THE **ALGOMA STEEL** CORPORATION, LIMITED

# ANNUAL REPORT 1974

ALGOMA STEEL

# Contents



# Annual Meeting

The Annual Meeting of Shareholders will be held at the Windsor Hotel, Sault Ste. Marie, Ontario, Thursday, April 17, 1975, at 2:15 p.m. Eastern Standard Time. A formal notice of the Meeting, an information circular and a proxy will be mailed separately.

Les personnes qui désirent recevoir ce rapport annuel en français peuvent se le procurer en écrivant au Secrétaire, The Algoma Steel Corporation, Limited, Sault-Sainte-Marie, Ontario.


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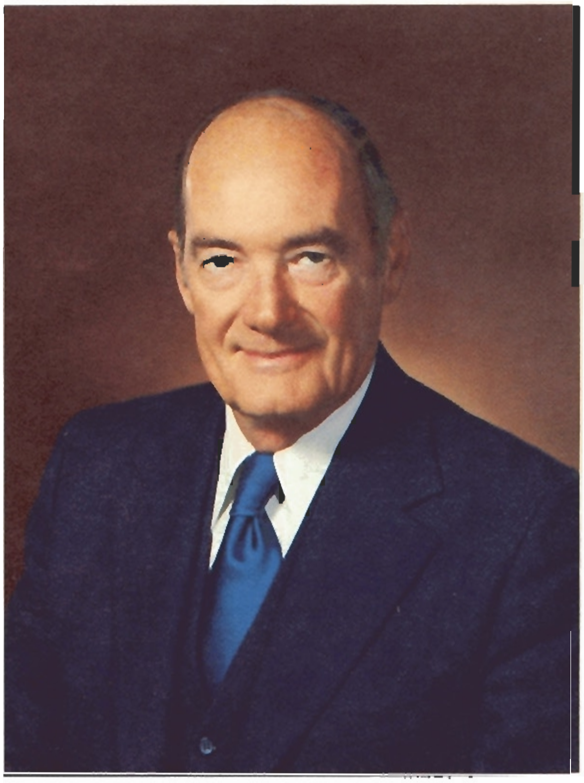
# Highlights of 1974

| | | 1974 | 1973 | Per Cent Change |
|---|---|---|---|---|
| | | (dollars and tons in thousands except per share data) | | |
| Net sales | $ | **474,102** | 376,241 | + 26 |
| Earnings before equity in earnings of associated company—total | $ | **44,344** | 23,216 | + 91 |
| —per share | $ | **3.80** | 2.00 | |
| Net earnings—total | $ | **53,756** | 28,556 | + 88 |
| —per share | $ | **4.61** | 2.45 | |
| —per cent of average total investment | % | **11.0** | 6.9 | |
| Cost of products sold as per cent of net sales | % | **77.8** | 80.8 | |
| Dividends paid—total | $ | **15,737** | 7,252 | +117 |
| —per share | $ | **1.35** | .625 | |
| Additions to fixed assets excluding leased equipment | $ | **137,638** | 67,486 | |
| Depreciation and amortization | $ | **26,078** | 23,477 | |
| Long term debt at year end | $ | **167,353** | 104,124 | |
| Production—iron | N.T. | **2,774** | 2,619 | + 6 |
| —raw steel | N.T. | **2,763** | 2,650 | + 4 |
| Shipments—steel products | N.T. | **2,018** | 1,946 | + 4 |
| Approximate number of shareholders at year end | No. | **12,220** | 14,958 | |

Relocated 106-inch hot strip mill will increase capacity for rolling plate and sheet products.

# President's Letter to the Shareholders



In 1974, further benefits of new and improved plant built over the past few years were realized and the results were gratifying. Shipments, sales and earnings all improved to new highs at a time when Canadian and world steel demand was very strong.

All of this was accompanied by inflationary pressures in the steel industry beyond anything experienced in fifty years. The costs of coal, ore, and alloys, the very heart of steel operations, increased severely and steel prices were, of necessity, raised several times during the year.

The higher prices occasioned some concern by the Federal Government, which, by Order-in-Council on 22nd May 1974, appointed a Commissioner to conduct an Inquiry into and to report on steel price increases, profit margins and inventory practices in the Canadian steel industry. The Commissioner submitted his report, dated October 1974, clearly favourable to the conduct of the Canadian steel industry. Shareholders are urged to obtain and read the report which not only answers the questions posed by the Government, but also contains a great deal of information about the steel industry written in unusually lucid language.

The record earnings in 1974 of $53.8 million provided 11 per cent return on average total investment, somewhat less than the return of the early 1960's. These earnings must be discounted because of continuing erosion in the purchasing value of the dollar. It is expected that in 1975 the Canadian Institute of Chartered Accountants will issue recommendations for modifications in financial reporting to reflect the impact of inflation.

New facility construction was characterized by extended delays in deliveries of components and severe cost escalation. The Maple Meadow low volatile coal mine in West Virginia, the Tilden iron ore mine in the upper peninsula of Michigan, and the relocated 106-inch hot strip mill at the Steelworks were brought into production late in the year. There were delays in deliveries of equipment for No. 7 blast furnace and No. 9 coke oven battery with the result that the former will not be completed until April and the latter until the fourth quarter of 1975.

The maintenance of adequate reserves of metallurgical coal and iron ore which can be mined economically is of greatest importance to Algoma. The start-up of the Maple Meadow Mine with reserves estimated at 40 million net tons will ensure an adequate supply of scarce low volatile coal for future operations. Additionally, acquisition in December by sublease of a coal reserve in West Virginia estimated to contain over 50 million net tons of high volatile coal will lead to the planned development of a new mine which should produce 1.5 million net tons annually by the late 1970's. This mine will be known as the Indian Creek Division of Cannelton Industries, Inc.

The 4 million gross ton per year Tilden iron ore mine, in which the Corporation has a 30 per cent interest, began operation in December and Algoma plans participation to the same extent in doubling the annual capacity to 8 million gross tons of pellets by 1978.

Steel production at Algoma was 4.3 per cent higher than in 1973, and Canadian imports of foreign steel increased 60 per cent. Demand for plate, structurals, and seamless tubes was particularly strong, but all types of steel were in good demand.

It is expected that the provisions in the November 1974 Federal Budget limiting the amount of depletion which can be claimed on earnings from mineral properties for tax purposes will be enacted without major revisions. This will increase the Corporation's effective income tax rate and will be a further deterrent to the development of new iron ore mines in Canada. The Government is commended, however, for continuing the provision which permits claiming rapid capital cost allowances on production machinery and equipment since this will be of real help in financing new facilities.

Serious weakness in the economies of the United States, Europe and Japan, and some downturns in Canada's leading economic indicators have given rise to predictions of a decline in growth in steel consumption in Canada early in 1975.

Actually, at the end of the year, Algoma's backlog of orders was at a record high and the steel intended for the weakening automotive market has been diverted to other end uses.

Canada's steel industry is in an enviable position with regard to modern equipment, energy supply, and personnel, and there does not appear to be any need to revise forecasts of continued long-term growth. The large tonnage of steel now being imported at high prices provides some assurance of a cushion for stability of the Canadian steel industry in the months to come.

Algoma's production capabilities are well suited to the demand for heavy types of steel and the Corporation is optimistic that its participation in the Canadian steel market will increase in 1975 although labour contracts are subject to renegotiation in mid-year.

About mid-1974 Canadian Pacific Investments, Limited acquired a controlling interest in the Corporation by purchase of additional common shares through a public tender offer.

P. M. Nixon was appointed Vice President—Mines and Services with responsibilities for ore and coal mining operations, procurement of raw materials and the Purchasing and Traffic Departments.

Eleven meetings of the Board of Directors were held in 1974: five in Toronto, four in Montreal and two in Sault Ste. Marie. The Board accepted with sincere regret the resignation of Henry S. Hamilton, Q.C. as an Honorary Director. Colonel Hamilton was a member or honorary member of the Board of Directors from July 3, 1947 until June 5, 1974 and rendered invaluable service to the Corporation.

It is again a real pleasure to acknowledge with appreciation the considerable contributions of the employees, customers and shareholders to the continuing progress of the Corporation.

D. S. Holbrook

D. S. HOLBROOK
Chairman and President

Sault Ste. Marie, Ontario
February 5, 1975.

# Financial

Record net earnings of \$53.8 million amounted to \$4.61 per share in 1974 and represented 11.3 per cent of net sales and 11.0 per cent of average total investment. This improved performance signifies a return to a level of earnings which is essential to support large capital expenditures for new production and mining facilities and to provide an adequate return to shareholders. It must be realized, however, that during the current highly inflationary times the improved performance is partially attributable to "phantom" or "inventory" profits which result from charging inventories into cost of sales on a first-in-first-out or average cost basis.

Cost of products sold declined to 77.8 per cent of net sales in 1974 from 80.8 per cent in 1973. Increases in product prices, high steel product shipments and economies achieved in operations from the new No. 2 basic oxygen steelmaking plant and from greater tonnage of continuously cast steel more than compensated for the sharp rise in prices paid for services and commodities.

Administrative and selling expense, interest expense and the provision for depreciation and amortization increased by a total of \$6.0 million primarily reflecting increased wages and salaries, higher provincial capital and place of business tax, higher interest rates on greater borrowings and depreciation for a full year on the No. 2 basic oxygen steelmaking plant.

The effective income tax rate in 1974 was 23.4 per cent, about the same as in 1973, and reflects the provisions of new tax legislation proposed in the November 1974 Federal Budget. Though the effect in 1974 was slight, this legislation is expected to substantially increase income taxes in future years due to the reduction in rate of depletion on mineral profits and the necessity to "earn" depletion through exploration and certain capital expenditures.

Dominion Bridge Company, Limited, in which Algoma has a 43 per cent interest, contributed \$9.4 million or 81 cents per share to net earnings, an increase of 76 per cent over 1973.

Cash flow from earnings of \$89.4 million amounting to \$7.66 per share made a major contribution to the funds required for the record capital expenditures of \$137.6 million in 1974, of which \$6.0 million is recoverable under Federal Government grants, and to finance the \$31 million growth in receivables and inventories.

Additional funds were obtained by the Corporation through the sale of \$50 million, 10⅜ per cent, 20-year Series E sinking fund debentures and through loans of \$9.0 million under agreements previously arranged to finance construction and development of the Maple Meadow coal mine. Also, bank loans and sale of short term promissory notes increased and equipment costing \$8.0 million was leased.

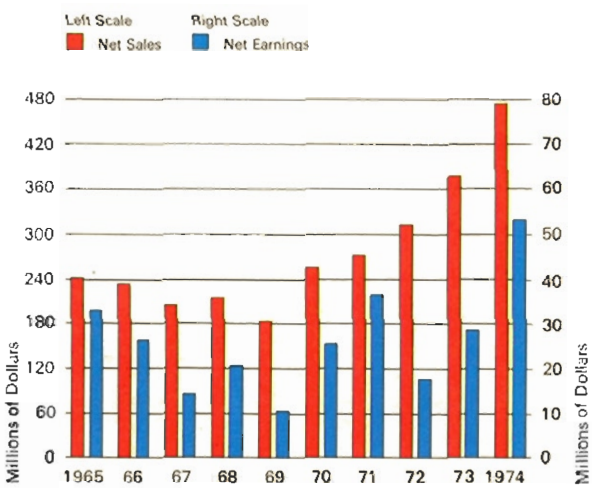
The quarterly dividend rate was increased from 12½ to 25 cents in March and to 35 cents in December. An extra of 25 cents per share was paid in December. Total dividends paid to shareholders amounted to \$15.7 million or \$1.35 per share which represented 29.3 per cent of net earnings.

Accounts receivable and inventories at the end of 1974 were \$13 million and \$18 million higher respectively than a year ago. Higher product prices and volume, partially offset by faster collections, accounted for the rise in receivables. Increased costs which caused the rise in inventories were partially offset by lower quantities of coal in stock. Current liabilities rose \$41 million, principally in accounts payable due to the higher level of construction activity and higher prices of commodities. Working capital declined \$6.2 million to \$56.9 million at year end and the ratio of current assets to current liabilities was 1.52 to 1.

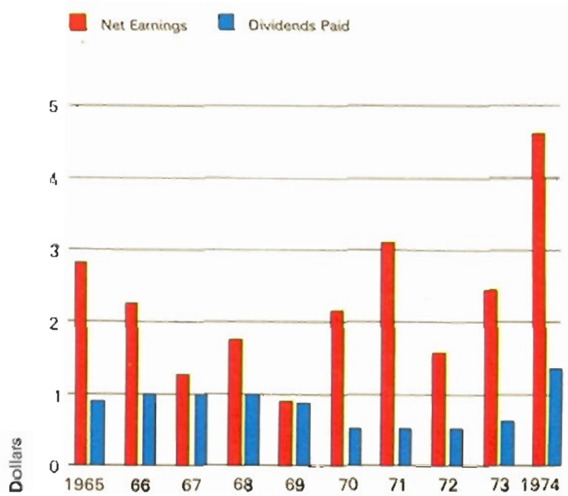
Long term investments increased \$15.9 million reflecting the Corporation's \$6.9 million undistributed equity in earnings of Dominion Bridge Company, Limited and a further \$9.0 million investment in the Tilden Mine joint venture.

Trends and data shown were influenced to a large extent in 1971 by a $21.5 million extraordinary addition to earnings.

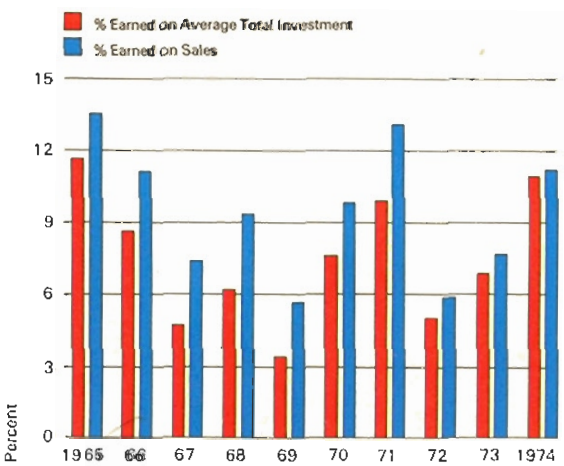
## Net Sales and Net Earnings



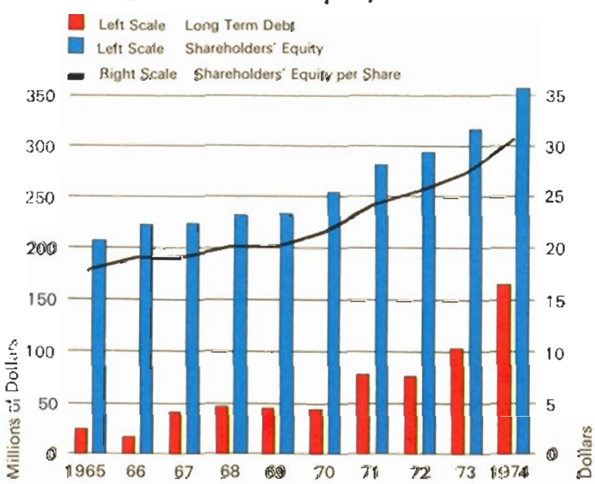

## Net Earnings and Dividends Per Share




## Percent Earned on Average Total Investment and on Sales




## Long Term Debt and Shareholders' Equity



# Sales

Consolidated net sales attained a record level of $474 million compared to $376 million in 1973. Greater shipment tonnage, much improved product mix, and product price increases contributed significantly to the higher sales volume.

Steel product shipments increased 3.7 per cent to 2.02 million net tons which represented about 18 per cent of Canadian mill shipments of rolled steel products. Shipments continued on an allocation basis throughout the year and this situation is expected to continue at least through the early months of 1975.

Apparent Canadian steel consumption increased approximately 14 per cent over 1973 which created a heavy demand for all types of rolled steel products from Canadian producers in 1974.

Imports of rolled steel products increased approximately 60 per cent over 1973 and reached an all-time high of 3.2 million net tons. Toward the end of the year, however, there was a softening in the strong demand experienced in the world steel market which resulted in a lowering of import prices and it is expected this trend will continue in 1975. It is anticipated that steel imports will decline in 1975 and that Canadian steel prices will remain below delivered costs of imported steel.

Demand in major market areas including service centres, construction, railroad operating, transportation, agriculture, machinery, appliance and shipbuilding, continued firm but weaknesses were apparent toward the end of the year in the automotive and housing markets.

Algoma structural shapes and plate continue to serve the growing needs of Canada's construction industry.

To provide continuity of supply of flat rolled products during the relocation of the 106-inch hot strip mill, 120,000 net tons of Algoma slabs were converted into hot rolled coils by a steel producer in the United States and returned to the Steelworks for further processing and shipment.

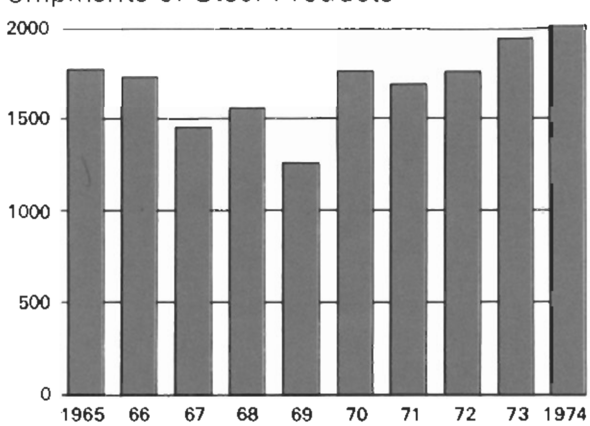
The new ironmaking facilities at the Steelworks Division will increase steel shipments, mostly in flat rolled products, commencing in the second quarter of 1975 with further increases from new cokemaking facilities in the fourth quarter.

The program to provide improved service to customers is continuing both in reliability of supply and quality of product. An integrated "pool car" rail-truck system was initiated in December to transport steel products from Sault Ste. Marie to Southern Ontario and this is expected to provide benefits to Algoma and its customers. The computerized order entry system for handling and acknowledging customer orders was completed in 1974 and this, along with other improvements in processing and scheduling procedures, will contribute to improved customer service.

Market development programs, particularly in high strength steels, received increased attention. This work will continue on products for the automotive, seamless tubing, and energy-related markets to provide improved quality steels to meet the more stringent design requirements of customers in these industries.

The Corporation is keeping abreast of progress in Canada and the United States in converting to the metric system in all phases of engineering, operations and sales, and will be prepared to meet the measurement changes at the appropriate time.

## Shipments of Steel Products




## Steel Shipments by Product Classification

| | 1974 % | 73 % | 72 % | 71 % |
|---|---|---|---|---|
| Plate and sheet | **55** | 57 | 56 | 51 |
| Structurals | **22** | 22 | 23 | 23 |
| Rails and fastenings | **7** | 7 | 6 | 9 |
| Bars and grinding media | **6** | 5 | 5 | 5 |
| Seamless tubes and skelp | **9** | 8 | 10 | 8 |
| Semi finished | **1** | 1 | — | 4 |

# Raw Materials

The year 1974 was one of the most difficult ever experienced in assuring an adequate supply of raw materials and other supplies necessary to satisfy the Corporation's expanding needs for the production of coke, iron and steel. This problem was not unique to Algoma but was general throughout the North American steel industry.

Shortages of iron ore and coal created by a strong world demand for these basic raw materials were compounded by late start-ups of new mining facilities, a 55-day Great Lakes shipping strike, and illegal work stoppages in the United States coal industry that culminated in a 30-day strike prior to signing a three-year agreement with the United Mine Workers. Coal costs will increase appreciably as a result of this new contract.

Railroad car thawing and dumping equipment was installed at the Steelworks Division to accommodate delivery of coal and coke by rail. Sufficient tonnage of low volatile metallurgical coal will be shipped by rail from West Virginia to Sault Ste. Marie to satisfy cokemaking requirements until navigation begins in 1975. Additional coke will be produced from Cannelton coal under a conversion arrangement with a steel plant in the United States and railed to Sault Ste. Marie to augment coke production at the Steelworks early in 1975.

Production of sinter at the Algoma Ore Division totalled 2.02 million gross tons—approximately the same as in 1973. Development work is progressing on two 3-mile tunnels and other projects required for deeper mining of the MacLeod Mine to permit continued production of Algoma Sinter at an annual rate of two million gross tons until the year 2000.

Production of iron ore pellets from the Tilden Mine joint venture started in December 1974 and several cargoes of pellets were received prior to the close of navigation. These pellets will improve the burden on Algoma's blast furnaces and provide a significant proportion of the iron ore necessary for Algoma's expanding steel production.

Cannelton Industries produced 1.98 million net tons of coal which was approximately 429,000 net tons below 1973. This reduction resulted from a continuing decline in coal mining productivity in the United States coal industry due to strikes, labour unrest and adherence to revised Federal safety regulations. Start-up of the new Maple Meadow low volatile coal mine was delayed by work stoppages and extended deliveries of construction components, and production began in December. Coal from this mine will ensure an optimum proportion of good quality low volatile coal in the blend of coal charged into the coke

Maple Meadow low volatile coal will improve coke quality.

ovens, with a resulting improvement in coke quality and lower coke consumption in the blast furnaces.

In December, Cannelton Industries subleased the coal properties and purchased the fixed assets of Laxare, Inc., a West Virginia corporation controlled by Oglebay Norton Company of Cleveland, Ohio. Laxare's coal mining operations on these properties were taken over by Cannelton on January 1, 1975 and will continue to produce high volatile metallurgical coal at an annual rate of approximately 500,000 net tons until the facilities are expanded.

Approximately 85 per cent of the iron ore and 80 per cent of the coal consumed in 1974 came from properties owned or leased by the Corporation. An extensive program of exploration, research and evaluation of coal and iron ore properties will continue to further increase raw material reserves which are vital to growth of the Corporation.


Tilden pellets are essential to satisfy increasing iron ore requirements.

Coal is shipped to the Steelworks in self-unloading vessels.

# Operations

Record production of steel was achieved in 1974. Processing yields from raw steel to finished products increased significantly and product quality improved. More efficient utilization of facilities and man power was evident throughout the Canadian operations.

Coke production was lower than in 1973 due to difficulties with coal supply and a deterioration in coal quality. In addition, problems were encountered with brickwork failure on one battery of coke ovens which resulted in a number of ovens being taken out of service. This battery will be rehabilitated in 1975.

Hot metal production at the Steelworks Division increased 8 per cent primarily due to the beneficial effects of oxygen enrichment and auxiliary fuel injection into the blast furnaces. A new improved materials handling system was successfully commissioned to deliver raw materials to the blast furnaces.

Steel production reached 2.76 million net tons which exceeded 1973 by 4.3 per cent. Throughout the year, raw steel production was limited by a shortage of hot metal. For the first time, all steel was produced in the basic oxygen furnaces. No. 2 basic oxygen steelmaking plant, in its first full year of operation, produced over 2 million net tons of ingots and No. 1 basic oxygen steelmaking plant produced ingots and steel for the continuous casting plant within the limited availability of hot metal. The production of continuously cast blooms and beam blanks increased 21 per cent. New techniques were developed for the casting of blooms designated for rolling into seamless tubes and rails, and finished product yield and quality improved from the use of continuously cast steel.

The 106-inch hot strip mill was moved one-quarter of a mile and relocated downstream of the 166-inch plate mill. When the strip mill was built in 1963, it was recognized that this facility would have to be moved sometime after the plate mill was in operation and when the market demand for hot rolled sheet and plate would justify the capital expenditure. In addition to rolling plate, the plate mill will now serve as a roughing mill to reduce slabs to desired thickness and width before final reduction on the strip mill to finished gauge. The strip mill resumed operations on November 23, following a 78-day relocation period, but the facility will not be operated on full computer control until the second quarter of 1975.

The 166-inch plate mill remained in full operation during the relocation of the strip mill, and plate production for the year increased 10 per cent.

The combined production of structural and shape products was only slightly above the best previous year. Modifications to existing rolling and finishing mill equipment are in progress to increase the production capabilities in the structural area. Engineering is in the early design stage for a new intermediate structural mill to replace an aged merchant mill and to roll lightweight beams, structurals, tube rounds, rails and billets.

Production of seamless tubes exceeded the previous high by 19 per cent. Alterations to the reheating furnace and the heat treating facilities increased the production and shipments of high strength tubes.

Canadian Furnace Division operations continued until mid-December at which time the furnace was shut down for reline and rehabilitation. Shortage of raw materials and the age of the furnace resulted in lower than normal operating production levels. The furnace is expected to resume operations in the second quarter of 1975.

Relocating the 106-inch hot strip mill roll housings.

Conversion coils are returned to Algoma for further processing and shipment.


**Major projects under way or to be completed in 1975**

New No. 9 coke oven battery of 60 ovens

New No. 10 coke oven battery of 60 ovens

Rehabilitation of No. 7 coke oven battery

New coke oven by-products plant and water quality improvement facilities

Rotary railway car dumper and associated thaw sheds

New No. 7 blast furnace with 5,000 net tons daily capacity

Relining and rehabilitation of No. 3 blast furnace

Second charging crane for No. 2 basic oxygen steelmaking plant

New continuous slab casting plant

Six new ingot soaking pits and two new soaking pit cranes

Second walking beam slab reheating furnace for the 166-inch plate mill

New heavy plate processing and shipping facilities

Additional roll grinding equipment

New heavy structural straightener and changes to structural finishing facilities

Power, sewer, water and other auxiliary services

Relining and rehabilitation of the blast furnace at Canadian Furnace Division

Research continued to improve steel quality and develop new products with particular emphasis on:

> High strength cold rolled sheets with good formability
>
> Improved methods of continuously casting high quality steels
>
> Higher strength seamless tubes with good impact resistance properties.

Continuing efforts by employees and substantial capital expenditures have been made to reduce air and water contaminants from many operating facilities with particular emphasis in the coke-making area. A new by-products plant and water treatment facilities are under construction and should be in operation by the time No. 9 coke oven battery begins operating. Construction will begin in 1975 to install a hood system on No. 9 coke oven battery to collect emissions from the coke discharge side of the battery.

The most advanced gas cleaning equipment has been installed to purify the waste gases from No. 7 blast furnace. Cooling water from this furnace will be cooled and recycled to avoid possible thermal pollution of the St. Mary's River.

Top—No. 7 blast furnace will increase total hot metal availability.

Bottom Left—Seamless tubes are water quenched to meet high yield strength specifications.

Bottom Right—Locating refractory shapes on the top of No. 9 coke oven battery.

# Employee Relations

Algoma acknowledged the extreme inflationary living costs confronting all employees in 1974 by making supplementary increases to pensions, welfare benefits, wages and salaries at various times during the year in accordance with similar changes made by other primary producing industries. Bargaining unit employees received a 15 cent per hour increase beginning April 1 which contractually was due on August 1. On August 1, the Cost of Living Allowance paid to bargaining unit employees was increased 15 cents above the agreed-to terms of the contract. Management personnel who retired prior to 1973 and all retired bargaining unit employees were awarded improved welfare or pension benefits.

The Corporation has recognized the need for better communication and understanding between the company and the unions in many fields of mutual concern. Of long standing is the question of incentives—a monetary reward for producing above a standard level. Payment of monetary incentives to employees engaged directly in the production of iron and steel has been traditional in the North American steel industry.

Historically, Algoma has paid incentives only to those bargaining unit employees working in direct production occupations. In 1974, it was decided to extend the payment of incentives to all bargaining unit employees engaged in maintenance and service occupations at the Steelworks Division under a plan which would pay a monthly bonus based on the employee's contribution to producing and shipping total steel products. As an interim measure, effective July 1, trade and craft occupations were paid 3.5 cents per job class per hour in excess of contract wage scale rates with the understanding that this payment would represent a portion of the total to be paid under a Performance Bonus Plan, the details of which are still under study and discussion.

There were many employee suggestions submitted during the year which improved operating conditions and performance. Awards totalling $30,154 were made, including $3,004 for the "Suggestion of the Year".

A new approach to the selection of foremen and supervisors was introduced to ensure that the best qualified employees are considered when opportunities for promotion occur. Employees have been invited to indicate interest in supervisory positions, willingness to participate in a screening program,

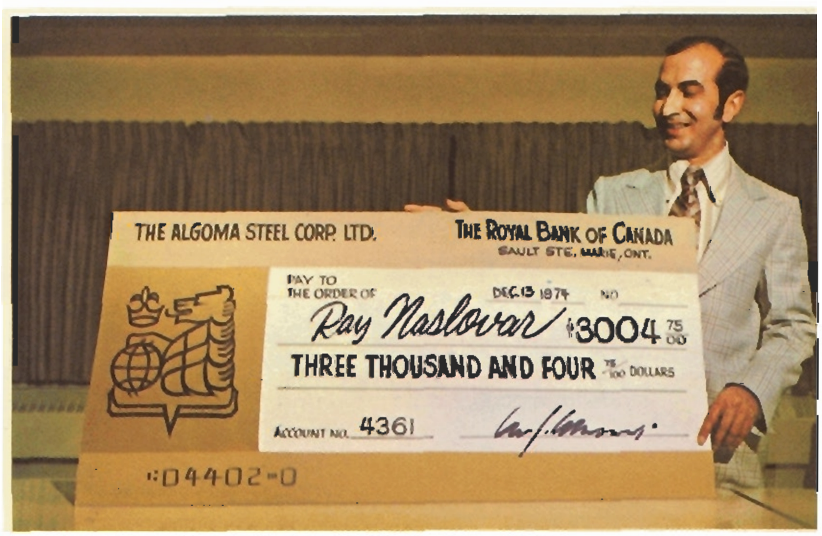
and to attend training sessions if they are among those selected.

The national shortage of skilled tradesmen has emphasized the need to train as many employees as possible through a formal in-plant apprenticeship program. The number serving apprenticeships exceeded 300 in 1974.

The need for university and technical college graduates is rising and there is keen competition for the best qualified candidates. Teams of management personnel visited campuses across Canada to recruit promising personnel for Algoma.

Nine Sir James Dunn scholarships were awarded to students entering university. This program began 16 years ago and to-date 120 scholarships have been awarded to students from the Sault Ste. Marie, Wawa and Port Colborne areas. In addition, during the past 11 years, 59 technical bursaries have been awarded to qualifying students attending Ontario community colleges.

A comprehensive recreation program was again well supported by 1,600 employees who participated in eight different sports covering the full range of summer and winter activities.


Curling is a favourite winter recreation for many company employees.

Developing the potential of management teams through supervisory training.

New cafeterias provide hot and cold meals 24 hours a day.

Monetary rewards are paid for accepted employee suggestions.

# Earnings and Retained Earnings

For the Years Ended December 31, 1974 and 1973

| | | 1974 | 1973 |
|---|---|---|---|
| | | (Thousands of Dollars) | |
| Income | Net sales | **$474,102** | $376,241 |
| | Other | **659** | 358 |
| | | **474,761** | 376,599 |
| Expenses | Cost of products sold | **368,951** | 303,894 |
| | Administrative and selling | **11,048** | 9,926 |
| | Interest and expense on long term debt | **10,558** | 6,449 |
| | Interest on short term loans | **272** | 2,101 |
| | Depreciation and amortization | **26,078** | 23,477 |
| | | **416,907** | 345,847 |
| | | **57,854** | 30,752 |
| Income Taxes (Note 2) | Current | **—** | 17 |
| | Deferred | **13,510** | 7,519 |
| | | **13,510** | 7,536 |
| Earnings | Before equity in earnings of associated company | **44,344** | 23,216 |
| | Equity in earnings of associated company | **9,412** | 5,340 |
| Net Earnings | | **$ 53,756** | $ 28,556 |
| Earnings per Share | Before equity in earnings of associated company | **$ 3.80** | $ 2.00 |
| | Net earnings | **$ 4.61** | $ 2.45 |
| Retained Earnings | Balance at beginning of year | **$306,395** | $285,091 |
| | Net earnings | **53,756** | 28,556 |
| | Dividends paid | **(15,737)** | (7,252) |
| | Balance at end of year | **$344,414** | $306,395 |

See Notes to Financial Statements.

# Financial Position

As at December 31, 1974 and 1973

| | | 1974 | 1973 |
|---|---|---|---|
| | | (Thousands of Dollars) | |
| Current Assets | Short term investments | $ 41 | $ 600 |
| | Accounts receivable | 64,234 | 51,374 |
| | Federal Government grant receivable | 4,160 | — |
| | Inventories (Note 3) | 93,799 | 75,888 |
| | Prepaid expenses | 3,866 | 3,412 |
| | Total current assets | 166,100 | 131,274 |
| Current Liabilities | Cheques outstanding less cash on deposit | 14,831 | 9,371 |
| | Promissory notes | 5,268 | — |
| | Accounts payable and accrued | 82,965 | 54,188 |
| | Taxes payable | 4,767 | 3,929 |
| | Long term debt due within one year | 1,357 | 679 |
| | Total current liabilities | 109,188 | 68,167 |
| Working Capital | Current assets less current liabilities | 56,912 | 63,107 |
| Other Assets | Non-current account receivable | 4,340 | 2,500 |
| | Long term investments (Note 4) | 68,065 | 52,118 |
| | Net fixed assets (Note 5) | 468,439 | 366,147 |
| | Unamortized debenture expense | 1,612 | 640 |
| | Total other assets | 542,456 | 421,405 |
| Total Investment | Current and other assets less current liabilities | 599,368 | 484,512 |
| Other Liabilities (Notes 6 and 7) | Long term debt (Note 8) | 167,353 | 104,124 |
| | Accrued past service pension cost (Note 9) | 15,443 | 15,869 |
| | Deferred income taxes | 60,107 | 46,597 |
| | Total other liabilities | 242,903 | 166,590 |
| Shareholders' Equity (Note 10) | Comprised of: | | |
| | Capital Stock | | |
| | Shares of no par value | | |
| | Authorized—30,186,704 | | |
| | Issued—1974—11,669,628 | | |
| | 1973—11,635,128 | 12,051 | 11,527 |
| | Retained earnings | 344,414 | 306,395 |
| | Total shareholders' equity | $356,465 | $317,922 |

On behalf of the Board:

D. S. HOLBROOK, Director W. E. McLAUGHLIN, Director

See Notes to Financial Statements.

# Changes in Financial Position

For the Years Ended December 31, 1974 and 1973

| | | 1974 | 1973 |
|---|---|---|---|
| | | (Thousands of Dollars) | |
| **Funds Were Provided By** | Cash flow from operations | | |
| | Earnings before equity in earnings of associated company | **$ 44,344** | $ 23,216 |
| | Transactions not resulting in an outlay or receipt of funds | **42,628** | 32,847 |
| | Dividends received from associated company | **2,471** | 1,724 |
| | | **89,443** | 57,787 |
| | Federal Government grant receivable | **4,160** | — |
| | Net proceeds from long term loans | **64,390** | 30,724 |
| | Issue of capital stock | **524** | 604 |
| | Other—net | **295** | 95 |
| | | **158,812** | 89,210 |
| **Funds Were Applied To** | Additions to fixed assets | | |
| | Manufacturing plants | **113,033** | 48,962 |
| | Recoverable from Federal Government grants | **6,000** | 2,500 |
| | | **119,033** | 51,462 |
| | Raw material properties | **18,605** | 16,024 |
| | | **137,638** | 67,486 |
| | Long term investments | **9,006** | 1,718 |
| | Reduction of long term debt | **2,200** | 3,400 |
| | Reduction of accrued past service pension cost | **426** | 438 |
| | Dividends | **15,737** | 7,252 |
| | | **165,007** | 80,294 |
| **Working Capital** | (Decrease) Increase during year | **(6,195)** | 8,916 |
| | Balance at beginning of year | **63,107** | 54,191 |
| | Balance at end of year | **$ 56,912** | $ 63,107 |

# Changes in Working Capital

| | | 1974 | 1973 |
|---|---|---|---|
| **Current Assets Increase (Decrease)** | Short term investments | **$ (559)** | $ 501 |
| | Accounts receivable | **12,860** | (216) |
| | Federal Government grant receivable | **4,160** | — |
| | Inventories | **17,911** | 1,089 |
| | Prepaid expenses | **454** | 418 |
| | | **34,826** | 1,792 |
| **Current Liabilities (Increase) Decrease** | Cheques outstanding less cash on deposit | **(5,460)** | (3,773) |
| | Notes payable | **(5,268)** | 17,963 |
| | Accounts payable and accrued | **(28,777)** | (5,715) |
| | Taxes payable | **(838)** | (672) |
| | Long term debt due within one year | **(678)** | (679) |
| | | **(41,021)** | 7,124 |
| **Working Capital** | (Decrease) Increase during year | **$ (6,195)** | $ 8,916 |

See Notes to Financial Statements.

# Notes to Financial Statements

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Principles of Consolidation

The statements consolidate the accounts of all subsidiary companies. The assets, liabilities and results of operations of United States subsidiaries are included assuming $1 Canadian equal to $1 United States; if these were converted to the actual Canadian dollar equivalent, there would be no material effect on these financial statements.

### Inventories

Finished products and work in process are valued at the lower of cost or net realizable value. Raw materials and supplies are valued at the lower of cost or replacement cost.

### Long Term Investments

The investment in the associated company, Dominion Bridge Company, Limited, is accounted for by the equity method.

The investment in a cost sharing joint venture to produce iron ore pellets is valued at cost.

### Fixed Assets

Property, plant and equipment are valued at cost. Expenditures for betterments and renewals which extend economic life and for mine development are capitalized. Maintenance and repairs are charged to expense as incurred. Depreciation of manufacturing plant and equipment is provided on a straight line basis at rates intended to write off these assets over their estimated economic lives. Mining equipment and mine development costs are amortized on a unit of production basis over the estimated recoverable iron ore and coal reserves.

Expenditures on periodic relines of blast furnaces are accrued for in advance on a unit of production basis.

### Exploration and Raw Material Properties

Expenses incurred in the exploration for raw materials and the costs of investigating and holding raw material properties are charged to earnings as incurred.

### Research, Development and Production Start-up Expense

Costs of research and development and start-up of new production facilities are charged to earnings as incurred.

### Income Taxes

The Corporation and its subsidiaries provide for income taxes on the tax allocation method. Since income tax regulations in Canada and the United States permit the deduction of expenses in calculating taxable income which may not correspond with amounts recorded for financial reporting, income taxes charged to earnings may differ from those currently payable. Income taxes charged to earnings, but payable at some future date, are shown as Deferred Income Taxes on the statement of Financial Position.

## 2. INCOME TAXES

Income tax provision for 1974 was reduced by $11.0 million because depletion allowances are claimed in determining income for tax purposes.

Canadian income taxes were based upon the Federal Budget and related proposed legislation as introduced in December, 1974.

## 3. INVENTORIES

| | **1974** | 1973 |
|---|---|---|
| | (millions of dollars) | |
| Finished products | **$ 13.2** | $ 9.5 |
| Work in process | **28.1** | 21.1 |
| Raw materials and supplies | **52.5** | 45.3 |
| | **$ 93.8** | $ 75.9 |

## 4. LONG TERM INVESTMENTS

| | **1974** | 1973 |
|---|---|---|
| | (millions of dollars) | |
| Associated company, at cost of capital stock and equity in undistributed earnings | **$ 53.0** | $ 46.0 |
| Joint venture, at cost | **13.4** | 4.4 |
| Other, at cost | **1.7** | 1.7 |
| | **$ 68.1** | $ 52.1 |

## 5. FIXED ASSETS

| | 1974 | 1973 |
|---|---|---|
| | (millions of dollars) | |
| Property, plant and equipment, at cost: | | |
| Manufacturing plants | **$668.9** | $565.3 |
| Raw material properties | **112.6** | 97.6 |
| | **781.5** | 662.9 |
| Accumulated depreciation, depletion and amortization | **313.1** | 296.8 |
| | **$468.4** | $366.1 |

## 6. COMMITMENTS

(a) Long Term Investments include advances to Tilden Iron Ore Company (participant in a cost sharing joint venture to produce iron ore pellets) by a subsidiary of the Corporation. The subsidiary is entitled to receive its share of pellets, estimated at 1.2 million tons per annum, and is committed to pay its 47 per cent share of Tilden's costs, including amounts sufficient to repay its share of that company's long term debt amounting to $4.2 million in each of 1975, 1976 and 1977, $4.6 million in 1978 and $2.7 million in 1979. The Corporation has entered into agreements under which it may be called upon to invest amounts in the subsidiary which would be available to meet such commitment of the subsidiary. At December 31, 1974, 47 per cent of Tilden's long term debt is $53.5 million.

In addition, the subsidiary is committed to advance $3.0 million for expenditures to expand Tilden production facilities.

(b) Commitments of approximately $59 million are outstanding at December 31, 1974 for expenditures on property, plant and equipment.

## 7. LONG TERM LEASES

Rentals in 1974 under long term leases amounted to $3.2 million and future minimum annual rentals are approximately $4.3 million. These include:

(a) rental of seamless tube plant under a lease which expires in 1986 and contains annual options to purchase from 1977;

(b) rentals of Steelworks machinery and equipment under leases commencing in 1975 and generally expiring in 1993 with options to purchase to 1990;

(c) other rentals, principally leases of raw material properties.

## 8. LONG TERM DEBT

| | 1974 | 1973 |
|---|---|---|
| Debentures (a) | (millions of dollars) | |
| 5¼% series A maturing 1978 | **$ 12.2** | $ 13.2 |
| 7⅜% series C maturing 1987 | **26.4** | 26.9 |
| 8¾% series D maturing 1991 | **34.0** | 34.0 |
| 10⅜% series E maturing 1994 | **50.0** | — |
| 8½% notes maturing 1991 (b) | **16.5** | 11.0 |
| United States bank loan under revolving bank credit (b) | **3.5** | — |
| Canadian bank loan under revolving bank credit (c) | **8.4** | 16.7 |
| Short term promissory notes (c) | **16.6** | 3.0 |
| Other | **1.2** | — |
| Total amount outstanding | **168.8** | 104.8 |
| Less due within one year | **1.4** | .7 |
| | **$167.4** | $104.1 |

Sinking fund and other repayment requirements within the next five years are $2.2 million in 1975, $3.43 million in 1976, $3.93 million in 1977, $12.35 million in 1978 and $8.35 million in 1979.

(a) At December 31, 1974, $.8 million of debentures are redeemed and are to be applied to meet 1975 sinking fund requirements. The debentures are secured under a Trust Indenture creating a floating charge on certain assets of the Corporation.

(b) The remaining amount available under a revolving credit for development of a coal mine is $7.5 million which, together with the $3.5 million already drawn, totals $11 million. Arrangements are when $5.5 million is completely borrowed it is to be converted into a term loan maturing in 1991 bearing interest at 8½%. The balance of loans under the revolving credit is to be converted into a term loan maturing in 1980 bearing interest varying with the lender's prevailing prime commercial rate. These borrowings are secured by a mortgage on the coal mine property.

(c) One of the bank lines of credit permits up to $25 million bank loans, bankers acceptances and short term promissory notes to be converted until December 31, 1976 into five year term loans. Accordingly, $25 million of bank loans and short term promissory notes are classified as long term debt and the remaining $5.3 million of promissory notes are classified as current debt. The bank loans are secured by assignment of accounts receivable and inventories.

### 9. PENSIONS

Estimated unfunded liability for pensions earned by past service is $58.5 million and is comprised of the following:

| | **1974** | 1973 |
|---|---|---|
| | (millions of dollars) | |
| Included in current liabilities.. | **$ 5.4** | $ 5.3 |
| Included in other liabilities... | **15.4** | 15.9 |
| Not included in liabilities.... | **37.7** | 38.2 |
| | **$58.5** | $59.4 |

Pension costs charged to earnings include those arising from current service, interest on the total unfunded past service liability and annual payments in respect of the $37.7 million not included in liabilities. It is planned that future payments will discharge the total unfunded past service liability by 1989.

### 10. SHAREHOLDERS' EQUITY

As long as series A debentures are outstanding, the Corporation must meet certain financial requirements before paying dividends or reducing share capital and these requirements are exceeded by a substantial amount.

During 1974, options were exercised on 34,500 shares of the Corporation for $524 thousand under the stock option plan. No options were granted in 1974 and there are unexercised options at December 31, 1974 on 21,500 shares terminating in 1979 at $15.19 per share.

### 11. REMUNERATION

Total remuneration of directors and senior officers amounted to $1.0 million.

# Auditors' Report to the Shareholders

We have examined the consolidated statement of financial position of The Algoma Steel Corporation, Limited and subsidiaries as at December 31, 1974 and the consolidated statements of earnings and retained earnings and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. We have relied on the reports of the auditors of the associated company and its subsidiaries whose earnings have been included on the equity basis in these financial statements.

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation and subsidiaries as at December 31, 1974 and the results of their operations and the changes in their 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.

Sault Ste. Marie, Ontario
February 3, 1975.

"PEAT, MARWICK, MITCHELL & CO."
Chartered Accountants

# Ten Year Summary of Operating and Financial Data

(tons in thousands and dollars in millions excepting per share data)

| | | | 1974 | 1973 | 1972 | 1971 | 1970 | 1969 | 1968 | 1967 | 1966 | 1965 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Operations | Production—Iron Ore [1] | G.T. | **3,165** | 3,217 | 2,961 | 2,797 | 2,667 | 2,343 | 2,942 | 2,407 | 2,401 | 2,434 |
| | —Coal [2] | N.T. | **1,984** | 2,413 | 2,490 | 2,202 | 2,701 | 2,301 | 2,253 | 1,841 | 1,685 | 1,674 |
| | —Coke | N.T. | **1,376** | 1,429 | 1,413 | 1,375 | 1,619 | 1,226 | 1,523 | 1,295 | 1,410 | 1,447 |
| | —Iron | N.T. | **2,774** | 2,619 | 2,288 | 2,136 | 2,440 | 1,705 | 2,189 | 1,957 | 2,241 | 2,289 |
| | —Raw Steel | N.T. | **2,763** | 2,650 | 2,426 | 2,360 | 2,495 | 1,725 | 2,261 | 2,073 | 2,347 | 2,486 |
| | Shipments—Steel Products | N.T. | **2,018** | 1,946 | 1,753 | 1,700 | 1,760 | 1,256 | 1,563 | 1,461 | 1,731 | 1,779 |
| Earnings and Related Statistics | Net Sales | $ | **474.1** | 376.2 | 310.0 | 271.8 | 257.4 | 183.1 | 216.2 | 200.6 | 235.5 | 241.9 |
| | Earnings Before Income Taxes | $ | **57.9** | 30.8 | 12.2 | 11.8 | 15.9 | (1.5) | 17.3 | 18.6 | 39.3 | 52.9 |
| | Income Taxes | $ | **13.5** | 7.5 | (.3) | .1 | (6.4) | (9.8) | (1.5) | 4.5 | 15.5 | 22.9 |
| | Equity in Earnings of Associated Company | $ | **9.4** | 5.3 | 5.9 | 2.7 | 3.0 | 2.2 | 1.6 | 1.7 | 2.5 | 2.9 |
| | Net Earnings | $ | **53.8** | 28.6 | 18.4 | 35.9 [3] | 25.3 | 10.5 | 20.4 | 14.8 | 26.3 | 32.9 |
| | Dividends Paid | $ | **15.7** | 7.3 | 5.8 | 5.8 | 5.8 | 10.2 | 11.6 | 11.6 | 11.6 | 10.4 |
| | Earnings Retained in Business | $ | **38.1** | 21.3 | 12.6 | 30.1 | 19.5 | .3 | 8.8 | 3.2 | 14.7 | 22.5 |
| | Cash Flow From Operations | $ | **89.4** | 57.8 | 32.7 | 51.8 [3] | 36.6 | 19.4 | 35.7 | 35.5 | 47.7 | 55.6 |
| | Per Share [4]—Net Earnings | $ | **4.61** | 2.45 | 1.59 | 3.10 [3] | 2.18 | .90 | 1.76 | 1.27 | 2.26 | 2.84 |
| | —Cash Flow From Operations | $ | **7.66** | 4.97 | 2.82 | 4.47 [3] | 3.15 | 1.67 | 3.07 | 3.06 | 4.11 | 4.80 |
| | —Dividends Paid | $ | **1.35** | .625 | .50 | .50 | .50 | .875 | 1.00 | 1.00 | 1.00 | .90 |
| | Net Earnings as % of | | | | | | | | | | | |
| | —Net Sales | % | **11.3** | 7.6 | 5.9 | 13.2 | 9.8 | 5.7 | 9.4 | 7.4 | 11.2 | 13.6 |
| | —Average Shareholders' Equity | % | **15.9** | 9.3 | 6.4 | 13.4 | 10.4 | 4.5 | 8.9 | 6.6 | 12.2 | 16.2 |
| | —Average Total Investment [5] | % | **11.0** | 6.9 | 5.0 | 9.9 | 7.6 | 3.4 | 6.2 | 4.7 | 8.7 | 11.7 |
| | Cost of Products Sold as % of Net Sales | % | **77.8** | 80.8 | 84.8 | 84.7 | 83.4 | 87.7 | 80.9 | 79.4 | 74.5 | 70.0 |
| | Depreciation and Amortization | $ | **26.1** | 23.5 | 20.6 | 18.9 | 18.3 | 17.5 | 18.6 | 17.6 | 16.5 | 15.1 |
| Capital Expenditures | Manufacturing Facilities | $ | **119.0** | 51.5 | 45.4 | 35.0 | 27.3 | 37.8 | 20.8 | 34.8 | 29.8 | 12.4 |
| | Mining Properties | $ | **18.6** | 16.0 | 6.6 | 4.1 | 3.7 | 2.6 | 2.4 | 4.2 | 3.7 | 12.8 |
| | Total | $ | **137.6** | 67.5 | 52.0 | 39.1 | 31.0 | 40.4 | 23.2 | 39.0 | 33.5 | 25.2 |
| Long Term Debt | Borrowings—Debentures | $ | **50.0** | | | 34.0 | | | 9.3 | 20.7 | | |
| | —Other | $ | **15.5** | 30.7 | 1.2 | | | | | | | |
| | —Total | $ | **65.5** | 30.7 | 1.2 | 34.0 | | | 9.3 | 20.7 | | |
| | Repayments | $ | **2.2** | 3.4 | 2.2 | 2.2 | 1.0 | .1 | 1.9 | | 4.9 | 3.1 |
| | Interest and Expense | $ | **10.6** | 6.4 | 5.9 | 5.3 | 3.1 | 3.1 | 3.0 | 1.5 | 1.2 | 1.3 |
| Financial Position at Year End | Current Assets | $ | **166.1** | 131.3 | 129.5 | 124.7 | 112.7 | 89.2 | 105.5 | 89.7 | 86.1 | 90.1 |
| | Current Liabilities | $ | **109.2** | 68.2 | 75.3 | 40.5 | 67.0 | 40.6 | 35.1 | 28.3 | 29.4 | 33.4 |
| | Working Capital | $ | **56.9** | 63.1 | 54.2 | 84.2 | 45.7 | 48.6 | 70.4 | 61.4 | 56.7 | 56.7 |
| | Net Fixed Assets | $ | **468.4** | 366.1 | 326.5 | 293.7 | 272.5 | 261.4 | 238.9 | 235.7 | 212.8 | 196.0 |
| | Total Investment [6] | $ | **599.4** | 484.5 | 428.2 | 417.8 | 357.8 | 348.1 | 356.2 | 344.1 | 317.2 | 300.9 |
| | Total Assets | $ | **708.6** | 552.7 | 503.5 | 458.3 | 424.8 | 388.7 | 391.3 | 372.4 | 346.6 | 334.3 |
| | Long Term Debt | $ | **167.4** | 104.1 | 76.8 | 77.8 | 46.0 | 47.0 | 47.1 | 39.7 | 19.0 | 23.9 |
| | Shareholders' Equity | $ | **356.5** | 317.9 | 296.0 | 283.4 | 253.3 | 233.8 | 233.5 | 224.7 | 223.5 | 208.5 |
| | Number of Shares Issued (000) [4] | No. | **11,670** | 11,635 | 11,595 | 11,595 | 11,608 | 11,608 | 11,608 | 11,608 | 11,606 | 11,596 |
| | Shareholders' Equity Per Share [4] | $ | **30.55** | 27.32 | 25.53 | 24.44 | 21.82 | 20.14 | 20.11 | 19.36 | 19.25 | 17.98 |
| | Number of Shareholders | No. | **12,220** | 14,958 | 16,191 | 17,080 | 17,566 | 16,362 | 14,796 | 13,936 | 13,284 | 13,912 |

NOTES:

(1) Includes mines operated by the Corporation and its share of production from joint ventures.

(2) Metallurgical and steam coal.

(3) Includes an extraordinary credit of $21.5 million amounting to $1.85 per share.

(4) Statistics on shares adjusted for share subdivision in 1966.

(5) Net earnings are before deduction of interest on long term debt net of income taxes.

(6) Total assets less current [illegible]

## Directors

*John B. Barber
*Sault Ste. Marie, Ontario*
*Vice Chairman and Senior Vice President, The Algoma Steel Corporation, Limited*

*John D. Barrington
*Toronto, Ontario*
*Mining Consultant and company director*

Keith Campbell
*Montreal, Quebec*
*Vice President, Canadian Pacific Limited*

*Ross Dunn, Q.C.
*Toronto, Ontario*
*Partner, McMillan, Binch, Barristers and Solicitors*

*David S. Holbrook
*Sault Ste. Marie, Ontario*
*Chairman and President, The Algoma Steel Corporation, Limited*

Douglas Joyce
*Sault Ste. Marie, Ontario*
*Senior Vice President, The Algoma Steel Corporation, Limited*

W. Earle McLaughlin
*Montreal, Quebec*
*Chairman and President, The Royal Bank of Canada*

MacKenzie McMurray
*Montreal, Quebec*
*Chairman, Dominion Bridge Company, Limited*

*M. C. G. Meighen, O.B.E.
*Toronto, Ontario*
*Chairman, Canadian General Investments, Limited*

Paul A. Nepveu
*Montreal, Quebec*
*Vice President—Finance and Accounting, Canadian Pacific Limited*

Charles I. Rathgeb
*Toronto, Ontario*
*Chairman and Chief Executive Officer Comstock International Ltd.*

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

*W. John Stenason
*Montreal, Quebec*
*Executive Vice President, Canadian Pacific Investments Limited*

*Dr. G. Wagner
*New York, N.Y., U.S.A.*
*North American Representative, Mannesmann A.G.*

## Honorary Directors

Hon. T. A. Crerar
*Victoria, British Columbia*
*Retired Senator*

E. Gordon McMillan, Q.C.
*Toronto, Ontario*
*Partner, McMillan, Binch Barristers and Solicitors*

*Member of Executive Committee

## Principal Officers

David S. Holbrook
*Chairman and President*

John B. Barber
*Vice Chairman and Senior Vice President*

Douglas Joyce
*Senior Vice President*

C. Carson Weeks
*Senior Vice President*

Dr. John Macnamara
*Executive Vice President*

Ross H. Cutmore
*Vice President—Finance*

Brian W. H. Marsden
*Vice President—Operations*

Peter M. Nixon
*Vice President—Mines and Services*

R. Gordon Paterson
*Vice President—Engineering*

Samuel H. Ellens
*Assistant Vice President—Administration*

Robert N. Robertson
*Assistant Vice President—Sales*

Joseph D. R. Potter
*Secretary*

Edwin W. Austin
*Treasurer*

William J. Reed
*Comptroller*

### Executive Offices

Sault Ste. Marie, Ontario

### Works and Operations

The Algoma Steel Corporation, Limited

- Steelworks Division,
  Sault Ste. Marie, Ontario
- Tube Division,
  Sault Ste. Marie, Ontario
- Canadian Furnace Division,
  Port Colborne, Ontario
- Algoma Ore Division,
  Wawa, Ontario
- Marine Division,
  Sault Ste. Marie, Ontario

### Works and Operations of Subsidiary Company

Cannelton Industries, Inc.,
Cannelton, West Virginia

- Cannelton Coal Division
  - Kanawha Mines,
    Cannelton, West Virginia
  - Pocahontas Mines,
    Superior, West Virginia
- Indian Creek Division,
  Peytona, West Virginia
- Chippewa Tube Division,
  Dafter, Michigan
- Maple Meadow Mining Company
  - Maple Meadow Mine,
    Fairdale, West Virginia
- Cannelton Iron Ore Company

### Incorporation

Under the laws of the Province of Ontario

### Share Transfer Agents and Registrars

Montreal Trust Company, Saint John, Montreal, Toronto, Winnipeg, Regina, Calgary and Vancouver

The Royal Bank of Canada Trust Company, New York

### Shares Listed

Montreal, Toronto and Vancouver stock exchanges

### Trustee for Debentures

Montreal Trust Company, Toronto, Ontario

### Registrar for Debentures

Montreal Trust Company, Montreal, Toronto, Winnipeg and Vancouver

## Sales Offices

Sault Ste. Marie, Ontario
Saint John, New Brunswick
Montreal, Quebec
Toronto, Ontario
Hamilton, Ontario
Windsor, Ontario
Winnipeg, Manitoba
Vancouver, British Columbia

## Products

Algoma Sinter
Coke
Coal Tar Chemicals
Pig Iron
Ingots, Blooms, Billets and Slabs
Wide Flange Shapes
Welded Wide Flange Beams and Columns
H-Bearing Piles
Standard Angles, Channels and Beams
Elevator Tees
Zees and Special Car Building Sections
Bevelled Edge Grader Blade Bars
Heavy and Light Rails
Tie Plates and Splice Bars
Hot Rolled Bars
Reinforcing Bars
Forged Steel Grinding Balls
Grinding Rods
Hot Rolled Sheet and Strip
Cold Rolled Sheet and Strip
Plate
- Sheared and Gas Cut
- Universal Mill
- Floor

Seamless Pipe and Tubes
- Oil Well Casing
- Line Pipe
- Standard Pipe
- Mechanical Tubing
- Couplings

ALGOMA
STEEL