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ALGOMA CENTRAL RAILWAY 1983 ANNUAL REPORT

ALGOMA CENTRAL RAILWAY

About the Company.

Incorporated in 1899, the Company operated for many years primarily as a wilderness railroad to transport iron ore and forest products out of northern Ontario. In recent years Algoma Central has become a diversified transportation company moving cargo by water, rail and road. It operates a fleet of fifteen dry-bulk-cargo vessels principally on the Great Lakes and the St. Lawrence Seaway. Its main railway line runs 295 miles north from Sault Ste. Marie and serves the natural resource, manufacturing and tourist industries of the Algoma region of northern Ontario. Algoma Central's fleet of trucks carries general cargo on routes extending from Detroit, Michigan and Buffalo, New York to Toronto, Ontario and Montreal, Quebec. Algoma Central also has developed commercial real estate complexes in Sault Ste. Marie and Elliot Lake, Ontario. In addition the Company owns approximately 850,000 acres of land, including mineral and timber rights, in the Algoma region.

ABOUT THE COVER

The Romanesque-type building on the cover is located in Sault Ste. Marie and houses Company offices including the head office. A beautiful edifice of red Algoma sandstone, it was constructed in 1912. The roof is finished with flat slate shingles. The building was originally situated adjacent to railroad tracks, which have since been removed, and for six decades contained the passenger station and freight/express facilities. The interior was extensively renovated in 1969.

COMPARATIVE HIGHLIGHTS

For the Year	1983	1982
Revenue	**$170,804,000**	$146,015,000
Income before extraordinary item	**$ 7,029,000**	$ 3,289,000
Net income	**$ 7,415,000**	$ 2,216,000
Operating ratio	**84.9%**	87.6%
Cash flow	**$ 31,794,000**	$ 22,341,000
Fixed asset additions	**$ 47,393,000**	$ 21,707,000
Average number of common shares outstanding	**3,683,000**	3,586,000
Earnings per common share:		
Before extraordinary item	**$ 1.91**	$ 0.92
After extraordinary item	**$ 2.01**	$ 0.62
Dividends paid per common share	**$ 0.60**	$ 1.05
Cash flow per common share	**$ 8.63**	$ 6.23
At December 31		
Total assets	**$309,761,000**	$272,865,000
Shareholders' equity	**$ 94,294,000**	$ 87,827,000
Long-term debt	**$108,593,000**	$ 95,360,000
Long-term debt to shareholders' equity	**115%**	109%
Common shares outstanding	**3,720,000**	3,650,000
Equity per common share	**$ 25.35**	$ 24.06
Working capital	**$ 7,110,000**	$ 8,571,000

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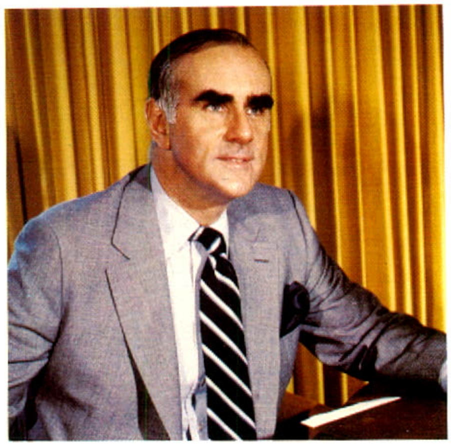
The Annual Meeting of Shareholders will be held Thursday, April 19, 1984 at 11:00 a.m. at the Holiday Inn, Sault Ste. Marie, Ontario.

REPORT TO SHAREHOLDERS



H.N.R. Jackman

We are pleased to report to you that 1983 represented a turnaround for your Company after three years of deteriorating results. Capacity utilization increased in all three transportation divisions, reflecting the gradual economic recovery that took place in 1983. Lower average interest rates and the benefit of cost-reduction programs undertaken during the past two years, also contributed to a substantial increase in net income over 1982.

While these results are encouraging, improved profitability was tempered by the severe rate restraints imposed by the federal government on our Rail Division and highly competitive conditions that continue to exist in both the marine and trucking industries. Management attention during the year, therefore, continued to be concentrated on activities aimed at improving our competitive position: productivity, cost reduction and control, cash conservation, aggressive marketing and customer service. We feel certain that these efforts augur well for the Company in the future as economic conditions improve.

Consolidated revenue for the 12 months ended December 31, 1983 reached an all-time high of $170.8 million, up 17% from the $146.0 million reported in the previous year. As indicated in the ten-year summary at the back of this report, all divisions contributed to the improvement. The largest percentage increase (20%) was in the Marine Division and the smallest increase (1%) in the Real Estate Division. This substantial increase in Marine reflects the added capacity of recent vessel additions; the small increase in Real Estate reflects the continuing high unemployment in Sault Ste. Marie, Ontario.

Consolidated net income for 1983 increased to $7.4 million ($2.01 per share) from the $2.2 million ($0.62 per share) earned in 1982. These net income figures include an extraordinary gain in 1983 of $0.4 million from the sale of an investment and an extraordinary loss in 1982 of $1.1 million from the write-down in value of the silica-sand and kaolin-clay deposit of Algocen Mines Limited. Income before extraordinary item for 1983 was $7.0 million, 114% higher than the $3.3 million reported in 1982. Even with the increase, however, net income is considerably below the record earnings of $12.1 million in 1979.

Cash flow from operations rebounded to $31.8 million from $22.3 million in 1982, largely because of increased income and deferred income taxes. Capital expenditures for the year totalled $47.4 million with the major portion ($42.7 million) expended by the Marine Division. Final payment on the self-unloading vessel *M/V John B. Aird*, which was delivered to us in June 1983, was the major item. Approximately $3.5 million was spent on the railroad for the replacement of track and equipment. Capital expenditures by the Trucking and Real Estate Divisions were again held to minimal amounts for absolutely necessary replacements.

Long-term debt at the end of 1983 stood at $108.6 million, up from $95.4 million a year earlier. This substantial increase was due mainly to the final payment on the *M/V John B. Aird* which was ordered before 1982. We currently have no vessels on order and no other major capital commitments outstanding and anticipate, as forecast in the annual report last year, that long-term debt will decline during 1984.

Our 50%-owned joint venture in Florida completed the first of six planned 108-unit condominium towers during 1983. More than one-third of the units in this building have been sold but the Florida market for luxury condominiums is just beginning to recover. Construction of a second building in this project has been deferred until at least 80% of the first tower is sold and definite signs of a stronger market appear. We continue to be confident that our choice location and site, together with the approved zoning that now would be difficult to duplicate, will make this venture a success over the next several years. While we account for this investment on the equity basis, to date no amount has been included in our income.

1984 Outlook

Our outlook for the year ahead is more positive than one year ago. It is based on the premise that inflation and interest rates will continue at about current levels and that the economic recovery started in 1983

L.N. Savoie

will continue at a modest pace through 1984 and beyond. Many of the forecasts we are receiving from customers confirm this view. If these forecasts hold true, our level of business activity will exceed that of 1983. It is anticipated, however, that the extreme competition in transportation services will continue through the year and that rate increases and improvement in profit margins will be restrained.

The Marine Division operated all vessels, including the new addition, throughout the 1983 season in spite of the fact that many other Canadian vessels were tied up for the entire year. During 1984 the scheduled renegotiation of expiring union contracts with shipboard personnel, combined with continuing low levels of traffic available to the industry will make the year another difficult one. We are optimistic that under these conditions restraint will prevail in labour negotiations and that our Marine Division performance will repeat that of 1983. We continue to hold firm contracts covering much of our capacity, and the makeup of our relatively new fleet of eleven self-unloaders and four bulk carriers is well positioned to compete for available business.

We expect Rail Division traffic will be about the same as it was in 1983. Any major increases above this traffic level would have to come from improvement in the steel industry related to the construction and capital spending sectors of the economy. General opinion is that these sectors will continue in a relatively depressed state until balance sheets are strengthened and confidence in a sustained recovery is restored.

During the latter half of 1983, the Trucking Division enjoyed a substantial improvement in business on all traffic lanes. This was a reflection of increased activity in the automotive and other industries of southern Ontario. Profit margins, however, continued to be depressed because of intense rate competition. As a result of the upturn in business and the elimination of many trucking companies through bankruptcy during the past few years, it is anticipated that 1984 will be a much-improved year for our Trucking Division.

The Real Estate Division is forecasting some improvement in 1984 over 1983. Many retail chains that curtailed expansion plans during the recession are again looking for new locations. If the interest currently being expressed materializes into leases, our retail space in both Sault Ste. Marie and Elliot Lake, Ontario would be fully occupied before year-end. Office space and hotel rental income is expected to stay at about the same level it was in 1983.

Although we have expressed a rather positive outlook in all divisions for 1984, there remains much uncertainty about our underlying assumptions and about unforseen events that could change conditions. Any setback in the recovery, an upward move in interest rates, a return of high inflation, unforeseen work stoppages, or protectionism by the United States government could make drastic changes in all forecasts. We therefore plan to maintain our concentration on defensive measures, such as cost reduction and control, cash conservation, and the strengthening of our balance sheet, combined with customer service and aggressive marketing.

The difficulties caused by the recession during the past few years have required unusual sacrifice and understanding by our employees. Many have experienced layoffs and short work-weeks for the first time in their careers, and some have not yet been recalled. The Board of Directors and senior management of the Company acknowledge with sincere appreciation the dedication and efforts of all employees. We also thank shareholders and customers for their continuing loyalty and strong support during a difficult period.

Chairman of the Board

President

MARINE DIVISION

The Canadian shipping industry operated far below capacity in 1983, with up to 30% of the fleet idle at times. In contrast, our Marine Division kept its fleet fully employed for almost the entire shipping season.

As a result, our fleet enjoyed increases in both gross revenue and total tonnage over 1982 levels. Gross revenue was $94,240,000, an improvement of $15,945,000 or 20.4% over 1982. It should be pointed out, however, that most of the increase — $14,711,000 — came through expanded capacity and a longer operating season. The fleet carried 15,489,000 tons in 1983, up 3,108,000 tons from the previous year.

The continuing recession has been especially hard on some of the mainstays of Great Lakes shipping: the iron ore, steel, construction and utilities industries. As a result, freight-rate levels were down substantially and the division was not able to achieve a satisfactory return on the capital invested.

The weather was a complicating factor. It was favourable early in the season, but December weather may have been the worst on record. The foul weather brought on abnormal delays, which increased operating costs. The St. Lawrence Seaway Authority closed the Welland Canal three days early because of ice conditions, causing scheduling problems and driving up costs.

On the positive side, the division was able to maintain or improve its position in segments of the market which remained relatively strong, including grain and potash movements from Thunder Bay, Ontario. Also, capacity increased with the delivery of the *M/V John B. Aird*, our fifth self-unloading bulk carrier of maximum seaway size.

Built by Canadian Shipbuilding and Engineering Limited at Thunder Bay and delivered on June 12, 1983, the vessel is the most modern self-unloading bulk vessel on the Great Lakes. It combines the very best innovations available and is expected to meet the needs of our customers for many years to come.

The *M/V John B. Aird* is named after the Lieutenant Governor of Ontario, the immediate past chairman of the Company. The ship was christened and sponsored by Mrs. Aird on June 3rd at Thunder Bay.

Uncertainty surrounds the likely level of Marine Division activity in 1984. There are three reasons for this. First, and most important, is the state of the economy in general and of the iron ore and steel industries in particular. Second is the difficulty of predicting the level of grain to be exported by shipments to St. Lawrence River ports in 1984. Finally, numerous labour negotiations scheduled in 1984 will affect our operations. These include contracts with all three of the unions representing our shipboard personnel.

Some of our areas of involvement show positive signs for 1984, including such commodities as coal and salt. Given continued improvement in the economy and restraint by our unions in recognition of the economic climate, we look for results equal to or better than those of 1983.

The condition of the shipping industry has drastically reduced operations of Herb Fraser and Associates Limited, our ship-repair subsidiary in Port Colborne, Ontario. But this company provides a valuable service to Great Lakes fleets, including our own. We continue to seek nonmarine opportunities for greater use of its facilities in the summer months when ship-repair work is at a minimum.

Marine
Net tons carried, in thousands

	Ore	Coal and Coke	Grain	Other	Total
1983	3,056	2,728	2,899	6,806	15,489
1982	1,848	2,609	2,165	5,759	12,381
1981	3,688	3,212	1,478	5,930	14,308
1980	3,518	2,250	1,621	6,242	13,631
1979	4,185	2,227	1,195	7,119	14,726
1978	4,040	1,297	1,185	5,944	12,466
1977	4,115	1,368	1,337	5,332	12,152
1976	3,036	1,042	1,188	5,170	10,436
1975	2,999	1,078	1,413	4,854	10,344
1974	2,707	695	1,090	3,950	8,442

M/V John B. Aird undergoing sea trials on Lake Superior.
Mrs. J.B. Aird, sponsor of the ship, shown with Mr. P.R. Cresswell, Mr. L.N. Savoie, The Honourable John B. Aird, Lieutenant Governor of Ontario, and Mr. D.A. Berlis at the ship's christening.

RAIL DIVISION

Increases in rail movements and mineral exploration in 1983 were encouraging and gratifying. Revenues, however, were substantially lower than might be suggested by the tonnage moved. Competition and federal price-restraint guidelines held back our revenues, but continued expenditure controls allowed us to improve earnings over last year.

Railway freight increased sharply during 1983. Mining and manufacturing tonnages each rose by 43% over 1982, although neither category reached the level of previous years. Iron and steel shipments were up, as were related shipments of raw materials — iron ore, coke and limestone. Woodpulp movements originating on connecting rail lines also showed improvement. There were changes in the mix of forest products moved and in destinations, but overall tonnage finished slightly ahead of the 1982 level. Total net freight tons, as shown in the accompanying table, rose 38% over 1982. However, volume was still 17% behind the average for the previous 10 years — 3,706,000 net tons.

Algoma Central country enjoyed ideal weather for much of 1983. Normally, that would have meant increased passenger travel. Instead, passenger travel declined overall, and it appears that unstable employment in eastern Canada and in the United States can be blamed. We did achieve increases on two of our excursion trains after both the Company and the Ontario Ministry of Tourism and Recreation increased advertising and placed ads over a wider area. The Snow Train attracted 7,900 passengers, up 3% from the previous year, and the Tour of the Line attracted a record 3,200. Passengers on the Canyon Tour declined 5% to 86,800, bringing total passengers on our excursions to 98,600 — 4% below the 1982 total of 102,700.

The year brought heightened interest in mineral exploration for both precious and base metals. The majority of our 39 townships were involved in exploration by various organizations and individuals under agreements and licences. We have retained an equity interest in each of these ventures.

We have expanded reforestation activities on our land holdings with the aid of federal-provincial employment assistance programs. During the year we planted 165,000 trees, seeded 65 acres and prepared 365 acres for planting. In addition, pine cones were collected for the 1984 seeding program, regeneration studies were completed on 1,400 acres and other related work was done.

In order to keep expenditures in line with the funds available, we deferred nonessential maintenance and some planned developments. This austere approach kept the division workforce at a reduced level and brought a pause in our progress toward improved plant, equipment and techniques, although, the safety of our operations was carefully maintained.

Additions to fixed assets totalled $3,458,000 in 1983, up from the $2,000,000 originally planned. The increase was due largely to the capitalization of the lease of 86 woodchip cars, 70 of which were subleased to another firm. More than six miles of 100-pound rail in the Soo Subdivision was replaced with new 115-pound rail. We upgraded 1.6 miles of the Northern Subdivision by replacing 85-pound rail with reclaimed 100-pound rail. More than 30,000 mainline ties were replaced and work began toward upgrading yard trackage at Hawk Junction. For 1984, we plan to spend $4,200,000 on rail upgrading and renewal of other plant and equipment.

We are optimistic that 1984 will show continued improvement for the Rail Division. Price-restraint guidelines will continue through the year, and freight tonnage is expected to be similar to 1983 levels, but early tour train bookings suggest an improvement over last year.

Rail
Net tons carried, in thousands

	Mining	Manu-facturing	Forestry	Total
1983	1,775	982	320	3,077
1982	1,239	685	311	2,235
1981	1,993	1,296	455	3,744
1980	2,053	1,130	515	3,698
1979	2,383	1,139	545	4,067
1978	2,382	984	566	3,932
1977	2,338	832	492	3,662
1976	2,434	831	484	3,749
1975	1,881	683	281	2,845
1974	3,194	1,027	474	4,695

The winter beauty of Black Beaver Falls, Agawa Canyon Park.
An example of ongoing mineral explorations.
Reforestation crew engaged in planting of
seedlings on Company lands.

TRUCKING DIVISION

After a slow first quarter, operations picked up for the remainder of 1983, bringing a significant improvement over the past several years. Recovery in the automotive industry led the way, but there has been a considerable upturn in most commodities and over all traffic lanes. Increased volume allowed us to put our equipment to more efficient use. Although rate discounts were necessary in some areas of our operation because of intense competition, we were able to achieve substantially better earnings because of improved demand and our continuing cost-control policy.

These improved earnings were achieved in a climate of unprecedented competition. The economy struggled under the most severe recession since World War II. And the trucking industry continued to feel the effects of deregulation of the United States trucking industry which occurred in 1980. By 1983, more than 400 American trucking companies had ceased to exist, but more than 6,000 new companies had jumped into the deregulated industry. Deregulation, combined with recession, proved fatal to the Maislin group of companies, which collapsed in 1983 despite a $38,000,000 loan guarantee from the Canadian government.

There has been no deregulation in Canada but new licences have been granted to many U.S. carriers allowing them to operate into Canada for the first time. Also for the first time, we have received access to the 48 contiguous states and the District of Columbia.

We established two specialized trucking services in 1983. Algocen Transport Inc. handles truckload traffic and a second service, operating as Algo Expedite, specializes in moving emergency shipments in small trucks of one- to five-ton capacity, offering immediate through service from shipper to consignee. Both services utilize owners operating their equipment on our licence authorities. Customer acceptance of these new services is very encouraging, and we anticipate substantial growth in 1984.

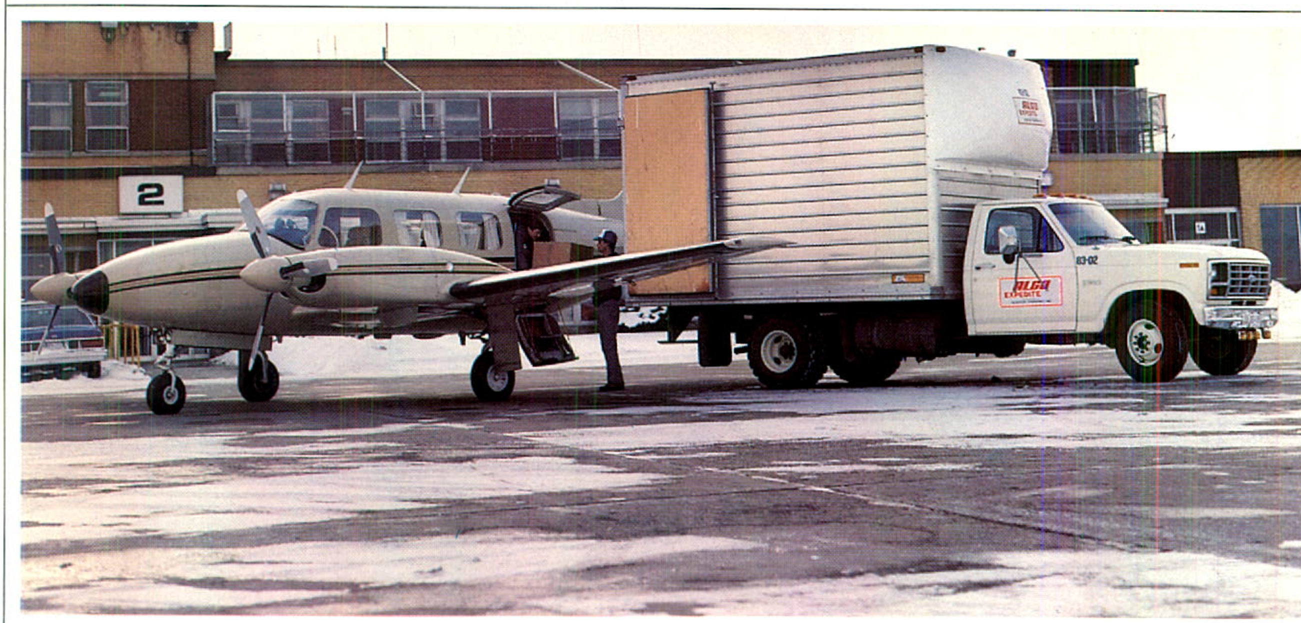
In 1984, we will begin a replacement program for our older highway tractors, after several years of curtailed equipment replacement because of reduced business volume. Also this year, we will expand our trailer fleet by 50 units. The new units will be 48-foot volume vans, which have recently been approved for highway use in Ontario.

Warehousing operations were slow in 1983, and we project only modest improvement in 1984. A number of our major customers are producing directly for their customer market thus reducing the need for intermediate warehousing. When inventories are restored, we expect warehouse activity to recover.

The outlook for 1984 is favourable, with growth projected in all areas of our division. Three-year contracts were settled in 1983 with our Quebec union local and with the bargaining unit of Transport T.F. Québec Ltée. A three-year contract has also been signed with our Flanagan personnel.

We expect that our rates will continue to be restrained by strong competition, but that disadvantage will be offset by increased volume and the efficiency inherent in handling larger loads and higher equipment utilization.

Algo Expedite in action.



REAL ESTATE DIVISION

The negative effects of recession continued to be felt during the first half of 1983 by our shopping centres, Station Mall in Sault Ste. Marie and Algo Mall in Elliot Lake, Ontario. Restrained consumer spending and curtailment of expansion plans by most retail chains affected both centres, reducing occupancy levels and lease revenues.

The second half was much better. Retail sales rose in both centres, and the year ended with retail sales 13.5% higher than in 1982. For the final quarter, the increase was 20.1%, marking a strong recovery. The improvement extended to leasing of vacant space. Occupancy returned to 1982 levels and an additional 10,000 square feet of space was leased, bringing our occupancy level at December 31, 1983 to 97% of total leaseable space.

Station Mall celebrated its 10th anniversary in 1983 with the success of the development confirmed. All original tenants whose leases expired, renewed their tenancy.

Changes taking place in Elliot Lake are encouraging for Algo Centre. The town is undergoing transition from a boom-town to an established community. The mining population is becoming less transient. Residents in general are developing a more positive and stable outlook which reflects in improved performance by local business.

Our office space in Sault Ste. Marie and Elliot Lake is fully leased. The hotel properties, Holiday Inn and Algo Inn, experienced slightly reduced occupancy levels in 1983 due to a decline in tourist traffic.

We continued to stress operating and capital spending controls in 1983, which helped keep operating income at the 1982 level with a small increase in revenues. Lower average interest rates in the floating-rate portion of realty financing allowed the division to make a larger contribution to consolidated net income than in the previous year. Recovery of the local economy is reflected in sales and leasing successes in the second half of 1983. With improved market conditions, stabilization of interest rates and ongoing cost controls, a further increase in earnings is expected in 1984.

Interior view of the Algo Mall.

FINANCIAL REVIEW

The Company's consolidated financial statements have been prepared by management and approved by the Board of Directors. Management is responsible for all information contained in the Annual Report; financial and operating data contained therein are consistent with the financial statements. Any estimates used were based upon careful judgment and information available up to February 24, 1984. In management's opinion the financial statements have been properly prepared within reasonable limits of materiality.

At December 31, 1983 we commenced showing as a current liability that portion of the provision for vessel maintenance for which there is either a contractual obligation or a regulatory requirement to proceed with the maintenance work. In addition, we included the current portion of deferred income taxes in working capital. These changes were reflected retroactively in the financial statements.

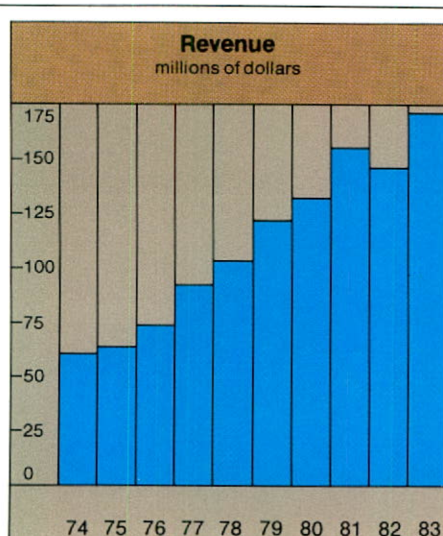
Increases of $5,459,000 for accounts receivable and $7,822,000 for accounts payable are a reflection of the business improvement in 1983 generally and in December particularly; turnover of both receivables and payables remained approximately the same in 1983 as in 1982. The prepaid expense increase of $2,111,000 is attributable to unearned interest on bankers' acceptances and is a result of additional borrowing on and longer maturity terms for these debt instruments.

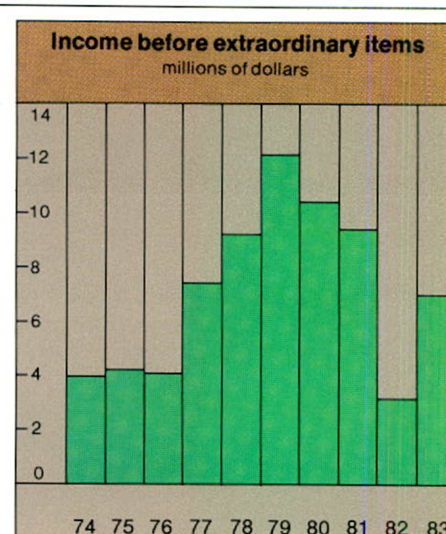
Long-term debt increased $13,233,000 during 1983 and at year-end was 115% of shareholders' equity and 66% of shareholders' equity plus deferred income tax. These relationships should improve significantly in 1984 as we currently expect long-term debt to reduce by more than $20,000,000 in 1984. In the absence of capital requirements, we are not actively seeking fixed-rate financing at this time.

Net income before extraordinary item in 1983 increased $3,740,000 or 114% over that in 1982; revenue increased 17% while operating expenses increased 13%. Operating expenses were reduced in 1983 by an unusual, but not "extraordinary", gain of $551,000 as a result of entering into and capitalizing a long-term lease, as lessor, for certain railway rolling stock. While this is a normal railway-business transaction, it is unusual for us in terms of frequency and size. Although floating-interest rates were lower in 1983, interest expense declined a modest $213,000 or 2% as interest of only $26,000 was capitalized in 1983 compared with $1,760,000 in 1982.

Dividends in 1983 were $475,000 lower than in 1982 as a result of declaring four dividends of 15¢ in 1983 compared with two dividends of 30¢ and one of 15¢ the previous year (one dividend paid in 1982 was declared in 1981). Fifty-seven percent of the 1983 dividends were reinvested in the Company under either the Dividend Reinvestment Plan or the Stock Dividend Plan and as a result, 70,000 common shares were issued at an average price of $17.87 per share.

We considered and deferred implementation of the current-value accounting recommendations issued by The Canadian Institute of Chartered Accountants until such time as there is general acceptance and comprehension of the concept and until such time as we believe the information would be meaningful.





CONSOLIDATED STATEMENT OF INCOME AND RETAINED INCOME

ALGOMA CENTRAL RAILWAY

Year Ended December 31, 1983	1983	1982
Revenue		
Marine	**$ 94,240,000**	$ 78,295,000
Rail	**33,123,000**	28,315,000
Trucking	**36,066,000**	32,100,000
Real Estate	**7,375,000**	7,305,000
	170,804,000	146,015,000
Expenses		
Operations	**119,531,000**	104,922,000
Depreciation and amortization	**16,977,000**	14,947,000
Administrative and general	**8,581,000**	7,985,000
	145,089,000	127,854,000
Income from Operations	**25,715,000**	18,161,000
Other Income	**603,000**	746,000
Interest	**(12,340,000)**	(12,553,000)
Income before Income Taxes and Extraordinary Item	**13,978,000**	6,354,000
Income Taxes	**6,949,000**	3,065,000
Income before Extraordinary Item	**7,029,000**	3,289,000
Extraordinary Item — Note 9	**386,000**	(1,073,000)
Net Income	**7,415,000**	2,216,000
Retained Income, Beginning of Year	**72,268,000**	72,733,000
Dividends	**(2,206,000)**	(2,681,000)
Retained Income, End of Year	**$ 77,477,000**	$ 72,268,000
Earnings per Share		
Before extraordinary item	**$1.91**	$0.92
After extraordinary item	**$2.01**	$0.62

CONSOLIDATED BALANCE SHEET

ALGOMA CENTRAL RAILWAY

(Incorporated by Special Act of the Parliament of Canada)

December 31, 1983	1983	1982
Assets		
Current Assets		
Cash	**$ 429,000**	$ 581,000
Accounts receivable	**25,154,000**	19,695,000
Materials and supplies	**7,530,000**	7,703,000
Prepaid expenses	**3,542,000**	1,431,000
Income taxes recoverable	**405,000**	330,000
Deferred income taxes	**727,000**	894,000
	37,787,000	30,634,000
Investments and Long-Term Receivables — Note 2	**4,576,000**	4,266,000
Forest Lands — at nominal value	**1,000**	1,000
Fixed Assets — Note 3	**263,224,000**	233,702,000
Other Assets — Note 4	**4,173,000**	4,262,000
	$309,761,000	$272,865,000

	1983	1982
Liabilities		
Current Liabilities		
Bank indebtedness	**$ 3,124,000**	$ 2,092,000
Accounts payable and accrued charges	**24,907,000**	17,085,000
Current portion of provision for vessel maintenance	**1,151,000**	894,000
Current portion of long-term debt	**1,495,000**	1,992,000
	30,677,000	22,063,000
Provision for Workers' Compensation	**1,049,000**	1,076,000
Provision for Vessel Maintenance	**5,085,000**	3,884,000
Deferred Income Taxes	**70,063,000**	62,655,000
Long-Term Debt — Note 6	**108,593,000**	95,360,000
	215,467,000	185,038,000
Shareholders' Equity — Note 7		
Share Capital		
Authorized		
170,000 preferred shares, par value $50 each		
5,000,000 common shares, par value $2 each		
Issued and fully paid		
3,720,000 common shares (1982 — 3,650,000)	**7,440,000**	7,300,000
Contributed Surplus	**9,377,000**	8,259,000
Retained Income	**77,477,000**	72,268,000
	94,294,000	87,827,000
	$309,761,000	$272,865,000

Approved by the Board:

Director

Director

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

ALGOMA CENTRAL RAILWAY

Year Ended December 31, 1983	1983	1982
Sources of Working Capital		
Operations		
Income before extraordinary item	**$ 7,029,000**	$ 3,289,000
Items not affecting working capital:		
Depreciation and amortization	**16,977,000**	14,947,000
Deferred income taxes	**7,369,000**	3,274,000
Provision for vessel maintenance	**1,201,000**	738,000
Provision for workers' compensation	**(27,000)**	233,000
Gain on sale of fixed assets	**(755,000)**	(101,000)
Equity in earnings of associated company	**—**	(39,000)
	31,794,000	22,341,000
Increase in long-term debt	**15,155,000**	15,000,000
Dividends reinvested — Note 7	**1,258,000**	2,232,000
Proceeds on sale of fixed assets	**1,765,000**	223,000
Investments and long-term receivables	**494,000**	521,000
Proceeds on liquidation of associated company	**1,111,000**	—
Other	**—**	2,000
	51,577,000	40,319,000
Uses of Working Capital		
Additions to fixed assets	**47,393,000**	21,707,000
Long-term receivable	**1,490,000**	370,000
Repayment of long-term debt	**1,922,000**	16,533,000
Dividends	**2,206,000**	2,681,000
Other	**27,000**	—
	53,038,000	41,291,000
Decrease in Working Capital	**1,461,000**	972,000
Working Capital, Beginning of Year		
As previously reported	**8,571,000**	9,769,000
Reclassification from prior year	**—**	226,000
As restated	**8,571,000**	9,543,000
Working Capital, End of Year	**$ 7,110,000**	$ 8,571,000

AUDITORS' REPORT

To the Shareholders of Algoma Central Railway:

We have examined the consolidated balance sheet of Algoma Central Railway as at December 31, 1983 and the consolidated statements of income and retained income and of changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Company as at December 31, 1983 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Deloitte Haskins Sells

Chartered Accountants, Toronto, Canada, February 24, 1984

Deloitte Haskins + Sells

December 31, 1983

1. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada, include the accounts of Algoma Central Railway and its subsidiary companies and reflect the following policies:

Materials and supplies

Materials and supplies are stated at cost determined on a first-in, first-out basis.

Investments

The Company accounts for its investment in the real estate joint venture on the equity basis.

Fixed assets and depreciation

Fixed assets are stated at cost. Interest incurred on funds borrowed directly to finance fixed asset acquisitions is capitalized during the construction period.

The depreciation policy of the Company is to write down the cost of fixed assets other than land over their estimated useful lives on a straight-line basis to expected residual values, except for buildings and site improvements owned by the real estate subsidiary. The cost of these latter assets is written off on the sinking-fund basis over thirty-five years at 5% compounded annually.

The rates of depreciation used for other significant assets are:

Vessels	5%
Rail rolling stock	5% to 12%
Track materials	3% to 5%
Trucking rolling stock	8.3% to 20%

Goodwill

The cost of acquisition of subsidiaries is allocated to assets where applicable and any excess is treated as goodwill and amortized over periods not exceeding twenty years.

Deferred charges

Deferred charges are amortized on a straight-line basis over the life of the related asset or liability.

Income taxes

Income taxes are accounted for on the tax-allocation basis. Timing differences creating deferred income taxes result primarily from claiming capital cost allowances in excess of depreciation in the accounts. The amount of deferred income taxes included in current assets is in respect of other timing differences related to current liabilities.

Earnings per share

Earnings per share are calculated using the weighted average number of shares outstanding during the year.

Foreign currencies

Current assets and current liabilities are translated into Canadian dollars at the year-end exchange rates. All other assets, liabilities, income and expenses are translated at rates approximating the exchange rates prevailing on the dates of the transactions. Gains or losses resulting from these translations have been reflected in the statement of income and retained income.

Repair and maintenance costs

Repair and maintenance costs on transportation equipment are expensed as incurred, except for the estimated cost of future repairs and maintenance to vessels arising from current operations. These latter costs are provided for over the current operating season and charged against the provision for vessel maintenance at the time incurred.

Provision for workers' compensation

The provision for workers' compensation is an actuarial present value of unfunded liabilities payable under the Ontario Workers' Compensation Act.

2. Investments and Long-Term Receivables

	Share of Ownership	Carrying Value **1983**	Carrying Value 1982
All Canadian-American Investments Limited — Note 9		**$ –**	$ 686,000
Florida real estate joint venture	50.0%	**2,369,000**	2,369,000
Long-term receivables		**2,171,000**	1,065,000
Other		**36,000**	146,000
		$4,576,000	$4,266,000

In 1983, the Company has included in long-term receivables its net investment in a sales-type lease of $1,397,000. The investment was initially recorded at the present value of the minimum lease payments and estimated residual value. Income from this lease is being recognized over the lease term to produce a constant rate of return.

3. Fixed Assets

1983

	Land	**Depreciable Assets**	**Accumulated Depreciation**	**Net**
Marine	**$ 55,000**	**$253,480,000**	**$ 72,181,000**	**$181,354,000**
Rail	**528,000**	**69,142,000**	**37,182,000**	**32,488,000**
Trucking	**1,816,000**	**28,383,000**	**15,175,000**	**15,024,000**
Real Estate	**864,000**	**37,230,000**	**3,999,000**	**34,095,000**
Corporate	–	**277,000**	**14,000**	**263,000**
	$3,263,000	**$388,512,000**	**$128,551,000**	**$263,224,000**

1982

	Land	Depreciable Assets	Accumulated Depreciation	Net
Marine	$ 55,000	$210,830,000	$ 60,185,000	$150,700,000
Rail	528,000	67,096,000	35,456,000	32,168,000
Trucking	1,816,000	29,258,000	14,777,000	16,297,000
Real Estate	864,000	36,965,000	3,292,000	34,537,000
	$3,263,000	$344,149,000	$113,710,000	$233,702,000

4. Other Assets — at cost less amounts amortized

	1983	1982
Licences	**$3,389,000**	$3,392,000
Deferred charges	**784,000**	870,000
	$4,173,000	$4,262,000

5. Income Taxes

Investment tax credits are accounted for by the modified flow-through method whereby the reduction in current income taxes payable is applied in part to increase deferred income taxes, $61,000 in 1983 (1982 — nil) and in part to reduce income tax expense, $61,000 in 1983 (1982 — nil). Unused investment tax credits available to reduce current income taxes in future years amount to $8,308,000 and expire as follows:

1984	$ 197,000
1985	74,000
1986 to 1990	8,037,000
	$8,308,000

6. Long-Term Debt

	1983	1982
Bank loans and acceptances (in 1982, net of term deposits of $4,488,000 held for specific long-term debt maturities)	**$ 65,464,000**	$51,310,000
8¾% first mortgage sinking fund bonds, Series B, due June 1, 1991	**4,186,000**	4,800,000
9⅞% first mortgage sinking fund bonds, Series C, due October 17, 1997	**11,800,000**	12,600,000
9% blended payment bonds, due January 1, 1999 — secured	**6,579,000**	6,883,000
14⅜% mortgage, repayable in equal monthly blended payments of $23,000, due November 15, 1987	**1,864,000**	1,874,000
10¼% mortgage, repayable in equal monthly blended payments of $17,000, due June 1, 1988	**1,883,000**	1,893,000
11⅜% mortgage, repayable in equal monthly blended payments of $10,000, due May 1, 1995	**772,000**	805,000
15¾% promissory notes, due in 1987 — secured	**15,000,000**	15,000,000
Obligations under capital leases, bearing interest rates of 11.2% to 12%, expiring in 1988 and 1989	**1,045,000**	195,000
	$108,593,000	$95,360,000

Interest on long-term debt amounted to $12,222,000 in 1983 (1982 — $14,204,000) of which $26,000 (1982 — $1,760,000) was capitalized. Anticipated principal repayments, assuming refinancing of bank loans and acceptances and promissory notes, during the next five years are as follows:

1984	$2,478,000
1985	$2,199,000
1986	$2,220,000
1987	$2,175,000
1988	$2,133,000

Sinking fund principal requirements are $600,000 annually for the years 1984 to 1990, inclusive, for the Series B bonds and $800,000 annually for the years 1984 to 1996, inclusive, for the Series C bonds. The Company has purchased $614,000 Series B and $366,000 Series C bonds which qualify for application against future sinking fund requirements.

The 9% blended payment bonds are repayable in semiannual instalments of $412,000 including interest and principal plus annual supplementary principal payments based upon revenue from the collateral property. The supplementary amount due in 1984 is $91,000.

The Company arranges bank borrowings with various maturities according to requirements. The amounts shown as long-term debt consist of a series of loans which require repayment commencing in 1985. The weighted average interest rate is 11.1%.

7. Shareholders' Equity

Share capital and contributed surplus

Common shareholders, other than those resident in the United States of America, may elect under the Dividend Reinvestment Plan to reinvest cash dividends in common shares or under the Stock Dividend Plan to receive dividends in the form of common shares. During the year, 70,000 shares were issued pursuant to these plans for an aggregate consideration of $1,258,000 of which $140,000 was applied to common share capital and $1,118,000 to contributed surplus.

Dividend restrictions

Dividends, other than stock dividends, on the common shares are restricted pursuant to the second supplemental mortgage trust deed. Consolidated shareholders' equity not subject to this restriction is $54,294,000.

8. Passenger Train Service

Pursuant to the Railway Act, the Canadian Transport Commission has ordered the Company to provide passenger train service between Sault Ste. Marie and Hearst, Ontario. Eighty percent of any losses incurred in providing this service is recoverable from the Government of Canada. The amount included in revenue in 1983 is $2,819,000 (1982 — $2,853,000).

9. Extraordinary Item

In 1983, the Company realized a gain of $386,000, net of income taxes of $39,000, on the liquidation of its 33.6% investment in All Canadian-American Investments Limited.

In 1982, the Company concluded the silica-kaolin venture would not be commercially viable in the foreseeable future and therefore wrote down the related deferred exploration and development expenditures by $1,073,000 (net of minority interest's share of $10,000) to the nominal value of $1,000. The Company is maintaining its lease on the silica-kaolin property.

10. Segmented Information

1983

	Transportation	**Real Estate**	**Corporate**	**Total**
Revenue	**$163,429,000**	**$ 7,375,000**		**$170,804,000**
Income from operations	**$ 21,710,000**	**$ 4,005,000**		**$ 25,715,000**
Other income				**603,000**
Interest				**(12,340,000)**
Income taxes				**(6,949,000)**
Income before extraordinary item				**7,029,000**
Extraordinary item				**386,000**
Net income				**$ 7,415,000**
Assets	**$265,800,000**	**$35,625,000**	**$8,336,000**	**$309,761,000**
Capital expenditures	**$ 46,851,000**	**$ 264,000**	**$ 278,000**	**$ 47,393,000**
Depreciation and amortization	**$ 16,141,000**	**$ 785,000**	**$ 51,000**	**$ 16,977,000**

1982

	Transportation	Real Estate	Corporate	Total
Revenue	$138,710,000	$ 7,305,000		$146,015,000
Income from operations	$ 14,152,000	$ 4,009,000		$ 18,161,000
Other income				746,000
Interest				(12,553,000)
Income taxes				(3,065,000)
Income before extraordinary item				3,289,000
Extraordinary item				(1,073,000)
Net income				$ 2,216,000
Assets	$231,407,000	$36,363,000	$5,095,000	$272,865,000
Capital expenditures	$ 21,542,000	$ 165,000		$ 21,707,000
Depreciation and amortization	$ 14,155,000	$ 761,000	$ 31,000	$ 14,947,000

11. Bond Redemption Funds

The unclaimed portion of funds placed with the trustee in 1959 for the redemption of the 5% income debenture stock and/or bonds which matured in that year has been invested and the Company has taken into income the earnings thereon. The balance of funds unclaimed on March 10, 1989 will be returned to the Company. The unclaimed funds held by the trustee amount to $668,000.

12. Pension Plans

The Company has unfunded past service pension liabilities of about $2,968,000 which will be funded and charged to operations over the next fifteen years. Payments during the next five years will be as follows:

1984	$463,000
1985	$463,000
1986	$453,000
1987	$451,000
1988	$451,000

13. Leases

Capital leases entered into after December 31, 1978 are accounted for as assets and obligations; those prior thereto, as operating leases. The Company is committed to annual rental payments of $1,477,000 for rolling stock under capital leases commencing prior to 1979 and expiring at various dates until 1992. If these leases had been capitalized, balance sheet values would have been increased as follows:

	1983	1982
(a) Assets under capital leases	**$12,450,000**	$13,996,000
Less accumulated amortization	**6,621,000**	6,552,000
Net capital lease assets	**$ 5,829,000**	$ 7,444,000
(b) Obligations under capital leases	**$ 7,099,000**	$ 8,997,000
Less current portion	**829,000**	827,000
Long-term capital lease obligations	**$ 6,270,000**	$ 8,170,000
and net income would have been increased by	**$ 46,000**	$ 20,000

14. Guarantee

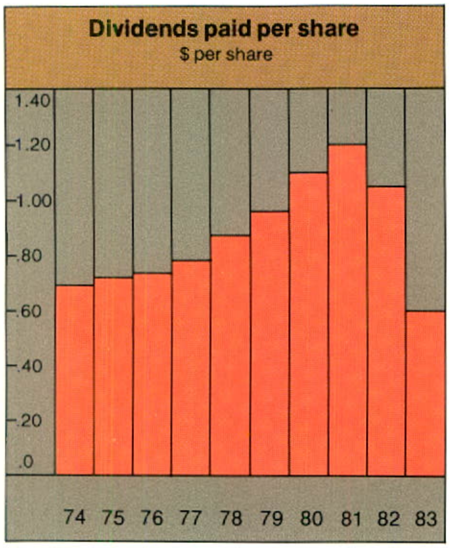
A subsidiary has guaranteed repayment of certain bank indebtedness by the Florida real estate joint venture. At December 31, 1983, the Company's potential exposure under this guarantee is approximately U.S. $7,286,000 (Cdn. $9,104,000).

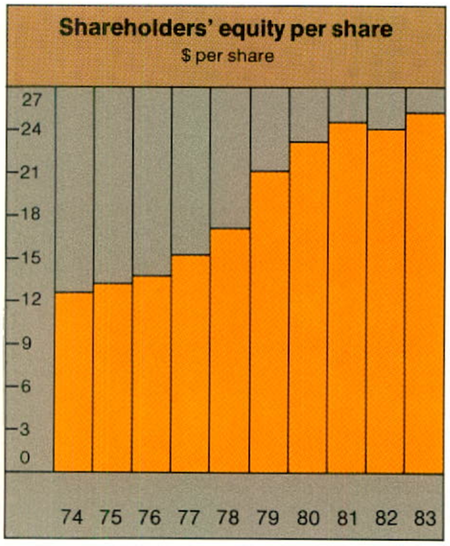
15. Comparative Figures

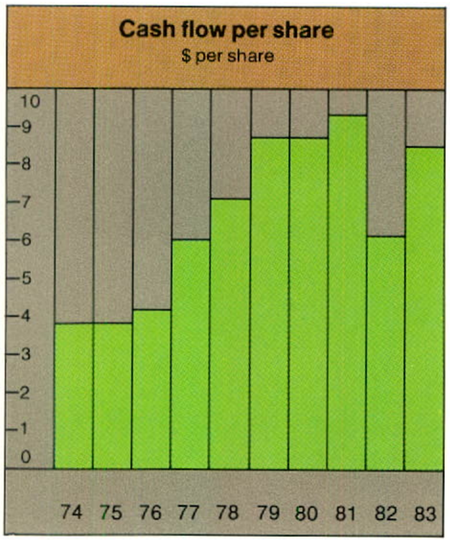
Certain of the 1982 comparative figures have been reclassified to conform to the presentation adopted in 1983.

TEN-YEAR SUMMARY

(Dollars in thousands except per share data)







	1983
Revenue	
Marine	$ 94,240
Rail	$ 33,123
Trucking	$ 36,066
Real Estate	$ 7,375
	$170,804
Net income	
Before extraordinary items	$ 7,029
After extraordinary items	$ 7,415
Depreciation and amortization	$ 16,977
Cash flow from operations	$ 31,794
Dividends paid	$ 2,206
Fixed asset additions	
Marine	$ 42,712
Rail	$ 3,458
Trucking	$ 654
Real Estate	$ 291
Corporate	$ 278
	$ 47,393
Net fixed assets	
Marine	$181,354
Rail	$ 32,488
Trucking	$ 15,024
Real Estate	$ 34,095
Corporate	$ 263
	$263,224
Long-term debt (LTD)	$108,593
Shareholders' equity	$ 94,294
LTD as % of net fixed assets	41%
LTD as % of shareholders' equity	115%
Dividends paid as % of income before extraordinary items	31%
Operating ratio	84.9%
Working capital ratio	1.23/1
Common Share Statistics	
Common shares (000)—end of year	3,720
—average	3,683
Net income	
First Quarter	$ (.21)
Second Quarter	$ .65
Third Quarter	$ .82
Fourth Quarter	$ .65
Total before extraordinary items	$ 1.91
Total after extraordinary items	$ 2.01
Quoted market value	
High	$20.88
Low	$14.50
Dividends paid	$ .60
Cash flow	$ 8.63
Shareholders' equity	$25.35

1982	1981	1980	1979	1978	1977	1976	1975	1974
78,295	79,791	66,442	57,206	43,612	41,094	30,928	28,770	19,304
28,315	36,562	32,184	30,439	26,822	22,957	20,208	14,063	18,285
32,100	32,603	29,298	31,466	30,187	25,227	19,635	18,995	22,209
7,305	6,161	4,550	2,909	2,658	2,903	2,905	1,775	1,199
146,015	155,117	132,474	122,020	103,279	92,181	73,676	63,603	60,997
3,289	9,424	10,442	12,119	9,213	7,424	4,144	4,296	4,039
2,216	9,424	10,442	16,348	9,213	7,424	4,144	4,296	8,620
14,947	13,176	11,079	9,744	8,146	7,778	6,028	5,810	5,245
22,341	32,008	29,081	28,672	23,378	19,856	13,652	12,640	12,601
3,733	3,965	3,647	3,148	2,853	2,558	2,410	2,361	2,262
17,188	26,818	23,754	23,796	15,559	13,381	17,576	16,528	7,689
4,068	10,094	3,204	3,724	3,663	1,266	1,995	487	1,231
286	2,429	2,163	8,176	3,496	2,056	578	1,263	2,815
165	5,455	8,332	6,629	961	1,096	30	438	4,645
21,707	44,796	37,453	42,325	23,679	17,799	20,179	18,716	16,380
150,700	143,535	125,336	108,636	91,926	81,497	72,903	58,428	44,760
32,168	30,439	22,309	20,814	18,709	16,458	16,891	16,495	17,452
16,297	17,978	17,580	17,319	11,381	9,264	8,418	9,193	9,260
34,537	34,979	30,122	22,239	15,919	15,252	14,428	14,661	14,541
233,702	226,931	195,347	169,008	137,935	122,471	112,640	98,777	86,013
95,360	96,893	80,959	69,207	59,427	51,880	51,538	41,942	44,360
87,827	86,060	78,370	69,305	56,220	49,958	45,140	43,455	41,381
41%	43%	41%	41%	43%	42%	46%	42%	52%
109%	113%	103%	100%	106%	104%	114%	97%	107%
113%	42%	35%	26%	31%	34%	58%	55%	56%
87.6%	80.8%	79.4%	76.8%	79.1%	80.0%	83.5%	83.4%	81.3%
1.39/1	1.47/1	1.36/1	1.30/1	1.33/1	1.20/1	1.35/1	1.28/1	1.34/1
3,650	3,506	3,377	3,279	3,279	3,279	3,279	3,279	3,279
3,586	3,431	3,324	3,279	3,279	3,279	3,279	3,279	3,279
(.25)	.08	.28	.31	.14	.01	(.10)	(.02)	.11
.29	1.04	.89	.93	.87	.66	.43	.32	.42
.56	.99	.96	1.28	1.01	1.05	.56	.44	.24
.32	.64	1.01	1.18	.79	.54	.37	.57	.46
.92	2.75	3.14	3.70	2.81	2.26	1.26	1.31	1.23
.62	2.75	3.14	4.99	2.81	2.26	1.26	1.31	2.63
18.25	24.00	26.00	27.50	24.00	16.00	15.00	16.37	14.87
13.00	15.50	22.00	18.75	15.62	10.25	10.75	9.62	9.00
1.05	1.20	1.10	.96	.87	.78	.735	.72	.69
6.23	9.33	8.75	8.74	7.13	6.06	4.18	3.85	3.84
24.06	24.55	23.21	21.14	17.15	15.24	13.77	13.25	12.62

ORGANIZATION OF ALGOMA CENTRAL RAILWAY

Marine Operations

Marine Division
Operates 15 ships of which 13 are owned by the Company.
Supervises the ship-repair and maintenance business.

Algoma Steamships Limited
Owns 2 ships operated by the Company.

Herb Fraser and Associates Limited
Performs ship repairs and maintenance.
Fabricates and repairs industrial metal products.
Operations based in Port Colborne.

Rail Operations

Rail Division
Operates the Company freight and passenger railway system.

Forest Lands and Minerals
Supervises use and development of 850,000 acres of land owned by the Company in the Algoma region.

Algocen Mines Limited (90% owned)
Holds mining lease on silica-kaolin deposit north of Hearst, Ontario.

Trucking Operations

Algocen Transport Holdings Limited
Owns 3 terminals operated by Thibodeau-Finch Express Limited.

Thibodeau-Finch Express Limited
Owns 2 terminals and leases 2 terminals.
Owns trucking fleet.
Operates 9 terminals.
Operates trucking routes from Detroit and Buffalo to Toronto and Montreal.

Algocen Transport Inc.
Conducts expedite and truckload brokerage operations.

Transport T.F. Québec Limitée
Owns trucking fleet.
Operates 1 terminal.
Operates trucking routes between Montreal and St. Jean, Quebec.

Flanagan Warehousing & Distribution Co. Ltd.
Conducts warehousing operations from premises owned in London, Chatham, Windsor and Sarnia. Two of these house terminals operated by Thibodeau-Finch Express Limited.
Operates cartage services in southern Ontario.
Owns a fleet of trucks.

Real Estate Operations

Algocen Realty Holdings Limited
Owns a shopping centre, hotel, office tower and apartment building in Sault Ste. Marie, Ontario. Manages the shopping centre, office tower and apartment building.
Owns and manages a shopping centre-hotel complex with office space in Elliot Lake, Ontario.

Investment in the United States

ACR Delaware, Inc.
Holding company for investments in the United States.

Algocen, Florida, Inc.
Partner in Florida real estate joint venture.

CORPORATE INFORMATION

Directors

Douglas A. Berlis, Q.C.*
Toronto, Ontario
Senior Partner, Aird & Berlis

H. Michael Burns
King, Ontario
Chairman and Chief Executive Officer, Crownx Inc.

Peter R. Cresswell, P.Eng.
Sault Ste. Marie, Ontario
Vice President and General Manager, Marine Division, Algoma Central Railway

George C. Hitchman
Toronto, Ontario
Corporate Director

Henry N. R. Jackman†*
Toronto, Ontario
Chairman,
The Empire Life Insurance Company

John J. Jodrey*
Hantsport, Nova Scotia
Chairman,
Scotia Investments Limited

Radcliffe R. Latimer
Toronto, Ontario
President and Chief Executive Officer,
TransCanada PipeLines

Arthur J. Little, F.C.A.†
Toronto, Ontario
Corporate Director

W. Darcy McKeough†
Chatham, Ontario
President and Chief Executive Officer,
Union Gas Limited

Leonard N. Savoie, P.Eng.*
Sault Ste. Marie, Ontario
President and Chief Executive Officer,
Algoma Central Railway

Leo J. Thibodeau
Windsor, Ontario
President and Chief Executive Officer,
Thibodeau-Finch Express Limited

*Member of Executive Committee
†Member of Audit Committee

Principal Officers

Henry N. R. Jackman
Chairman

Leonard N. Savoie, P.Eng.
President and Chief Executive Officer

Douglas A. Berlis, Q.C.
Vice President, General Counsel and Secretary

Stanley A. Black
Vice President, Rail

Peter R. Cresswell, P.Eng.
Vice President and General Manager, Marine Division

Robert G. Topp, C.A.
Vice President, Finance

Nicholas J. Hirt, P. Eng.
Vice President and General Manager,
Algocen Realty Holdings Limited

Alexander S. Morris
General Manager,
Herb Fraser and Associates Limited

Leo J. Thibodeau
President and Chief Executive Officer,
Thibodeau-Finch Express Limited

Algoma Central Railway and Principal Subsidiary Companies

Corporate Head Office
Marine Division
Rail Division
Algocen Mines Limited
Algocen Realty Holdings Limited
Algoma Steamships Limited
289 Bay Street, P.O. Box 7000
Sault Ste. Marie, Ontario,
P6A 5P6 (705) 949-2113

Toronto Office
15th Floor, 145 King Street W.,
Toronto, Ontario, M5H 2J3
(416) 364-1241

Marine Division Operations
(416) 834-6313

Herb Fraser and Associates Limited
(416) 834-4549
1 Chestnut Street,
Port Colborne,
Ontario, L3R 1B3

Algocen Transport Holdings Limited

Algocen Transport Inc.
Thibodeau-Finch Express Limited
3049 Devon Road,
Windsor, Ontario, N8X 4L3
(519) 966-1222
Terminals: Detroit, Buffalo, Windsor, Chatham, London, Sarnia, Brantford, Toronto and Montreal.

Transport T. F. Québec Limitée
197 Petit Bois, Varennes,
Quebec, J0L 2P0
(514) 652-2415

Flanagan Warehousing & Distribution Co. Ltd.
1036 Green Valley Road,
London, Ontario, N6A 4C2
(519) 681-5100
Warehouses:
London, Chatham, Windsor and Sarnia.

ACR Delaware, Inc.
Algocen, Florida, Inc.
Suite 1, 555 Colorado Avenue,
Stuart,
Florida 33494
(305) 287-2600

Transfer Agents

The Royal Trust Company
Toronto – Halifax – Montreal – Vancouver

Stock listed on the Toronto Stock Exchange
– Symbol "ALC"

Banks

Bank of Nova Scotia
Royal Bank of Canada

Auditors

Deloitte Haskins + Sells

Solicitors

Aird & Berlis

Stock Dividend Plan
Dividend Reinvestment Plan

To obtain information, contact:
The Secretary
Algoma Central Railway
P.O. Box 7000
Sault Ste. Marie, Ontario
P6A 5P6

To make an election, contact:
The Royal Trust Company
Corporate Trust Division
P.O. Box 7500, Station A
Toronto, Ontario, M5W 1P9

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