Virginia, Copper in Colorado, Mountain Creek in New Jersey and Mammoth in California. During the 1997/98 ski season the Company's network of resorts generated approximately 5.5 million skier visits (excluding Blue Mountain, which was acquired in January 1999), which is more than the amount generated by any other North American group of affiliated mountain resorts. Intrawest also holds a 17.6% equity interest in Compagnie Des Alpes (''CDA''), a French public company which is the world's largest ski operator in terms of skier visits, and a 45% equity interest in Alpine Helicopters Ltd. (''Alpine''), the parent company of Canadian Mountain Holidays Inc. (''CMH''), a provider of helicopter destination skiing and helicopter-assisted mountaineering and hiking in southeastern British Columbia.

Intrawest is expanding into the development and operation of warm-weather destination resorts with the recent acquisitions of Sandestin Resorts, Inc. (''Sandestin''), the largest resort and residential community in northwestern Florida, and of the assets of Raven Golf Group (''Raven''), including two resort-quality golf courses in Arizona. Intrawest also has resort club facilities at Whistler/Blackcomb and Tremblant, and in Hawaii and Palm Desert, California.

The following table summarizes certain key statistics relating to each of the Company's mountain resort locations.

| Resort | Intrawest ownership percentage (%) | Skiable terrain (acres) | Vertical drop (feet) | Trails | Lifts (high-speed) | Average annual snowfall (inches) | Snow-making coverage (%) | 1997/98 skier visits (000's) |
|---|---|---|---|---|---|---|---|---|
| Blackcomb | 77 | 3,414 | 5,280 | 119 | 17(7) | 360 | 10 | 1,040 |
| Whistler | 77 | 3,657 | 5,020 | 104 | 15(6) | 360 | 4 | 814 |
| Mammoth | 58.1(1) | 4,000 | 3,100 | 185 | 38(7) | 350 | 20 | 979 |
| Copper | 100 | 2,433 | 2,699 | 118 | 20(5) | 255 | 11 | 906 |
| Tremblant | 100 | 502 | 2,131 | 77 | 11(6) | 140 | 75 | 615 |
| Snowshoe | 100 | 200 | 1,598 | 56 | 11(2) | 185 | 99 | 444 |
| Stratton | 100 | 563 | 2,003 | 90 | 12(2) | 180 | 75 | 427 |
| Panorama | 100 | 2,000 | 4,047 | 80 | 8(1) | 110 | 50 | 148 |
| Mountain Creek | 100 | 168 | 1,040 | 47 | 8(3) | 90 | 100 | 82(2) |
| Mont Ste. Marie | 100 | 108 | 1,250 | 24 | 3(2) | 120 | 80 | 64 |
| Blue Mountain | 50(3) | 235 | 720 | 36 | 16(2) | 110 | 100 | 363 |

(1) Each of the shareholders of Mammoth Mountain Ski Area (''MMSA'') (including the Company) has a pro rata right of first refusal to purchase any shares of MMSA to be sold by any other shareholder to third parties.

(2) Mountain Creek was operated on a limited basis by its creditors through bankruptcy proceedings during 1997/1998. Annual skier visits from 1991-1995 averaged 330,000.

(3) The Company acquired its 50% equity interest in Blue Mountain Resorts Limited (''Blue Mountain Resorts''), the owner and operator of Blue Mountain, on January 28, 1999.

### Resort Real Estate Development

Intrawest is North America's largest mountain resort real estate developer. The Company owns, develops and manages residential and commercial resort real estate at each of its resorts and is developing mountain resort villages at Keystone in Colorado, Squaw Valley in California and Solitude in Utah and has an exclusive right to purchase sites for multi-family developments at Sun Peaks in British Columbia. Intrawest owns or has rights to acquire land on which it expects to develop and sell approximately 20,000 units over the next 12 to 15 years. The Company's resort development formula links the staged expansion of ski, golf and other resort operations with the planning, design and managed development of architecturally distinct four-season resort villages. The Intrawest formula emphasizes quality of service, comprehensive amenities, village ambience and other characteristics which attract visitors and buyers of real estate. Intrawest has successfully employed this formula at Blackcomb and Tremblant and, as a result, the villages at these locations have become major attractions, drawing both skiers and non-skiers. The Company is at various stages of applying its formula to the extensive developable land holdings at its other resorts. The Company also builds and operates resort club locations which are marketed as timeshare vacation ownership resorts.

The following table summarizes certain key statistics relating to each of the Company's resort real estate holdings.

| Resort | Date construction commenced / is expected to commence | As at December 31, 1998 Residential units sold | Residential units under development | Residential units held for future development | Commercial space completed (sq. ft.) | Commercial space under development (sq. ft.) | Commercial space held for future development (sq. ft.) |
|---|---|---|---|---|---|---|---|
| Blackcomb[1] | 1987 | 2,622 | 64 | 77 | 60,000 | — | — |
| Tremblant | 1992 | 1,190 | 293 | 1,790 | 109,000 | 14,000 | 47,000 |
| Keystone[2] | 1995 | 501 | 396 | 2,171 | 85,000 | 42,000 | 191,000 |
| Sun Peaks | 1995 | 76 | 58 | 142 | 5,000 | — | — |
| Panorama | 1995 | 103 | 172 | 1,139 | 5,000 | — | 10,000 |
| Stratton | 1997 | 36 | 174 | 1,088 | — | — | 30,000 |
| Snowshoe | 1997 | 9 | 150 | 691 | — | 9,000 | 23,000 |
| Mammoth[3] | 1998 | — | 206 | 2,017 | — | 5,000 | 131,000 |
| Copper | 1998 | — | 336 | 758 | — | 67,000 | 43,000 |
| Whistler[4] | 1998 | 43 | 52 | 916 | — | — | 72,000 |
| Eagles Nest[5] | 1999 | — | — | 462 | — | — | — |
| Sandestin[6] | 1999 | 73 | 259 | 2,126 | — | — | 200,000 |
| Solitude[7] | 1999 | — | 83 | 167 | — | 5,000 | 27,000 |
| Squaw Valley | 2000 | — | — | 640 | — | — | 120,000 |
| Blue Mountain[8] | 2000 | — | — | 1,495 | — | — | 120,000 |
| Mountain Creek | 2001 | — | — | 921 | — | — | 50,000 |
| | | 4,653 | 2,243[9] | 16,600[9] | 264,000 | 142,000[9] | 1,064,000[9] |

(1) The Company has a 77% interest in Blackcomb Skiing Enterprises Limited Partnership. The information on Blackcomb in this table reflects 100% of the partnership's land holdings.

(2) The Company has a 50% interest in a joint venture that owns and is developing the land at Keystone (certain projects are at 60%). The information on Keystone in this table reflects 100% of the joint venture's land holdings.

(3) The Company owns land at Mammoth for the development of approximately 1,160 residential units and 125,000 square feet of commercial space and participates in a partnership which owns land for the development of approximately 1,065 residential units and 10,000 square feet of commercial space. The Company's interest in this partnership is 75%. The information on Mammoth in this table reflects 100% of the partnership's land holdings.

(4) The Company has a 77% interest in Whistler Mountain Resort Limited Partnership. The information on Whistler in this table reflects 100% of the partnership's land holdings.

(5) The Company has a 50% interest in a joint venture that owns and is developing the land at Eagles Nest. The information on Eagles Nest in this table reflects 100% of the joint venture's land holdings.

(6) The Company has a 95% interest in Sandestin. The information on Sandestin in this table reflects 100% of the resort's land holdings.

(7) The Company entered into an option agreement with Solitude Ski Corporation in September 1998 pursuant to which the Company has the right to acquire land at the base of Solitude Mountain.

(8) The Company has recently completed the acquisition of all of the developable real estate at the base of Blue Mountain.

(9) The Company's pipeline of real estate projects comprises residential units and commercial space under development and held for future development which aggregate 20,049 units.

## RECENT DEVELOPMENTS

### Acquisitions

#### *Blue Mountain*

On January 28, 1999, the Company completed its acquisition of a 50% equity interest in Blue Mountain Resorts, the owner and operator of the largest mountain resort in Ontario. The resort includes 16 lifts servicing 235 acres of skiable terrain and offers 100% snowmaking coverage, night skiing and tubing. The resort also has a strong summer business featuring an 18-hole golf course, driving range, waterpark, alpine slides and a waterfront park on Georgian Bay.

The Company also acquired all of the developable real estate at the base of the resort, which the Company expects will contain approximately 1,600 units at full build-out.

The acquisitions were financed from cash resources and available lines of credit.

#### *Alpine*

On February 19, 1999, the Company completed its acquisition of a 45% equity interest in Alpine, the parent company of CMH, which provides helicopter destination skiing and helicopter-assisted mountaineering and hiking in southeastern British Columbia. Alpine also provides non-leisure helicopter services on a contract basis. Approximately 76% of Alpine's annual revenue is generated from its leisure business operations.

CMH, a leader in the heli-skiing industry, offers heli-skiing vacations in 11 mountain areas and its operations include 30 helicopters, six remote lodges and five additional skiing/hiking areas.

As part of the consideration for the interest in Alpine, the Company issued 200,000 Common Shares from treasury at a price of $27.45 per share. The acquisition agreement includes arrangements under which the Company expects to acquire the remainder of Alpine after five years.

The cash consideration for the acquisition was financed from cash resources and available lines of credit.

### Results for the Six Months ended December 31, 1998

Total revenue for the six months ended December 31, 1998 (the ''1998 period'') was $282.0 million compared with $214.0 million for the six months ended December 31, 1997 (the ''1997 period''). Total Company EBITDA for the 1998 period was $36.6 million compared with $26.4 million in the 1997 period. This strong performance was partially offset by higher interest expense and depreciation charges and augmented by lower income taxes, resulting in income from continuing operations in the 1998 period of $0.3 million ($0.01 per share), the same as in the 1997 period.

Revenue from ski and resort operations was $151.4 million for the 1998 period compared with $107.8 million for the 1997 period as a result of increased revenues at all mountain resorts, except Copper, as well as due to increased ownership of Mammoth and additional revenues from Sandestin and Raven. Copper's revenue was down mainly because Colorado experienced one of the lowest snowfalls in 40 years in the period prior to Christmas. Operating profit from ski and resort operations was $7.7 million for the 1998 period compared with $5.8 million for the 1997 period.

Real estate sales totalled $123.5 million in the 1998 period compared with $100.9 million in the 1997 period as the Company increased the volume of closed units from 291 units to 478 units. Real estate sales generated operating profit of $24.3 million for the 1998 period compared with $17.3 million for the 1997 period. The margin on real estate sales was 19.7% in the 1998 period compared with 17.2% in the 1997 period due to the mix of units and continued effective cost control.

### Changes in Share and Loan Capital Structure

At the annual general meeting of the Company held on November 16, 1998, the shareholders approved the alteration of the Company's share capital. The authorized share capital of the Company was increased to 270,000,000 shares divided into 200,000,000 Common Shares without par value, 50,000 Non-Resort Preferred

Shares without par value (''NRP Shares'') and 20,000,000 Preferred Shares without par value (''Preferred Shares''). See ''Description of Share Capital''.

On February 19, 1999, the Company issued 200,000 Common Shares at a price of $27.45 per share as part of the consideration for its acquisition of an equity interest in Alpine; on July 23, 1998, the Company issued 125,000 Common Shares at a price of US$19.375 per share in connection with its acquisition of the assets of Raven; and, on July 16, 1998, the Company issued 1,000,000 Common Shares at a price of $29.00 per share to Caisse des Dépôts — Développement, the major shareholder of CDA, in connection with the Company's acquisition of an equity interest in CDA.

On August 19, 1998, the Company issued US$125.0 million aggregate principal amount of 9.75% Senior Notes due August 15, 2008 for aggregate net proceeds to the Company of $182.3 million under a public offering in the United States and Canada. The Company used approximately $160.0 million of the net proceeds to reduce bank indebtedness. On December 14, 1998, the Company issued US$75.0 million aggregate principal amount of 9.75% Senior Notes due August 15, 2008 for aggregate net proceeds to the Company of $116.5 million under a private placement in the United States and Canada. The Company used the net proceeds to reduce bank indebtedness. The Senior Notes issued on December 14, 1998 were exchanged on February 16, 1999 for US$75.0 million aggregate principal amount of 9.75% Senior Notes due August 15, 2008 which were registered under the United States Securities Act of 1933, as amended, and qualified for distribution in the provinces of British Columbia, Ontario and Quebec. The Senior Notes issued on February 16, 1999 are consolidated and form a single series with the Senior Notes issued on August 19, 1998.

## RISK FACTORS

*Prospective investors should consider carefully the risk factors set forth below as well as the other information contained or incorporated by reference in this Prospectus prior to making an investment in the Common Shares.*

### Seasonality of Operations

Ski and resort operations are highly seasonal. In fiscal 1998 approximately 79% of the Company's ski and resort operations revenue was generated during the period from November to April. Furthermore, during this period a significant portion of ski and resort operations revenue is generated on certain holidays, particularly Christmas, President's Day and school spring breaks and on weekends. Problems during these peak periods, such as adverse weather conditions, access route closures and equipment failures, could have a material adverse effect on the Company's operating results. The Company's real estate operations tend to be somewhat seasonal as well, with construction primarily taking place during the summer and the majority of sales being closed during the December to June period. Although the Company expects its warm-weather resorts to mitigate the seasonality of ski and resort operations revenue, the Company's mountain resorts have operating losses and negative cash flows for the period from May to October. The Company has revolving lines of credit aggregating approximately $300 million on which it can draw during this period to finance its working capital requirements. The Company's ability to borrow under these credit facilities is subject to certain conditions, including compliance with certain financial covenants. A reduction in these credit facilities could have a material adverse effect on the Company's financial condition and results of operations. There can be no assurance that the Company will continue to be able to borrow under such credit facilities.

### Capital Expenditures

The Company operates in a capital intensive industry and requires significant capital expenditures to maintain its competitive position. The Company spent $127.5 million in fiscal 1998 and $139.8 million in the six months ended December 31, 1998 on resort capital expenditures. The Company expects to incur approximately $20 million to $25 million per year in ongoing maintenance expenditures at its mountain resorts. In addition, the Company makes significant investments in connection with its real estate development activities. The Company expects to make significant capital expenditures in the future to enhance and maintain the operations of its resorts, to develop its expanded real estate holdings and to integrate Sandestin, Raven, Blue Mountain and Alpine into the network of Intrawest resorts. There can be no assurance that the Company will have adequate funds, from internal or external sources, to make all planned or required capital expenditures. A lack of available funds for such capital expenditures could have a material adverse effect on the Company's ability to implement its operating and growth strategies.

**Growth Initiatives**

The Company is currently engaged in, and has plans for, a variety of improvement, expansion and development projects relating to both its resort and real estate operations. There can be no assurance (i) that the Company will receive the necessary regulatory approvals for such projects, (ii) as to when such projects will be completed, (iii) that the Company's estimated costs associated with such projects will prove to be accurate or (iv) that the Company will receive the expected benefits from such projects.

**Real Estate Development**

In addition to the risks described herein, the development of real estate exposes the Company to a number of other specific risks, including the inability to obtain necessary zoning and regulatory approvals, the availability of construction financing, potential cost overruns and the attractiveness of properties to prospective purchasers and tenants. There can be no assurance that market conditions will support the Company's planned real estate development activities.

**Competition**

The industries in which the Company operates are highly competitive. The Company's resorts compete for destination visitors with other resorts in Canada, the United States, Europe and Japan. They also compete for destination and day visitors within each resort's local market area. The competitive position of the Company's resorts is dependent upon many variables, including location and accessibility, pricing, extent and quality of resort facilities, quality of snow conditions and terrain, quality of ski and golf facilities, service and reputation. There can be no assurance that the Company's principal competitors will not be successful in capturing a share of the Company's present or potential customer base. Intrawest also faces competition for destination and day visitors from other leisure industry companies and alternative recreational activities. Such competitors may be better positioned to withstand adverse weather or economic conditions and they may have greater financial resources to develop new attractions.

**Unfavourable Weather Conditions**

The Company's ability to attract visitors to its mountain resorts is influenced by weather conditions and the amount of snowfall during the ski season. Adverse weather conditions may discourage visitors from participating in outdoor activities at the Company's resorts. In addition, unseasonably warm weather may result in inadequate natural snowfall, which increases the cost of snowmaking, and could render snowmaking wholly or partially ineffective in maintaining quality skiing conditions. Excessive natural snowfall may materially increase the costs incurred for grooming trails and may also make it difficult for visitors to obtain access to the Company's mountain resorts. Prolonged periods of adverse weather conditions, or the occurrence of such conditions during peak periods of the ski season, could have a material adverse effect on the Company's operating results.

**Economic Downturn**

Skiing and golf are discretionary recreational activities with relatively high participation costs, and a deterioration of economic conditions could have an adverse impact on the Company's resort operations. An economic downturn could reduce spending on resort vacations and result in declines in visits and revenue per visit. In addition, an economic downturn could expose the Company's real estate operations to land risk and completed inventory risk. Land risk arises when land is purchased with debt and economic conditions deteriorate resulting in higher holding costs and reduced profitability or loan defaults and foreclosure action. Completed inventory risk arises when completed units cannot be sold and construction financing cannot be repaid. There can be no assurance that an economic downturn will not have a material adverse effect on the operating results of the Company's real estate operations.

**Risks Associated with Acquisition Strategy**

The Company has pursued a strategy of growth through acquisitions, including the recent acquisitions of Mountain Creek, Sandestin, Raven, Breeze, Inc. and Max Snowboard, Inc. and of equity interests in CDA, Alpine and Blue Mountain Resorts. The Company continues to evaluate strategic acquisition opportunities. There can be no assurance that the Company will be able to make further acquisitions on acceptable terms, establish, maintain or increase the profitability of acquired businesses or that such businesses will be integrated successfully into the Company's operations. In addition, there can be no assurance that the Company will be able to realize any long-term cost savings or synergistic benefits from the acquisitions of such businesses. Future acquisitions may be financed by internally generated funds, bank borrowings, public offerings or private placements of equity or debt securities, or a combination of the foregoing. There can be no assurance that the Company will be able to acquire suitable acquisition candidates on acceptable terms.

**Adequacy of Insurance Coverage**

All resorts owned by the Company are insured against property damage, business interruptions and general liability. There can be no assurance that such insurance will remain available to the Company at commercially reasonable rates or that the amount of such coverage will be adequate to cover any liability incurred by the Company. If the Company is held liable for amounts exceeding the limits of its insurance coverage or for claims outside the scope of that coverage, its business, results of operations and financial condition could be materially adversely affected.

**Dependence on Key Employees**

The success of the Company depends in part on its senior management. The unanticipated departure of any key member of the Company's management team could have a material adverse effect on the Company's financial condition and results of operations.

**Currency Exposure**

Over the past several years, the Company's Canadian resort operations have benefited from the lower Canadian dollar, particularly in relation to the US dollar. A significant increase in the value of the Canadian dollar, particularly against the US dollar, could have a material adverse impact on the Company's earnings from its Canadian resorts.

The Company reports its results in Canadian dollars. For fiscal 1998, approximately 47% of the Company's revenue was earned in US dollars. Changes in the value of the US dollar in relation to the Canadian dollar may have an adverse effect on the Company's operating results. The Company generally does not purchase hedging instruments to manage its currency exposure.

## USE OF PROCEEDS

The net proceeds from the sale of the Common Shares offered hereby, after deducting estimated offering expenses and the Underwriters' fee, are estimated to be $72.8 million. If the Underwriters' over-allotment option is exercised in full, such estimated net proceeds would be $83.8 million. The Company intends to use all of the net proceeds to reduce bank indebtedness. The indebtedness to be repaid was used for maintenance and capital expenditures, real estate development projects and other general corporate purposes.

One of the Underwriters is a subsidiary of a Canadian chartered bank which is a lender to the Company under a revolving credit facility which is to be reduced through the application of the net proceeds referred to above. See ''Plan of Distribution''.

## PRICE RANGE AND TRADING VOLUME OF COMMON SHARES

The Common Shares of the Company are listed and traded on the NYSE, TSE and ME. The TSE is the principal market for the Common Shares. The following table sets forth the high and low closing prices per Common Share and the aggregate trading volume on the NYSE and the TSE during the periods indicated according to published sources. The Company was listed on the NYSE on March 24, 1997.

| | NYSE | | TSE | | Aggregate Volume |
|---|---|---|---|---|---|
| | High | Low | High | Low | |
| | (US$) | | (Cdn$) | | (000's) |
| **1997** | | | | | |
| First Quarter | 16.88 | 16.00 | 24.95 | 20.75 | 6,258 |
| Second Quarter | 17.13 | 13.50 | 24.95 | 22.25 | 3,026 |
| Third Quarter | 18.81 | 16.38 | 25.00 | 23.65 | 2,982 |
| Fourth Quarter | 18.63 | 14.63 | 24.95 | 22.50 | 3,413 |
| **1998** | | | | | |
| First Quarter | 21.50 | 16.50 | 30.50 | 23.00 | 5,845 |
| Second Quarter | 21.50 | 18.31 | 31.50 | 27.00 | 3,842 |
| Third Quarter | 21.19 | 15.00 | 31.50 | 23.00 | 3,883 |
| Fourth Quarter | 16.88 | 10.94 | 26.00 | 17.00 | 3,037 |
| **1999** | | | | | |
| First Quarter | 18.63 | 15.00 | 27.80 | 22.75 | 3,368 |

On April 5, 1999, the closing prices of the Common Shares on the NYSE and the TSE were US$17.125 per share and $26.00 per share, respectively.

## DIVIDEND POLICY

Since 1991 the Company has paid regular, semi-annual dividends of $0.08 per Common Share to its shareholders. Future dividends will be paid at the discretion of the Company's board of directors and will be subject to the Company's earnings, financial condition, capital requirements and such other factors as are deemed relevant by the Company's board of directors.

## CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at December 31, 1998 (i) on an actual basis and (ii) as adjusted to reflect the sale by the Company of the Common Shares offered hereby (without giving effect to any exercise of the Underwriters' over-allotment option) and the application of the estimated proceeds thereof as described under ''Use of Proceeds''. This table should be read in conjunction with the Consolidated Financial Statements. For the purposes of this table all US dollar amounts have been translated into Canadian dollars based on the Noon Buying Rate on December 31, 1998 of $1.00 = US$0.6522.

| | December 31, 1998 | |
|---|---|---|
| | **Actual** | **As adjusted[1]** |
| | (unaudited) | (unaudited) |
| | (in thousands) | |
| Cash and short-term deposits | $ 37,231 | $ 37,231 |
| Short-term debt[2] | $ 195,882 | $ 123,042 |
| Long-term debt | | |
| Bank and other long-term debt | | |
| Ski and resort operations | 305,396 | 305,396 |
| Real estate | 88,228 | 88,228 |
| Other | 52,272 | 52,272 |
| 6.85% Debentures due 2002 | 125,000 | 125,000 |
| 9.75% Senior Notes due 2008 | 307,340 | 307,340 |
| Total long-term debt | 878,236 | 878,236 |
| Non-controlling interest in subsidiaries | 27,494 | 27,494 |
| Shareholders' equity | | |
| NRP Shares[3] | 59,724 | 59,724 |
| Common Shares[4] | 435,630 | 508,470 |
| Retained earnings | 144,021 | 144,021 |
| Foreign currency translation adjustment | 48,275 | 48,275 |
| Total shareholders' equity | 687,650 | 760,490 |
| Total capitalization | $1,789,262 | $1,789,262 |

(1) All of the total estimated proceeds from the sale of Common Shares offered hereby will be used to reduce bank indebtedness. See ''Use of Proceeds''.

(2) Consists of current portion of long-term debt.

(3) The NRP Shares represent the net equity of the Company's non-resort real estate assets. As of December 31, 1998, 50,000,000 NRP Shares were authorized, of which 16,465,086 were outstanding. See ''Description of Share Capital''.

(4) As of December 31, 1998, 200,000,000 Common Shares were authorized, of which 39,572,986 were outstanding; 42,572,986 would have been outstanding on an adjusted basis. The foregoing information does not include (i) 2,763,750 Common Shares reserved for issuance on the exercise of the then outstanding stock options granted under the Company's stock option plan, (ii) 200,000 Common Shares reserved for issuance pursuant to the Company's share purchase plan, (iii) 200,000 Common Shares issued on February 19, 1999 in connection with the acquisition of an equity interest in Alpine, and (iv) up to an estimated 130,000 Common Shares expected to be issued in connection with the planned acquisition of Mont Tremblant Reservations Inc. In addition, as of December 31, 1998, 20,000,000 Preferred Shares were authorized, none of which was issued and outstanding.

## DESCRIPTION OF SHARE CAPITAL

The authorized capital of the Company consists of 270,000,000 shares divided into (i) 200,000,000 Common Shares without par value, (ii) 50,000,000 NRP Shares without par value and (iii) 20,000,000 Preferred Shares without par value. As at April 5, 1999, there were 39,785,386 Common Shares outstanding, 16,468,786 NRP Shares outstanding and no Preferred Shares outstanding.

The following is a summary of the material attributes of the Common Shares and of the material rights and restrictions attaching to the NRP Shares and the Preferred Shares.

### Common Shares

Holders of Common Shares are entitled to receive notice of, and attend at, all meetings of shareholders of the Company (other than meetings of a class or series of shares other than Common Shares) and to one vote at such meetings for each share held. Subject to the prior satisfaction of all preferential rights to dividends or return of capital attaching to the shares of any other class or series of the Company, holders of Common Shares are entitled to receive such dividends as may be declared thereon by the directors of the Company out of money properly applicable to the payment of dividends and, in the event of any liquidation, dissolution or winding up of the Company, to participate pro rata in such assets of the Company as are available for distribution. Holders of Common Shares have no pre-emptive, redemption or conversion rights.

### NRP Shares

***Liquidation, Dissolution or Winding up.*** In the event of the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of the NRP Shares will be entitled to receive from the assets of the Company, rateably per NRP Share, cash distributions in an aggregate amount equal to (i) the Available Cumulative NRP Net Cash Flow at the date of the commencement of the liquidation, dissolution or winding up of the Company or at the date of the specific authorization by the directors of the Company of such other distribution (or, in the absence of such specific authorization, at the date of such other distribution), together with an amount equal to any declared and unpaid dividends thereon to such date, and (ii) the Cumulative NRP Net Cash Flow from and after such date until all of the Non-Resort Assets held by the Company or any subsidiary of the Company on such date shall have been liquidated, and such amount will be payable only to the holders of the NRP Shares; and the holders of the Common Shares and any other shares of the Company will not be entitled to receive any distribution from the Company which would result in the holders of the NRP Shares not receiving the full amount so determined, provided that such entitlement on the part of the holders of the NRP Shares will not prevent any distribution to the holders of the Common Shares or any other shares of the Company as long as the Company retains assets which in the opinion of the liquidator of the Company are sufficient to pay such entitlement in full. After the Company has paid or satisfied such obligations the holders of the NRP Shares will not be entitled to share in any further distribution of assets of the Company.

***Redemption.*** On September 30 of each year so long as more than 2,000,000 NRP Shares are outstanding the Company will have the right to redeem up to the number of NRP Shares (disregarding any fractional share) determined by dividing (i) the Available Cumulative NRP Net Cash Flow on the immediately preceding June 30 less the aggregate amount of dividends, if any, declared on the NRP Shares after such immediately preceding June 30 and on or before such date (whether paid or unpaid) by (ii) the paid-up capital per NRP Share established under the Share Capital Reorganization, at the price per share equal to the paid-up capital per NRP Share established under the Share Capital Reorganization, together with an amount equal to any declared and unpaid dividends thereon to the date fixed for redemption (the whole constituting the redemption price); provided that if, immediately after giving effect to any such redemption, the number of NRP Shares remaining outstanding would be 2,000,000 or less, the Company will have the right to redeem only that number of NRP Shares which will result in 2,000,000 NRP Shares remaining outstanding immediately after giving effect to such redemption (and, thereafter, there shall be no further redemptions of NRP Shares pursuant to the provisions described in this paragraph and the final redemption of NRP Shares shall be made pursuant to the provisions described in the next paragraph as and when determined by the directors of the Company).

The Company will have the option at any time after April 30, 2002 to redeem all, but not less than all, of the NRP Shares then outstanding at a price per share equal to the Final Redemption Amount together with an amount equal to any declared and unpaid dividends thereon to the date of the notice of redemption (the whole constituting the redemption price), provided that the aggregate Fair Market Value of all the Non-Resort Assets held by the Company or any subsidiary of the Company on the date of redemption is equal to or less than $40 million.

In the event that less than all of the NRP Shares then outstanding is at any time to be redeemed, the NRP Shares will, so far as is reasonably practicable, be redeemed pro rata among all the holders of the NRP Shares. The NRP Shares which are redeemed will be cancelled.

The Company will not redeem any NRP Shares if and to the extent that such redemption would render the Company insolvent, if and to the extent that such redemption would constitute a breach by the Company of the limitation set forth below under ''Limitations'', if and so long as such redemption would be contrary to any applicable law or if the Company is in the course of liquidation, dissolution or winding up or is liquidated, dissolved or wound up.

***Dividends.*** The directors of the Company may declare a non-cumulative cash dividend on the NRP Shares payable on September 30 in any year, to the extent of, but only to the extent of, Available Cumulative NRP Net Cash Flow on the immediately preceding June 30.

***Limitations.*** The Company will not declare or pay or set aside for payment any dividends or other distributions on the NRP Shares, or redeem any NRP Shares, if, as at the date of the specific authorization by the directors of the Company of any such action after giving effect to such action, the ratio of the Net Book Value of all the Non-Resort Assets then held by the Company or any subsidiary of the Company to the Non-Resort Liabilities would be less than 2.2 to 1; provided that the foregoing limitation will not operate to restrict or prevent any such action if the Non-Resort Liabilities are equal to or less than $18 million.

The Company will not redeem, purchase, reduce or otherwise pay off, or permit any subsidiary of the Company to purchase, any NRP Shares other than any redemption of NRP Shares as described above under ''Redemption''.

***Additional NRP Shares.*** So long as any NRP Shares are outstanding, the Company will not, without the approval of the holders of the NRP Shares, issue any additional NRP Shares except pursuant to the NRP Share Rights.

***Voting.*** The holders of the NRP Shares are not entitled to receive any notice of, or to attend, any meeting of the shareholders of the Company or to vote at any such meeting.

Certain capitalized terms used in the foregoing summary with respect to the NRP Shares have the meanings assigned to such terms in the special rights and restrictions attached to the NRP Shares.

### Preferred Shares

The Preferred Shares may be issued from time to time in one or more series with such rights (including voting rights), privileges, restrictions, conditions and designations attached thereto as are fixed by resolution of the board of directors of the Company. The shares of each series of Preferred Shares will rank in priority to the Common Shares and on a parity with the Preferred Shares of every other series with respect to distributions of dividends and return of capital.

## PLAN OF DISTRIBUTION

Pursuant to an agreement (the ''Underwriting Agreement'') dated April 6, 1999, between the Company and ScotiaMcLeod Inc., RBC Dominion Securities Inc., CIBC Wood Gundy Securities Inc. and Merrill Lynch Canada Inc. (the ''Underwriters''), the Company has agreed to issue and sell and the Underwriters have agreed to purchase, on April 22, 1999, or such later date as the Company and the Underwriters may agree, but in any event not later than May 25, 1999, subject to the terms and conditions stated therein, a total of 3,000,000 Common Shares at a price of $25.40 per Common Share payable against delivery of certificates representing such Common Shares. The obligations of the Underwriters under the Underwriting Agreement are several and not joint and may be terminated upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all such Common Shares if any are purchased under the Underwriting Agreement. The Underwriting Agreement provides that the Company will pay the Underwriters a fee of $1.02 per Common Share in consideration of the services rendered by them thereunder.

The Company has granted the Underwriters an option, exercisable during the 30 day period ending on May 6, 1999, to purchase up to an aggregate of 450,000 additional Common Shares to cover over-allotments, if any. If the Underwriters exercise their over-allotment option, the Underwriters have severally agreed, subject to certain conditions, to purchase approximately the same percentage thereof that the number of Common Shares to be purchased by each of them bears to the total number of Common Shares offered hereby.

The Company has agreed that, during the 90 day period from the date of this Prospectus, it will not offer, sell, contract to sell or otherwise dispose of any securities of the Company (other than Common Shares reserved for issuance (as set forth in footnote 4 under ''Consolidated Capitalization'' in connection with the planned acquisition of Mont Tremblant Reservations Inc.) or Common Shares issued pursuant to stock option or share purchase plans existing on April 6, 1999, or on the conversion or exchange of convertible or exchangeable securities outstanding on April 6, 1999) which are substantially similar to the Common Shares or which are convertible into or exchangeable for or represent the right to receive Common Shares or securities which are substantially similar to the Common Shares without the prior written consent of ScotiaMcLeod Inc. and RBC Dominion Securities Inc., except for the Common Shares offered in connection with this offering.

Pursuant to the policy statements of the Ontario Securities Commission and the Quebec Securities Commission, the Underwriters may not, throughout the period of distribution under this offering, bid for or purchase Common Shares. The foregoing restriction is subject to exceptions, on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of the Common Shares. Those exceptions include a bid or purchase permitted under the by-laws and rules of the TSE and the ME relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution.

The Common Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the ''1933 Act''), and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons except in transactions exempt from the registration requirements of the 1933 Act. Each Underwriter has agreed that, except as permitted by the Underwriting Agreement, it will not offer or sell any of the Common Shares as part of the distribution thereof at any time within the United States or to, or for the account or benefit of, U.S. persons. Terms used above in this paragraph have the meanings given to them by Regulation S under the 1933 Act. In addition, until 40 days after the commencement of the offering, an offer or sale of the Common Shares within the United States by any dealer, whether or not participating in the offering, may violate the registration requirements of the 1933 Act if such offer or sale is made other than in accordance with an exemption from such requirements.

ScotiaMcLeod Inc., one of the Underwriters, is a subsidiary of a Canadian chartered bank which is a lender of debt to the Company, a portion of which is to be reduced through the application of the net proceeds of this offering. As a result, the Company may be considered to be a ''connected issuer'' of ScotiaMcLeod Inc. within the meaning of applicable Canadian securities legislation. Intrawest has debt relating to its ski and resort operations and project debt outstanding with the lender which controls ScotiaMcLeod Inc. which at December 31, 1998 amounted to approximately $110.4 million. The debt relating to ski and resort operations is secured by, among other things, fixed charges on assets related to such operations and the real estate project debt is secured by fixed charges on specific properties. The Company is in compliance with the terms of the agreements governing all of such debt. The Company intends to use all of the net proceeds of this offering to reduce such debt under one of the Company's revolving credit facilities. Neither ScotiaMcLeod Inc. nor the Canadian chartered bank which controls such Underwriter was involved in the Company's decision to distribute the Common Shares offered hereby. ScotiaMcLeod Inc., together with the other Underwriters, negotiated the public offering price of the Common Shares with the Company.

## LEGAL MATTERS

Certain matters of Canadian law will be passed upon by McCarthy Tétrault, Vancouver, British Columbia for the Company and by Osler, Hoskin & Harcourt, Toronto, Ontario for the Underwriters. Certain United States legal matters will be passed upon by Preston Gates & Ellis LLP, Seattle, Washington for the Company and by Shearman & Sterling, Toronto, Ontario for the Underwriters. At the date of this Prospectus, the partners and associates of these firms collectively owned beneficially, directly or indirectly, less than 1% of the outstanding Common Shares.

## AUDITORS, TRANSFER AGENT AND REGISTRAR

The consolidated financial statements for the year ended June 30, 1998 have been incorporated by reference herein in reliance upon the report of KPMG LLP, Independent Chartered Accountants, incorporated by reference herein and upon the authority of said firm as experts in accounting and auditing. The Company's shareholders approved the appointment of KPMG LLP as auditors of the Company at the Company's 1997 annual general meeting held on November 17, 1997. Prior to this time, Coopers & Lybrand, Chartered Accountants, Vancouver, acted as the Company's auditors. The consolidated financial statements for the year ended June 30, 1997 have been incorporated by reference herein in reliance upon the report of Coopers & Lybrand, Independent Chartered Accountants. The Company changed auditors because a majority of its subsidiaries are audited by KPMG LLP and having the same auditors for the Company results in a more efficient audit process.

The transfer agent and registrar for the Common Shares in Canada is CIBC Mellon Trust Company at its principal offices in Vancouver, Calgary, Toronto and Montreal, and in the United States is ChaseMellon Shareholder Services, L.L.C. at its office in New York, New York.

## 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 of 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 advisor.

## CERTIFICATE OF THE COMPANY

Dated: April 6, 1999

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 all of the provinces of Canada and does not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed.

| | |
|---|---|
| (Signed) JOE S. HOUSSIAN<br>Chairman, President and Chief Executive Officer | (Signed) DANIEL O. JARVIS<br>Executive Vice President and Chief Financial Officer |

On behalf of the Board of Directors

| | |
|---|---|
| (Signed) DAVID A. KING<br>Director | (Signed) BERNARD A. ROY<br>Director |

## CERTIFICATE OF THE UNDERWRITERS

Dated: April 6, 1999

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 all of the provinces of Canada and does not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed.

| | |
|---|---|
| ScotiaMcLeod Inc. | RBC Dominion Securities Inc. |
| By: (signed) Daniel F. Sullivan | By: (signed) A. Douglas McGregor |
| CIBC Wood Gundy Securities Inc. | Merrill Lynch Canada Inc. |
| By: (signed) David E. Scott | By: (signed) Edmund A. Cape |

The following includes the names of every person or company having an interest, directly or indirectly, to the extent of not less than 5% in the capital of:

ScotiaMcLeod Inc.: a wholly-owned subsidiary of a Canadian chartered bank;

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

CIBC Wood Gundy Securities Inc.: a wholly-owned subsidiary of a Canadian chartered bank; and

Merrill Lynch Canada Inc.: a wholly-owned indirect subsidiary of Merrill Lynch & Co., Inc.

BOWNE

PRINTED IN CANADA
O03509