ALGOMA CENTRAL CORPORATION

Annual Report 1992

About the Corporation

The Corporation was incorporated in 1899 by a Special Act of the Parliament of Canada as Algoma Central Railway Company. The name was changed to The Algoma Central and Hudson Bay Railway Company in 1901, Algoma Central Railway in 1965 and Algoma Central Corporation on April 30, 1990. In 1986, the Corporation was continued under the Canada Business Corporations Act.

Algoma Central Corporation has three divisions. Marine Group operates the Corporation's modern fleet of 18 dry-bulk-cargo vessels. Fifteen of these ships operate exclusively within the Great Lakes and the St. Lawrence Seaway; one has extended operating limits into the Gulf of St. Lawrence; and two also operate along the coasts of North America and into the Caribbean Sea and the Gulf of Mexico. Customers of the group are shippers of bulk commodities such as iron ore, coal, grain, salt and aggregates. In addition, Marine Group operates ship-repair and marine-engineering businesses, located in southern Ontario.

Algoma Central Railway operates the Corporation's railway in the Algoma region of northern Ontario. Its main line runs 295 miles north from Sault Ste. Marie to Hearst. A branch line runs 26 miles from Hawk Junction to Wawa and to Michipicoten Harbour on Lake Superior. The railway serves natural resource, manufacturing and tourist industries in the region with freight and passenger trains.

Real Estate Group has developed and manages the Corporation's real estate complexes in Sault Ste. Marie and Elliot Lake, Ontario. The group also manages the Corporation's approximately 850,000 acres of land, including mineral and timber rights, in the Algoma region.

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COMPARATIVE HIGHLIGHTS

For the Year	1992	1991
Revenue	**$ 158,817,000**	$ 165,778,000
Net income	**$ 7,181,000**	$ 3,346,000
Operating ratio	**90%**	89%
Cash provided from operations	**$ 22,292,000**	$ 30,695,000
Fixed asset additions	**$ 10,156,000**	$ 5,745,000
Earnings per common share	**$ 1.85**	$ 0.86
Dividends paid per common share	**$ —**	$ —
Cash provided from operations per common share	**$ 5.73**	$ 7.89

At December 31	1992	1991
Total assets	**$ 239,003,000**	$ 252,778,000
Shareholders' equity	**$ 58,675,000**	$ 51,227,000
Long-term debt	**$ 61,317,000**	$ 71,132,000
Long-term debt as a % of shareholders' equity	**105%**	139%
Common shares outstanding	**3,891,211**	3,891,211
Equity per common share	**$ 15.08**	$ 13.16

ANNUAL MEETING

The 1993 Annual Meeting of Shareholders will be held Thursday, April 22, 1993 at 11:00 a.m. at the Holiday Inn, Sault Ste. Marie, Ontario.

The Honourable Frank S. Miller, Chairman of the Board, and Peter R. Cresswell, President and Chief Executive Officer.

We are pleased to report on the affairs of your Corporation for 1992. Consolidated revenue declined in 1992, although net income increased from $3,346,000 in 1991 to $7,181,000 in 1992. Better earnings by our self-unloader ships and reduced interest expense were the major factors increasing net income.

For Algoma Central Railway, both freight and passenger volumes declined significantly. Government assistance, in the form of cash grants, to maintain railway operations increased by $2,819,000 in 1992 and is included in income. We refer you to Note 2 of the financial statements for more information on government assistance.

We have been reporting for sometime now that the railway is chronically under utilized and is not profitable at the volumes of traffic available to it. The railway could not continue operating without government support.

We do not see opportunities to improve these circumstances. In fact, we foresee loss before the end of this century of the sintered iron ore traffic between Wawa and Sault Ste. Marie due to anticipated closure of the Algoma Steel Inc. ore division in Wawa. Presently, this ore is the primary freight traffic for the railway. We are working with the Province of Ontario toward securing longer-term operation of the railway. In the meantime, the Corporation has not paid a dividend to shareholders since September 1, 1990.

Again within Marine Group, there was a dichotomy between the performance of our 12 self-unloader ships and our six bulker ships. In 1991 bulkers contributed strongly, while self-unloaders lagged. In 1992 these respective roles reversed and self-unloaders contributed strongly. The result was increased operating income in 1992 for Marine Group.

We are disappointed with the recent contribution of bulkers. These ships typically carry grain for export from ports on Lake Superior and Lake Erie to grain elevators along the St. Lawrence River, and Quebec and Labrador iron ore from ports on the river to steel mills located on the lower Great Lakes in both Canada and the United States. Freight rates for both grain and ore are predicated on balanced movements in each direction.

However, exportation of grain through the St. Lawrence Seaway has collapsed, partly because ports on the west coast are now preferred by The Canadian Wheat Board due to more vibrant Far East markets and to federal subsidies toward the cost of moving grain by railway that favour the western movement. Such government intervention jeopardizes the viability of the seaway.

Notwithstanding these challenges, the Corporation's primary business, and its future, continues to be marine shipping. Our strategy is to promote this industry on the Great Lakes and to explore ocean-shipping opportunities.

Revenue for Real Estate Group declined marginally in 1992. However, recognizing high unemployment levels in Sault Ste. Marie and Elliot Lake, the two market areas for this division, and the Canadian economy generally, Real Estate Group performed well in 1992.

In light of the uncertain future for the community of Elliot Lake, we concluded that the carrying value of our real estate investment there was too high. We built the commercial real estate complex at Elliot Lake in the early 1980's at a time when we expected significant growth in the mining of uranium deposits in the area. Our expectations have not materialized. As a result, we wrote down that investment in 1992 by $5,102,000. This charge appears separately in the statement of income and is described in Note 5.

We have discontinued developing land in Florida. The former Florida real estate project is in the final stage of liquidation and, in 1992, we recognized an accounting gain of $2,599,000 on disposition of the project. The gain appears separately in the statement of income and is described in Note 3.

We continue to benefit from lower interest costs because of reduced borrowing and lower interest rates. Interest expense, net of interest income, declined $3,822,000 in 1992 after declining $6,070,000 in 1991.

Elsewhere in this annual report, management of each division has described in greater detail for you the issues we face. We commend those sections for your reading along with the discussion and analysis by management on page nine.

In July, George C. Hitchman, who had been a director since 1976, resigned from the Board of Directors. We recognize the valued counsel he rendered as a director. Following the resignation of Mr. Hitchman, the board appointed William J. Corcoran, Managing Director, Scotia McLeod Inc., to fill the vacancy.

The success of the Corporation depends, in no small way, on the efforts of employees. On behalf of the board, we wish to acknowledge, with sincere appreciation, the contributions of our employees.

President and Chief Executive Officer

Chairman of the Board

Environmental responsibility

Environmental protection remains a major issue of global concern which is being addressed by individuals, companies and governments. During 1992, Algoma Central Corporation continued to focus on environmental issues to ensure that we have an excellent environmental record.

Our Environmental Committee of the Board of Directors, established a year ago, has been actively reviewing the environmental practices of the Corporation to ensure that they meet the highest standards. The committee meets regularly with management to monitor compliance with our environmental policy. In implementing such policy, we have been intent on guiding our employees to recognize the Corporation's and their individual responsibility in protecting the environment in which we operate.

Our Corporation's properties and operations have undergone an in-depth environmental review with the objectives of improving environmental awareness at the operating level and of reducing or eliminating environmental hazards. As a result, we have undertaken actions involving cleanup, training and preventive measures. We have made financial provisions for the cleanup of a discontinued railway-tie-treating process. In addition, we have provided for the removal of obsolete buildings, equipment and supplies at the Algocen Mines Limited site.

Environmental protection is a particularly significant responsibility for our marine and rail groups. We have installed upgraded oily-water separators in the bilges of our ships to contain the oil. In addition, we have provided training to our marine employees to ensure quick response in the event that fuel oil accidentally leaks from any of our vessels. Our rail group has installed containment equipment on locomotives to minimize petroleum losses.

The Corporation continues to operate on the basis of strong environmental business practices as well as cooperates with governments and other organizations to develop improved environmental policies.

Marine Group operates the Corporation's modern fleet of 18 dry-bulk-cargo vessels. Fifteen of these ships operate exclusively within the Great Lakes and the St. Lawrence Seaway; one has extended operating limits into the Gulf of St. Lawrence; and two also operate along the coasts of North America and into the Caribbean Sea and the Gulf of Mexico. Twelve of the ships self-unload cargos by means of shipboard conveyor-belt systems (self-unloaders), while the other six are unloaded by means of shore-based equipment (bulkers). Twelve of the ships are the maximum size permitting transit of the complete St. Lawrence Seaway system — the others are smaller. Seventeen of the ships are of Canadian and one is of Liberian registry.

Customers of the group are shippers of bulk commodities such as iron ore, coal, grain, salt and aggregates. The shipping season in the Great Lakes is generally restricted because of ice, to the period from late March to late December.

In addition, Marine Group operates ship-repair and marine-engineering businesses, located in southern Ontario.

Our 1992 results ended up being a mirror image of the results experienced in 1991. We were very encouraged by improved results of our self-unloader fleet, especially in light of the current economic climate but these results were more than offset by disappointing results of our bulker fleet. By way of contrast, our results in 1991 for the self-unloader fleet were disappointing (9% decrease in revenue) while our results for the bulker fleet in 1991 were excellent (22% increase in revenue).

Total revenue in 1992 was $117,396,000, a decrease of 1.8% from 1991. Our fleet of 12 self-unloaders earned revenues in 1992 which were 5% above those of 1991 while tons carried improved 7%. Conversely, our six bulkers earned revenues which were down from 1991 by 16% and tons carried decreased by 13%.

Poor performance of the bulker fleet can be attributed to two significant factors. The major customer of The Canadian Wheat Board for the eastern movement of grain, the former U.S.S.R., was in political and financial turmoil. The flow of grain to this customer dramatically reduced after line-of-credit restrictions were imposed by the Canadian government. This brought movement of Canadian grain through the St. Lawrence Seaway to a virtual standstill. The second factor affecting performance of the bulker fleet was the disastrous Canadian grain crop in 1992. The crop suffered from both poor quality and reduced volume. Unfortunately, effects of the poor Canadian crop will continue to be felt at least until the fourth quarter of 1993.

In spite of the poor performance of the bulker fleet we are pleased with the operation of Seaway Bulk Carriers. This partnership with ULS Corporation is responsible for the traffic and marketing operations of our respective bulker fleets. Management of Seaway Bulk Carriers, once they became aware of the difficulties within the Canadian grain movement, were able to maintain a good balance between upbound movements of iron ore and downbound movements of grain by taking advantage of the considerable volume of United States grain moving through the seaway to eastern transfer elevators.

Improved results for our self-unloaders was very encouraging because it is an indication that we are finally starting to pull out of the recession which has affected our results for a number of years. We saw across-the-board increases in tonnages for the various commodities carried by self-unloaders. For example movements of salt increased by 12%, aggregates by 7%, coal and coke by 4%, iron ore by 2% and miscellaneous self-unloader cargoes increased by 5%.

Although the self-unloader fleet experienced an increase in revenue, there is certainly more room for improvement. In order for the fleet to achieve the level of returns that are necessary to ensure our long-term viability, two things must happen. The first is that the current over-supply of self-unloaders in the industry must reduce. This can be achieved by older vessels being removed from service and/or more tonnage becoming available. The second is the need for freight rates to increase to levels which more fully compensate carriers, including an amount reflecting a fair return on investment.

In spite of the less-than-adequate returns our vessels are currently earning, the Corporation is still confident in the long-term viability of water transportation. An indication of this confidence is the considerable capital dollars we have committed to our vessels over the next few years.

The most significant of these capital projects is our vessel modernization program. During a five-year period (1992 to 1996), the Corporation plans to spend $13,350,000 on internal-steel renewals and reconditioning. We feel that once the program is completed, our vessels will be in a state that will allow continued operation for at least an additional 15 to 20 years.

The second project, which was commenced in 1991, is the four-vessel fuel-conversion program. These conversions will allow vessels to burn a heavier, less expensive fuel. The first two conversions, on the *M/V Algobay* and the *M/V Algoport*, have been completed at a cost of $1,500,000 and $1,200,000 respectively. These two conversions are considered successful, both on a financial payback basis and on an operational basis. The third conversion, which is expected to cost $1,300,000, is currently in progress on the *M/V Algolake* and is expected to be completed by the start of navigation in 1993. The final conversion, on the *M/V Algosoo*, will be undertaken during the winter of 1993/94 and will cost approximately $1,300,000.

The third major capital expenditure project, which commenced in January 1992, is on-board computerization of our planned maintenance, inventory control and purchasing systems. This project, which is expected to cost $1,200,000, will result in improved on-board management of our vessels and will allow for more control over operating costs. The installation of these computer systems has taken longer than originally projected but the results from the three vessels which are currently operational are very encouraging. By the end of 1993 we expect to have 10 to 12 installations completed with the balance being finalized in 1994.

The outlook for 1993 is not encouraging mainly because of the low volumes of Canadian grain expected to move through the seaway during the first nine months of the year. In addition, we expect the self-unloader fleet to continue to be plagued by freight-rate pressure which will not allow for adequate financial returns.

We are, however, encouraged by the successful reorganization of Algoma Steel Inc. and look forward to working with this major customer as it returns to a position of financial viability. Our vessels currently carry the raw material requirements for this company to its steelworks in Sault Ste. Marie (coal, ore and limestone) and to Michipicoten Harbour (iron oxides and limestone) for use in the sintering facility at Wawa, Ontario.

Our shipboard personnel are represented by three labour unions. We recently concluded a new labour agreement with the largest of these unions, the Seafarers International Union. The agreement provides for a four-year labour contract with our unlicenced crew expiring May 31, 1996. We were pleased with the results of these negotiations, especially with the manner in which the industry and unions worked together to solve common problems. Two other unions, the Canadian Merchant Service Guild and the Canadian Marine Officers Union, represent licenced mates and licenced engineers respectively. The contracts for these unions expire on May 31, 1993. Negotiations are currently underway between industry and union representatives. We are confident that a satisfactory agreement will be reached without work stoppages or disruptions.

Marine Consultants & Designers (Canada) Limited, which provides naval-architectural and marine-engineering services, and Fraser Ship Repairs, which provides ship-repair, steel-fabricating and chandlery services, continue to offer valuable assistance to our operations, as well as to the industry as a whole. Their assistance is especially evident in the large capital expenditure projects which were mentioned previously. It is a tribute to these entities that we are able to undertake projects of this magnitude and keep the work entirely within the Marine Group.

NET TONS CARRIED, IN THOUSANDS

	1992	1991	1990	1989	1988
Ore	4,892	4,803	3,915	3,652	2,851
Coal & Coke	3,799	3,642	3,590	4,057	4,097
Grain	2,294	2,831	1,895	1,886	2,229
Salt	4,432	3,953	4,128	3,588	3,596
Aggregates	4,490	4,202	5,925	4,658	3,083
Other	2,377	2,258	3,014	3,047	3,044
Total	22,284	21,689	22,467	20,888	18,900

Algoma Central Railway operates the Corporation's railway in the Algoma region of northern Ontario. Its main line runs 295 miles north from Sault Ste. Marie to Hearst. A branch line runs 26 miles from Hawk Junction to Wawa and to Michipicoten Harbour on Lake Superior. The railway serves natural resource, manufacturing and tourist industries in the region with freight and passenger trains, including the well known Agawa Canyon Tour.

Faltering local and general economic conditions throughout 1992 suppressed traffic volumes and increased the dependence by the railway on government funding. Railway freight tonnage was 10% lower than in 1991. Passenger travel, including tour trains, fell 15%. Assistance from the Province of Ontario to support operations rose from $6,268,000 in 1991 to $9,141,000 in 1992.

While freight and passenger revenues held at fairly normal levels of 76% and 22% of total revenue, compared with 77% and 21% respectively in 1991, overall railway revenue declined by 13% to $28,320,000.

Algoma Steel Inc. continued to be the dominant shipper for the railway. Despite depressed rates and a 7% decline in freight tonnage, that customer accounted for 74% of total freight revenue, the same as in 1991. Its ore division at Wawa provided 54% of total freight revenue as compared to 57% last year. Historic levels approximate 75% for Algoma Steel in total and 60% for its ore division alone.

The figures on the accompanying chart of net tons carried reveal that mining commodities declined by 8%, manufacturing by 7% and forestry by 29%, for a total reduction in volume of 10% as calculated in relation to 1991 levels. Deterioration in movements of iron ore, steel, woodpulp and pulpwood products are the main reasons.

Restructuring of Algoma Steel took effect June 1, 1992. The business plan in respect to the restructuring contemplates the ore division will operate until 1996, depending on a number of factors. Loss to the railway of the iron ore movement would result in increased rates for remaining freight and passenger customers which, we expect, would result in further deterioration of volumes. This would lead to less frequent train services, further erosion of traffic and, eventually, termination of railway operations, although National Transportation Agency (the "NTA") approval would be required before the railway could be abandoned.

While there are prospects for new freight movements, present indications are that significant volumes are not likely to mature in the next few years.

Provincial assistance has helped to keep freight and tour-train rates at competitive levels, although there are demands from customers for even lower rates which cannot be met.

Tourist travel declined for the fifth consecutive year with just over 180,000 one-way passenger trips. This is 15% lower than in 1991 and is the lowest level in over 20 years. Just over 70,000 passengers took the Agawa Canyon Tour, which is down 16% from a year ago. The Tour-of-the-Line between Sault Ste. Marie and Hearst fell 20% to 1,700 and the Snow Train declined by 17% to 9,000 when compared to 1991. (Snow Train riders declined about 1,200 because the service did not operate in December, 1992.) While this experience is somewhat better than tourism statistics in the area served, the trend is not comforting. Nothing can be done about the cool, wet summer season that we experienced in 1992. Economic conditions in both the United States and Canada must improve, and the perception that Canada is an expensive place to visit must be corrected. The lower value of the Canadian dollar in relation to the U.S. dollar should help in promoting travel during 1993.

Normally, tour-train and regular-passenger services would each contribute about 10% of total revenue. In 1992 tours provided 9% and the regular passengers 13% which compares with 9% and 12% respectively in 1991. These statistics include payment from the NTA for 80% of regular-passenger train losses.

On October 29, 1992, the NTA extended its order requiring us to continue regular-passenger train service between Sault Ste. Marie and Hearst. The new order is subject to review within five years.

Arrangements were made in 1992 with the Ontario Northland Transportation Commission for the use of 24 former Via Rail passenger cars and for the work required to make them suitable for service on Algoma Central trains. Work on the cars is progressing with five cars put into service in time for the fall colour season and an additional seven cars for the winter Snow Train.

We will manage the regulated embargo against the interlining of plain-bearing freight cars after 1993 by changing the use of existing rolling stock.

Track and bridge work accounted for $2,647,000 of the $3,382,000 spent on capital projects during 1992. Track equipment acquisitions cost $491,000 and extension of the radio system cost $244,000. This compares with $2,007,000 spent in 1991 when track and bridge work cost $1,204,000. Plans for 1993 anticipate capital expenditures of $4,600,000 including $3,500,000 on track work and $370,000 on projects that address environmental considerations, however, funding limitations may preclude work proceeding as expected.

An environmental committee for the railway has been addressing practices, facilities, instructions and training toward improving our already exemplary environmental record. Considerations in this area have resulted in closing landfill areas, clearing debris deposited by others, arranging for soils remediation, discontinuing a wood-treating process, installing collector tanks on locomotives to contain petroleum leakage, planning for facility improvements and general reinforcement of work practices.

The Province of Ontario has committed assistance of $5,600,000 for the first half of 1993 and discussions are being held toward a long-term arrangement for maintaining the rail operation. It is anticipated that satisfactory progress with these dealings will result in support for the second half of the year. Although revenue attributable to freight is expected to slip further in 1993, improvements in passenger revenue should partially offset the decline.

The dependence on provincial funding and efforts to define a solution for the long-term viability of the railway have delayed the negotiation of nine new labour contracts to replace those that expired December 31, 1991. Negotiations are continuing toward renewing these contracts.

Uncertainties about the future of our major shipper and the railway itself have discouraged employees and created anxieties for them. They are commended for their commitment toward continuing and improving the operation as well as working cooperatively toward achieving a more participative organizational culture.

Net tons carried, in thousands

	1992	1991	1990	1989	1988
Mining	1,437	1,569	1,013	1,677	1,443
Manufacturing	1,313	1,406	944	1,355	1,222
Forestry	309	437	361	354	421
Total	3,059	3,412	2,318	3,386	3,086

Real Estate Group has developed and manages the Corporation's real estate complexes in Sault Ste. Marie and Elliot Lake, Ontario. The complexes include two shopping centres, two hotels, an office building and an apartment building. The group also manages the Corporation's approximately 850,000 acres of land, including mineral and timber rights, in the Algoma region.

Canada

Total revenue decreased 4% to $13,101,000 in 1992. We experienced decreases in commercial and residential rentals, which account for 90% of total revenue.

At December 31, 1992, Station Mall in Sault Ste. Marie, Ontario had a vacancy rate of 3%, the same as at the end of 1991. It has remained difficult to lease all vacancies. Although revenue from the shopping centre remained constant in 1991 compared to 1990, it decreased in 1992 by 3% due to continuing adverse economic conditions. The first phase of a 350,000-square-foot retail mall in neighbouring Sault Ste. Marie, Michigan opened in October 1992. To date, we have not ascertained any significant adverse effect from that mall and suggest the primary reason for this is the low value of the Canadian dollar compared to the U.S. dollar, which has somewhat curtailed cross-border shopping.

A 9% decrease in revenue from our Sault Ste. Marie office building, Station Tower, was attributable to the loss of one tenant, The Algoma Steel Corporation, Limited, which had been under protection of the federal Companies' Creditors Arrangement Act. Pursuant to the approved plan of arrangement, the lease was cancelled. The building is currently 96% leased.

Revenue from our hotel property in Sault Ste. Marie, which is leased to and operated as a Holiday Inn, decreased by 9% in 1992 from 1991. This further decline from the 8% decrease experienced in 1991 as compared to 1990 evidences the continuing adverse tourist trade and business travel in the area.

Elliot Lake continues to suffer the consequences of uranium mine closures since 1990. Denison Mines Limited closed its mining operations in Elliot Lake in April 1992, issuing approximately 1,000 permanent layoffs, which leaves only the Stanleigh Mine, owned and operated by Rio Algom Limited, in operation. Our Algo Centre complex in Elliot Lake is comprised of a shopping mall, a hotel and commercial office space. Commercial rents, which account for 85% of the centre's revenue, decreased 2% in 1992 from 1991 following a similar decrease of 2% in 1991 from 1990. Although the mall is currently 98% leased, there is no apparent reason to believe that the very difficult economic conditions in Elliot Lake will improve in the foreseeable future. An extremely high unemployment rate coupled with a bleak prospect for jobs in the area prompted management to write down the carrying value of this property in 1992, as described in Note 5 to the financial statements.

Although capital expenditures were only $30,000 in 1992, we expect to spend approximately $500,000 in 1993 for purposes of normal commercial-building renovations and upgrading and leasehold improvements.

Among our land-management activities, mining exploration has significantly declined as illustrated by a 43% decrease in revenues in 1992 compared to 1991. The elimination of government-sponsored exploration incentive programs and low gold prices are seen to be the main causes of this activity decline. Recreational-land leasing, which accounts for 63% of land-leasing revenue in 1992, increased by 8% in 1992 compared to 1991. We expect minimal growth in this activity in 1993.

The volume of timber harvested from our forest lands remained constant in 1992 compared to 1991 but stumpage revenues declined by 17% for this same period. The first reason for this decrease is that we sold more lower-quality hardwood fibre which carries a lower stumpage price. The second reason is that we have had some success in requiring logging contractors to perform the required silvicultural prescriptions and when this happens, we charge a lower stumpage rate. In 1993 and beyond, we plan to have contractors do more silvicultural work on our harvested areas.

Florida

Prior to 1992, all condominium units in the Florida real estate project were sold and the decision was made to discontinue land development in Florida. In 1992, disposition of the project was largely completed and a gain on disposition of $2,599,000 was recorded as described in Note 3 to the financial statements.

Results of operations

Consolidated revenue declined $6,961,000 to $158,817,000 in 1992. Revenue for Marine Group declined $2,103,000. In 1991 the bulker portion of our fleet contributed strongly, while the self-unloader portion lagged. In 1992 these respective roles were reversed and self-unloaders contributed strongly. Improvement by self-unloaders in 1992 is indicative of improving business activity for our customers around the Great Lakes in particular. The decline by bulkers was caused by a much lower volume of grain exported through the St. Lawrence Seaway.

Revenue for Algoma Central Railway declined $4,327,000 in 1992. Freight and related revenues declined 15% and passenger revenue declined 9%. The freight reduction reflects lower volumes of iron ore, finished steel and forestry commodities shipped on our railway. Passenger travel on the railway was the lowest in over 20 years.

Revenue from Real Estate Group declined $531,000 with reductions for all of its properties, reflecting high unemployment in Sault Ste. Marie and Elliot Lake.

Income from operations includes a charge of $5,102,000 for the write-down of the investment in the real estate complex at Elliot Lake. In light of the uncertain future for the community of Elliot Lake, we concluded that the carrying value of the investment was too high. The complex was built in anticipation of significant growth for that community, which has not happened. Investment was written down to an amount determined by capitalizing estimated future cash flow.

Operating expenses excluding the write-down declined $8,797,000 to $138,549,000 in 1992 because of reduced transportation activity, increased government assistance of $2,873,000, and a reduction of $2,197,000 in amounts provided for noncollection of accounts receivable.

With respect to the former Florida real estate project, in 1991 revenue and costs were deferred pending final disposition. In 1992 we recognized a gain of $2,599,000 on disposal of the project. Income taxes of $73,000 were provided against the gain.

Interest expense declined $4,386,000 in 1992, and $9,433,000 in 1991, because of reduced borrowing and lower interest rates. Interest income in 1991 was from short-term investments which we did not have in 1992.

Financial condition and liquidity

The Corporation had working capital deficiencies of $9,920,000 and $11,807,000 at December 31, 1992 and 1991 respectively. Typically, the Corporation has little or no working capital because cash balances are kept to a minimum through application against bank loans and because the Corporation does not have trade inventories.

Generally, the Corporation meets its annual cash requirements from operations. At the same time, cash flow does not occur evenly throughout the year. Usually, funds are borrowed to finance operations during the first half of the year and repaid in the second half. At December 31, 1992 the Corporation had an unused line of credit with its banker of $17,788,000.

Liability for deferred income taxes declined $7,073,000 in 1992, and $1,047,000 in 1991, mainly because depreciation charges exceeded capital cost allowance.

Most of the debt of the Corporation is subject to floating interest rates, although interest on $40,000,000 at December 31, 1992, and $30,000,000 at December 31, 1991, was effectively converted to fixed rates through interest-rate swaps.

Risks and uncertainties

Excess capacity exists in the marine industry on the Great Lakes. As a result, freight rates are depressed.

Algoma Central Railway is under utilized and is not profitable at the volumes of traffic available to it. The railway could not continue operating without government support. We are working with the Government of Ontario toward securing arrangements for the longer-term operation of the railway.

The markets for our real estate tenants are concentrated in Sault Ste. Marie (population 81,000) and Elliot Lake (population 13,000), Ontario.

Responsibility for Financial Statements

The consolidated financial statements of Algoma Central Corporation and its subsidiaries, and all information in this annual report, are the responsibility of management and have been approved by the Board of Directors.

The financial statements were prepared by management in conformity with generally accepted accounting principles and necessarily include some amounts that are based on estimates and judgments. Information used elsewhere in this annual report is consistent with that in the financial statements.

Management maintains a system of internal accounting controls designed to provide reasonable assurance that assets are safeguarded from loss and that financial records are reliable.

The Board of Directors carries out its responsibility for the financial statements principally through its Audit Committee which consists solely of outside directors. The Audit Committee meets periodically with management and the auditors to review results of audit examinations and financial reporting matters. The independent auditors appointed by the shareholders have full access to the Audit Committee, with and without management present.

The Audit Committee reviewed the financial statements in this annual report and recommended that they be approved by the Board of Directors.

Vice President, Finance
February 19, 1993

Auditors' Report

To the Shareholders of Algoma Central Corporation:

We have audited the consolidated balance sheets of Algoma Central Corporation as at December 31, 1992 and 1991 and the consolidated statements of income and retained earnings and of changes in financial position for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 1992 and 1991 and the results of its operations and the changes in its financial position for the years then ended, in accordance with generally accepted accounting principles.

Deloitte & Touche

Chartered Accountants, Toronto, Ontario
February 19, 1993

Consolidated statements of income and retained earnings

Algoma Central Corporation

Years ended December 31

	1992	1991
REVENUE		
Marine	**$ 117,396,000**	$ 119,499,000
Rail	**28,320,000**	32,647,000
Real Estate	**13,101,000**	13,632,000
	158,817,000	165,778,000
EXPENSES		
Operations	**112,043,000**	117,818,000
Depreciation and amortization	**19,166,000**	20,089,000
Administrative and general	**7,340,000**	9,439,000
Write-down - Elliot Lake property - Note 5	**5,102,000**	—
	143,651,000	147,346,000
INCOME FROM OPERATIONS	**15,166,000**	18,432,000
FLORIDA REAL ESTATE PROJECT - Note 3	**2,599,000**	—
INTEREST EXPENSE	**(7,671,000)**	(12,057,000)
INTEREST INCOME	**—**	564,000
INCOME BEFORE INCOME TAXES	**10,094,000**	6,939,000
INCOME TAXES - Note 4	**2,913,000**	3,593,000
NET INCOME	**7,181,000**	3,346,000
RETAINED EARNINGS, BEGINNING OF YEAR	**31,258,000**	27,912,000
RETAINED EARNINGS, END OF YEAR	**$ 38,439,000**	$ 31,258,000
EARNINGS PER SHARE	**$ 1.85**	$ 0.86

Consolidated Balance Sheets

Algoma Central Corporation

December 31

	1992	1991
ASSETS		
CURRENT ASSETS		
Cash and short-term deposits	**$ 3,649,000**	$ 1,273,000
Accounts receivable	**21,759,000**	20,432,000
Materials and supplies	**5,330,000**	6,945,000
Prepaid expenses	**1,570,000**	1,866,000
Deferred income taxes	**1,301,000**	2,494,000
	33,609,000	33,010,000
FOREST LANDS - at nominal value	**1,000**	1,000
FIXED ASSETS - Note 5	**204,924,000**	218,985,000
LONG-TERM RECEIVABLES AND DEFERRED CHARGES	**469,000**	782,000
	$ 239,003,000	$ 252,778,000
LIABILITIES		
CURRENT LIABILITIES		
Cheques issued and not cashed	**$ 3,699,000**	$ 4,056,000
Accounts payable and accrued charges	**24,057,000**	22,269,000
Current portion of provision for vessel maintenance	**601,000**	818,000
Current portion of long-term debt	**11,097,000**	11,281,000
Income taxes payable	**1,794,000**	4,167,000
Dividends payable	**2,281,000**	2,226,000
	43,529,000	44,817,000
DEFERRED INCOME TAXES	**66,563,000**	74,829,000
LONG-TERM DEBT - Note 6	**61,317,000**	71,132,000
FLORIDA REAL ESTATE PROJECT - Note 3	**—**	2,345,000
OTHER NONCURRENT ITEMS - Note 7	**8,919,000**	8,428,000
	180,328,000	201,551,000
SHAREHOLDERS' EQUITY - NOTE 8		
SHARE CAPITAL		
Authorized - Unlimited number of common shares		
Issued - 3,891,211	**8,319,000**	8,319,000
CONTRIBUTED SURPLUS	**11,917,000**	11,917,000
RETAINED EARNINGS	**38,439,000**	31,258,000
UNREALIZED FOREIGN EXCHANGE LOSS	**—**	(267,000)
	58,675,000	51,227,000
	$ 239,003,000	$ 252,778,000

Approved by the Board of Directors:

Director | Director

Consolidated statements of changes in financial position

Algoma Central Corporation

Years ended December 31

	1992	1991
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING		
Net income	$ **7,181,000**	$ 3,346,000
Items not affecting cash		
Depreciation and amortization	**19,166,000**	20,089,000
Deferred income taxes	**(7,116,000)**	(1,549,000)
Write-down - Elliot Lake property	**5,102,000**	—
Florida real estate project	**(2,307,000)**	—
Other	**332,000**	32,000
Net change in noncash operating working capital	**(66,000)**	8,777,000
	22,292,000	30,695,000
INVESTING		
Additions to fixed assets	**(10,156,000)**	(5,745,000)
Florida real estate project	**—**	(1,480,000)
Proceeds from sale of fixed assets	**338,000**	56,000
Other	**258,000**	197,000
	(9,560,000)	(6,972,000)
CASH BEFORE FINANCING ACTIVITIES	**12,732,000**	23,723,000
FINANCING		
Repayment of long-term debt	**(9,999,000)**	(82,204,000)
INCREASE (DECREASE) IN CASH	**2,733,000**	(58,481,000)
CASH POSITION, BEGINNING OF YEAR	**(2,783,000)**	55,698,000
CASH POSITION, END OF YEAR	$ **(50,000)**	$ (2,783,000)
CASH POSITION COMPRISES		
Cash and short-term deposits	$ **3,649,000**	$ 1,273,000
Cheques issued and not cashed	**(3,699,000)**	(4,056,000)
	$ **(50,000)**	$ (2,783,000)

CHANGES IN NONCASH OPERATING WORKING CAPITAL		
(Increase) decrease in accounts receivable	$ **(1,327,000)**	$ 663,000
Decrease in materials and supplies	**1,615,000**	291,000
Decrease in prepaid expenses	**296,000**	541,000
Increase in accounts payable and accrued charges	**1,723,000**	4,039,000
(Decrease) increase in income taxes payable	**(2,373,000)**	3,243,000
	$ **(66,000)**	$ 8,777,000

1. Significant accounting policies

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

Bulker fleet operations

The operations of the Corporation's bulkers are pooled with those of an unrelated company, ULS Corporation. The Corporation's bulkers, crewed and operated by the Corporation, as well as all operating costs excluding voyage costs, are included in the consolidated financial statements. In addition, the Corporation's proportionate share of the revenues, expenses, assets and liabilities of the pooled fleet are included in the consolidated financial statements.

Materials and supplies

Materials and supplies are stated at cost determined on a weighted average basis.

Fixed assets and depreciation

Fixed assets other than railway fixed assets are stated at cost less accumulated depreciation and amounts written down to reflect net recoverable amount. Interest incurred on funds borrowed to finance fixed asset acquisitions is capitalized during the construction period. For railway fixed assets, the Corporation follows the method of accounting as prescribed by the National Transportation Agency (NTA) of Canada. Generally, major additions and replacements are capitalized and interest costs are expensed.

Fixed assets other than land are depreciated on a straight-line basis, except for buildings and site improvements owned by the Canadian real estate subsidiary. These latter assets are depreciated on the sinking-fund basis over 35 years at 5% compounded annually.

The rates of depreciation used for other significant assets are:

Vessels	5%
Rail rolling stock	2.9% to 5%
Track materials	1.3% to 6.7%

For railway properties, the rates used are those authorized by the NTA. When railway depreciable property is retired or disposed of, the book value, less net salvage, is normally charged to accumulated depreciation.

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.

2. Government assistance

Pursuant to the Railway Act, the Corporation is required to provide passenger train service between Sault Ste. Marie and Hearst, Ontario. Eighty per cent of any losses incurred in providing this service is recoverable from the Government of Canada and included in revenue. The amounts included in revenue in 1992 and 1991 are $3,023,000 and $3,077,000, respectively.

The Province of Ontario has provided the Corporation with financial assistance to help maintain its nonpassenger railway operations. This assistance, amounting to $9,141,000 with respect to 1992 and $4,768,000 with respect to 1991, has been deducted from operating expenses.

Pursuant to a Canada-Ontario Tourism Development Agreement, which expired in 1991, the Province of Ontario provided $1,500,000 in 1991 to continue certain rail services. That amount was deducted from operating expenses.

3. **Florida real estate project**

During 1992, disposition of the Florida real estate project was essentially completed. Accordingly, the Corporation discontinued the practice of deferring revenues and costs relating to the project and recorded a gain on disposition amounting to $2,599,000.

As part of the proceeds from the sale of land, the Corporation took back a mortgage in the amount of U.S. $3,200,000. Payments on the mortgage will be received from the proceeds on the sale of condominium units to be built by the purchaser but only after repayment of construction financing. Since receipt thereof is contingent upon the success of the purchaser's development project, this amount has not been recorded in the consolidated financial statements and will be recognized in income as received.

4. **Income taxes**

The effective income tax rate applicable to the Corporation is as follows:	**1992**	1991
Combined federal and provincial statutory income tax rate	**44.3 %**	44.3 %
Permanent differences	**(1.7)**	0.8
Lower effective tax rate of foreign subsidiaries	**(8.5)**	1.4
Large corporation tax	**1.8**	(0.7)
Additional provision on foreign exchange gains deferred in prior years and realized in current year	**—**	4.4
Consolidation adjustment	**—**	2.5
Items taxable in the year for which deferred income taxes were previously provided at higher rates	**(7.0)**	(3.6)
Other	**—**	2.7
	28.9 %	51.8 %

Timing differences creating deferred income taxes result primarily from claiming capital cost allowances in excess of depreciation in the accounts. Deferred income taxes included in current assets are in respect of other timing differences related to current liabilities.

5. **Fixed assets**

1992	**Land**	**Depreciable Assets**	**Accumulated Depreciation**	**Net**
Marine	**$ 69,000**	**$322,091,000**	**$194,721,000**	**$127,439,000**
Rail	**447,000**	**93,446,000**	**54,318,000**	**39,575,000**
Real Estate	**1,282,000**	**46,507,000**	**10,283,000**	**37,506,000**
Corporate	**—**	**696,000**	**292,000**	**404,000**
	$ 1,798,000	**$462,740,000**	**$259,614,000**	**$204,924,000**

1991	Land	Depreciable Assets	Accumulated Depreciation	Net
Marine	$ 69,000	$315,443,000	$179,719,000	$135,793,000
Rail	447,000	91,840,000	52,926,000	39,361,000
Real Estate	1,001,000	51,578,000	9,182,000	43,397,000
Corporate	—	656,000	222,000	434,000
	$ 1,517,000	$459,517,000	$242,049,000	$218,985,000

5. Fixed assets, continued

In 1992, the Corporation wrote down the value of its real estate assets located in Elliot Lake, Ontario by $5,102,000. This action was taken because management believes there has been a permanent impairment in the value of these assets. The write-down is based on the capitalization of anticipated cash flow.

6. Long-term debt

	1992	1991
Bank loans and acceptances		
Secured revolving term loans expiring in January 1994	$ 5,205,000	$ 916,000
Secured nonrevolving term loans expiring in December 1999	67,000,000	81,000,000
Obligations under capital leases, bearing interest rates of 12.8% to 14.2% expiring at various dates to 1994	209,000	497,000
	72,414,000	82,413,000
Less current portion	11,097,000	11,281,000
	$ 61,317,000	$ 71,132,000

The weighted average interest rate on the bank loans and acceptances outstanding at December 31, 1992 and 1991 is 9.3%. The Corporation has interest-rate swap agreements with its banker effectively converting the interest on bank loans and acceptances of $40,000,000 from floating rates to a fixed rate of 9.4% per annum payable on a quarterly basis. These agreements expire in 1995 and 1996.

Interest on long-term debt amounted to $7,671,000 in 1992, and to $12,050,000 in 1991, none of which was capitalized. Required principal repayments during the five years subsequent to 1992, assuming refinancing of bank loans and acceptances under the revolving term credit, are $11,097,000 in 1993 and $11,000,000 annually for the years 1994 to 1997.

7. Other noncurrent items

	1992	1991
Provision for vessel maintenance	$ 7,371,000	$ 6,998,000
Provision for workers' compensation	1,548,000	1,430,000
	$ 8,919,000	$ 8,428,000

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

8. Shareholders' equity

Share capital

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. No dividends were paid in 1992 and 1991.

Dividend restrictions

Dividends, other than stock dividends, on the common shares are restricted pursuant to the Corporation's credit agreement with its banker. At December 31, 1992, consolidated shareholders' equity not subject to this restriction was $13,881,000.

9. Pension plans

At December 31, 1992 and 1991, the actuarial present value of the accrued pension benefits of employees for services rendered to date amounted to $62,489,000 and $56,764,000, respectively, and the market value of the pension fund assets amounted to $65,166,000 and $61,274,000, respectively.

10. Commitments

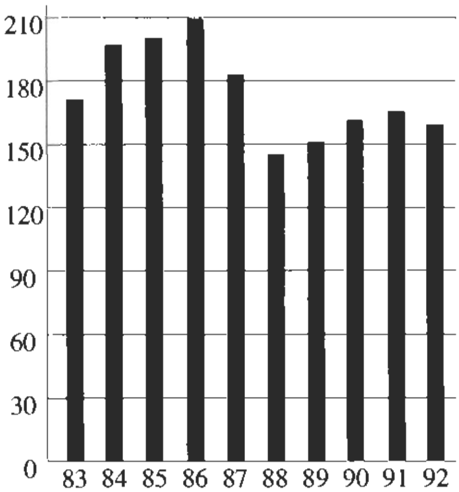
At December 31, 1992, the Corporation has outstanding commitments of approximately $1,237,000 due for payment in 1993.

11. Segmented information

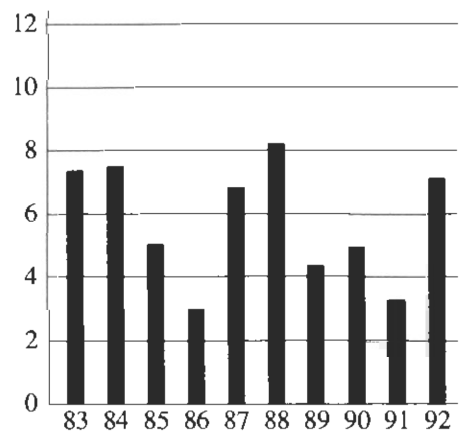
1992	**Canada** Transportation	**Canada** Real Estate	**Canada** Corporate	**U.S.A.** Real Estate	**Total**
Revenue	**$145,716,000**	**$ 13,101,000**	**$ —**	**$ —**	**$158,817,000**
Income (loss) from operations	**$ 15,252,000**	**$ (86,000)**	**$ —**	**$ —**	**$ 15,166,000**
Assets	**$191,899,000**	**$ 39,781,000**	**$ 5,381,000**	**$ 1,942,000**	**$239,003,000**
Capital expenditures	**$ 10,087,000**	**$ 30,000**	**$ 39,000**	**$ —**	**$ 10,156,000**
Depreciation and amortization	**$ 17,906,000**	**$ 1,190,000**	**$ 70,000**	**$ —**	**$ 19,166,000**

1991	Canada Transportation	Canada Real Estate	Canada Corporate	U.S.A. Real Estate	Total
Revenue	$152,146,000	$ 13,632,000	$ —	$ —	$165,778,000
Income from operations	$ 12,729,000	$ 5,703,000	$ —	$ —	$ 18,432,000
Assets	$205,587,000	$ 43,533,000	$ 3,287,000	$ 371,000	$252,778,000
Capital expenditures	$ 5,580,000	$ 151,000	$ 14,000	$ —	$ 5,745,000
Depreciation and amortization	$ 18,877,000	$ 1,135,000	$ 77,000	$ —	$ 20,089,000

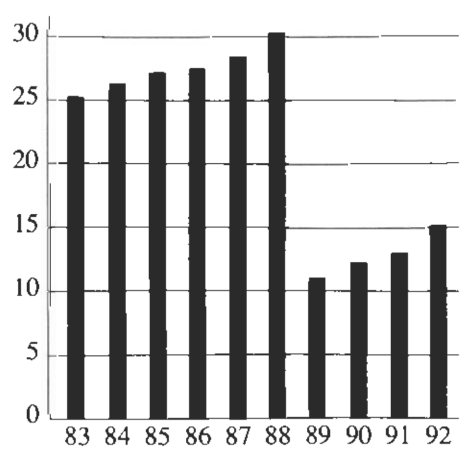
REVENUE
millions of dollars



NET INCOME
millions of dollars



SHAREHOLDERS' EQUITY PER SHARE
dollars per share



TEN-YEAR SUMMARY

(Dollars in thousands except per share data)		1992	1991
Revenue			
Marine	$	117,396	119,499
Rail	$	28,320	32,647
Real Estate - Canada	$	13,101	13,632
- Florida	$	—	—
Other	$	—	—
	$	158,817	165,778
Net income	$	7,181	3,346
Depreciation and amortization	$	19,166	20,089
Dividends paid	$	—	—
Fixed asset additions			
Marine	$	6,705	3,573
Rail	$	3,382	2,007
Real Estate	$	30	151
Corporate	$	39	14
Other	$	—	—
	$	10,156	5,745
Net fixed assets			
Marine	$	127,439	135,793
Rail	$	39,575	39,361
Real Estate	$	37,506	43,397
Corporate	$	404	434
Other	$	—	—
	$	204,924	218,985
Long-term debt (LTD)	$	61,317	71,132
Shareholders' equity	$	58,675	51,227
LTD as % of net fixed assets		30%	32%
LTD as % of shareholders' equity		105%	139%
Operating ratio		90%	89%
Working capital ratio		0.77/1	0.74/1
Common share statistics:			
Common shares (000)			
- end of year		3,891	3,891
- average		3,891	3,891
Net income			
First quarter	$	(0.52)	(0.56)
Second quarter	$	0.95	0.49
Third quarter	$	0.82	0.22
Fourth quarter	$	0.60	0.71
	$	1.85	0.86
Quoted market value			
High	$	12.75	8.38
Low	$	8.00	7.75
Dividends	$	—	—
Shareholders' equity	$	15.08	13.16

1990	1989	1988	1987	1986	1985	1984	1983
122,710	108,332	103,286	103,468	89,864	89,688	101,374	94,240
25,709	32,104	30,788	29,593	32,601	35,891	32,740	32,557
13,678	12,048	11,341	12,293	11,266	10,621	10,364	9,744
—	—	—	—	10,334	5,791	65	—
—	—	—	38,079	65,723	60,172	52,584	36,066
162,097	152,484	145,415	183,433	209,788	202,163	197,127	172,607
4,982	4,415	8,233	6,842	2,909	5,192	7,533	7,415
19,345	19,259	17,940	18,728	19,522	17,220	17,740	16,977
568	78,258	2,576	1,622	2,440	2,982	2,780	2,206
7,728	16,138	12,117	1,630	31,418	2,026	949	42,712
1,695	3,467	4,203	1,318	3,086	3,042	3,493	3,458
1,135	9,289	3,626	632	302	248	327	291
17	319	253	15	18	54	241	278
—	—	—	128	3,151	4,147	6,023	654
10,575	29,213	20,199	3,723	37,975	9,517	11,033	47,393
148,244	155,886	155,218	157,621	170,319	152,980	169,619	181,354
40,222	41,435	40,921	31,302	32,739	32,019	33,547	32,488
44,288	44,133	35,663	32,808	32,919	33,368	33,784	34,095
526	616	521	351	402	450	462	263
—	—	—	—	19,965	20,497	18,920	15,024
233,280	242,070	232,323	222,082	256,344	239,314	256,332	263,224
105,630	145,375	66,556	64,526	92,312	81,424	94,162	107,892
47,807	43,377	118,783	110,027	104,880	103,969	100,765	94,543
45%	60%	29%	29%	36%	34%	37%	41%
221%	335%	56%	59%	88%	78%	93%	114%
85%	91%	88%	87%	90%	90%	85%	85%
1.07/1	1.62/1	1.51/1	2.01/1	1.09/1	0.92/1	1.03/1	1.23/1
3,891	3,887	3,879	3,867	3,857	3,829	3,783	3,720
3,889	3,884	3,871	3,862	3,843	3,807	3,748	3,683
(0.62)	0.25	0.06	(0.08)	(0.02)	(0.08)	(0.17)	(0.21)
0.58	0.64	0.73	0.76	0.18	0.48	0.60	0.65
0.59	0.73	0.47	0.42	0.18	0.37	0.97	0.82
0.73	(0.48)	0.87	0.67	0.42	0.59	0.61	0.75
1.28	1.14	2.13	1.77	0.76	1.36	2.01	2.01
15.25	43.00	25.00	24.00	24.00	23.00	20.75	20.88
7.00	14.00	22.00	18.50	19.00	18.50	14.50	14.50
0.15	20.65	0.65	0.40	0.65	0.80	0.75	0.60
12.29	11.16	30.62	28.45	27.19	27.15	26.64	25.41

MARINE GROUP

Algoma Central Marine
Owns 18 and operates 17 ships principally on the Great Lakes and the St. Lawrence Seaway.

Fraser Ship Repairs
Performs ship repairs and maintenance. Fabricates and repairs industrial metal products. Operations based in Port Colborne.

Algowest Shipping Ltd.
Negotiates with shippers on behalf of the Corporation for the transportation of grain.

Marine Consultants & Designers (Canada) Limited
Provides naval-architectural and marine-engineering services.

A.C.C. Shipping (Barbados) Limited
Operates the Corporation's *M/V Algobay* in Caribbean service.

Seaway Bulk Carriers
Partnership with ULS Corporation. Performs traffic and marketing functions for pooled bulker fleet.

RAIL GROUP

Algoma Central Railway
Operates the Corporation's freight and passenger railway system.

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

REAL ESTATE GROUP

Canada

Algoma Central Properties Inc.
Owns a shopping centre, hotel, office building and apartment building in Sault Ste. Marie, Ontario. Manages the shopping centre, office building and apartment building. Owns and manages a shopping centre-hotel complex with office space in Elliot Lake, Ontario.

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

United States

Algocen, Florida, Inc.
Developed Florida real estate project.

Corporate information

at December 31, 1992

Directors

The Honourable John B. Aird, O.C., Q.C.[1]
Toronto, Ontario
Counsel, Aird & Berlis

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Counsel, Aird & Berlis

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Consultant and Corporate Director

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Bracebridge, Ontario
Chairman, The District Municipality of
Muskoka

Leonard N. Savoie, P.Eng.[1]
Sault Ste. Marie, Ontario
Vice Chairman, Algoma Central Corporation

[1] Member of Executive Committee
[2] Member of Audit Committee
[3] Member of Environmental Committee

Principal officers

The Honourable Frank S. Miller, P.Eng.
Chairman

The Honourable John B. Aird, O.C., Q.C.
Honorary Chairman

Leonard N. Savoie, P.Eng.
Vice Chairman

Peter R. Cresswell, P.Eng.
President and Chief Executive Officer

Stan A. Black
President, Algoma Central Railway

Timothy S. Dool, C.A.
Vice President, Algoma Central Marine

Fred C. Huneault
General Manager, Fraser Ship Repairs

Robert E. Leistner, C.A.
General Manager, Algoma Central
Properties Inc.

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

W. S. Vaughan
Secretary

Algoma central corporation

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Bridgetown, Barbados

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Solicitors: Aird & Berlis

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