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|-------------------------------------|--|-------------------------------------|-----------------------|
| <input type="checkbox"/> | Trading – Interest Rate Derivatives | <input checked="" type="checkbox"/> | Back-office - Options |
| <input checked="" type="checkbox"/> | Trading – Equity and Index Derivatives | <input type="checkbox"/> | Technology |
| <input type="checkbox"/> | Back-office – Futures | <input type="checkbox"/> | Regulation |

CIRCULAR
January 7, 2005

POSITION LIMITS

STOCK OPTIONS INDEX PARTICIPATION UNIT OPTIONS INDEX OPTIONS

Please be advised that the position limits for net long or short positions in all stock options, index participation unit options and index options listed at Bourse de Montréal Inc. (the Bourse) are outlined in the attached list.

Position limits for stock options and index participation unit options are established and published on a quarterly basis by the Bourse based on the number of shares or units outstanding and the most recent six-month trading volume of the underlying security, in accordance with article 6651 of the Rules of the Bourse.

In accordance with article 6654 of the Rules of the Bourse, we remind you that all approved participants must report, no later than three business days following the last business day of each week, any gross long or short positions in excess of 250 contracts in the case of stock options, 500 contracts in the case of index participation unit options and 1,500 contracts in the case of index options.

For further information, please contact Stéphane Côté, Analyst, Market Surveillance, Regulatory Division at (514) 871-4949, extension 413 or by e-mail at scote@m-x.ca.

Jacques Tanguay
Vice President, Regulatory Division

Circular no.: 005-2005

POSITION LIMITS - STOCK OPTIONS**January 7, 2005**

| Symbol | Company Name | Position Limit |
|---------------|------------------------------------|-----------------------|
| A | Abitibi-Consolidated Inc. | 75,000 |
| ABX | Barrick Gold Corporation | 75,000 |
| ACE | ACE Aviation Holdings Inc. | 31,500 |
| AGE | Agnico-Eagle | 60,000 |
| AL | Alcan Aluminium Ltd. | 75,000 |
| ATY | ATI Technologies Inc. | 75,000 |
| BBD | Bombardier Inc. Cl. B | 75,000 |
| BCE | BCE Inc. | 75,000 |
| BLD | Ballard Power Systems Inc. | 31,500 |
| BMO | Bank of Montreal | 75,000 |
| BNN | Brascan Cl. A | 60,000 |
| BNS | Bank of Nova Scotia | 75,000 |
| BVF | Biovail Corporation | 75,000 |
| CAE | CAE Inc. | 60,000 |
| CCO | Cameco Corp. | 75,000 |
| CIX | CI Fund Management Inc. | 31,500 |
| CLS | Celestica Inc. | 75,000 |
| CM | Canadian Imperial Bank of Commerce | 75,000 |
| CNQ | Canadian Natural Resources Limited | 75,000 |
| CNR | Canadian National Railway Company | 75,000 |
| CP | Canadian Pacific Ltd. | 60,000 |
| CSN | Cognos Inc. | 31,500 |
| DFS | Dofasco Inc. | 22,500 |
| ECA | EnCana Corporation | 75,000 |
| EME | Emergis Inc. | 31,500 |
| FHR | Fairmont Hotels & Resorts Inc. | 31,500 |
| FL | Falconbridge | 31,500 |
| G | GoldCorp Inc. | 75,000 |
| GIB | CGI Inc. (Group) Cl. A | 60,000 |
| GLG | Glamis Gold Ltd. | 75,000 |
| GWO | Great-West Lifeco Inc. | 31,500 |
| IMG | IAMGold Corporation | 75,000 |
| IMO | Imperial Oil Ltd. | 31,500 |
| IQW | Quebecor World | 31,500 |
| JDU | JDS Uniphase Canada Ltd. | 75,000 |
| K | Kinross Gold Corporation | 75,000 |

POSITION LIMITS - STOCK OPTIONS (cont'd)**January 7, 2005**

| Symbol | Company Name | Position Limit |
|---------------|--|-----------------------|
| L | Loblaw Companies Ltd. | 31,500 |
| MBT | Manitoba Telecom Services Inc. | 31,500 |
| MDS | MDS Inc. | 31,500 |
| MFC | Manulife Financial | 75,000 |
| MG | Magna International Inc. Cl. A | 31,500 |
| MNG | Meridian Gold Inc. | 75,000 |
| MOL | Molson Inc. Cl. A | 75,000 |
| N | Inco Limited | 75,000 |
| NA | National Bank of Canada | 31,500 |
| NCX | NOVA Chemicals Corporation | 31,500 |
| NRD | Noranda Inc. | 75,000 |
| NRM | Neurochem Inc. | 13,500 |
| NT | Nortel Networks Corporation | 75,000 |
| NXY | Nexen Inc. | 31,500 |
| OTC | Open Text Corp. | 31,500 |
| PAA | Pan American Silver | 31,500 |
| PCA | Petro-Canada | 75,000 |
| PD | Precision Drilling Corporation | 31,500 |
| PDG | Placer Dome Inc. | 75,000 |
| PJC | Jean Coutu Group (PJC) Inc. | 31,500 |
| QLT | QLT Inc. | 75,000 |
| RCI | Rogers Communications Inc. Cl. B | 60,000 |
| RIM | Research in Motion Ltd. | 75,000 |
| RY | Royal Bank of Canada | 75,000 |
| S | Sherritt Int'l RV | 60,000 |
| SJR | Shaw Communications Inc. Cl. B | 31,500 |
| SLF | Sun Life Financial Services of Canada Inc. | 75,000 |
| SU | Suncor Energy Inc. | 75,000 |
| SW | Sierra Wireless | 75,000 |
| T | TELUS Communications Inc. | 75,000 |
| TA | TransAlta Corporation | 31,500 |
| TD | Toronto-Dominion Bank | 75,000 |
| TEK | Teck Cominco Limited Cl. B | 75,000 |
| TEU | CP Ships Ltd | 75,000 |
| TLM | Talisman Energy Inc. | 75,000 |
| TOC | Thomson Corporation | 31,500 |
| TRP | TransCanada PipeLines Limited | 75,000 |
| WJA | Westjet Airlines Ltd | 22,500 |
| X | TSX Group Inc. | 13,500 |

POSITION LIMITS - INDEX PARTICIPATION UNIT OPTIONS**January 7, 2005**

| Symbol | Index Participation Units | Position Limit |
|---------------|--|-----------------------|
| XEG | Options on iUnits S&P/TSX Capped Energy Index Fund | 13,500 |
| XFN | Options on iUnits S&P/TSX Capped Financials Index Fund | 13,500 |
| XGD | Options on iUnits S&P/TSX Capped Gold Index Fund | 13,500 |
| XIT | Options on iUnits S&P/TSX Capped Information Technology Index Fund | 13,500 |
| XIU | Options on iUnits S&P/TSX 60 Index Fund | 75,000 |

POSITION LIMIT - INDEX OPTIONS**January 7, 2005**

| Symbol | Index | Position Limit |
|---------------|-----------------------------|-----------------------|
| SXO | Options on S&P/TSX 60 Index | 50,000 |