



BEAR FACTS

ALGOMA CENTRAL CORPORATION NEWSLETTER • WINTER 2017

Message from our CEO



Dear Colleagues,

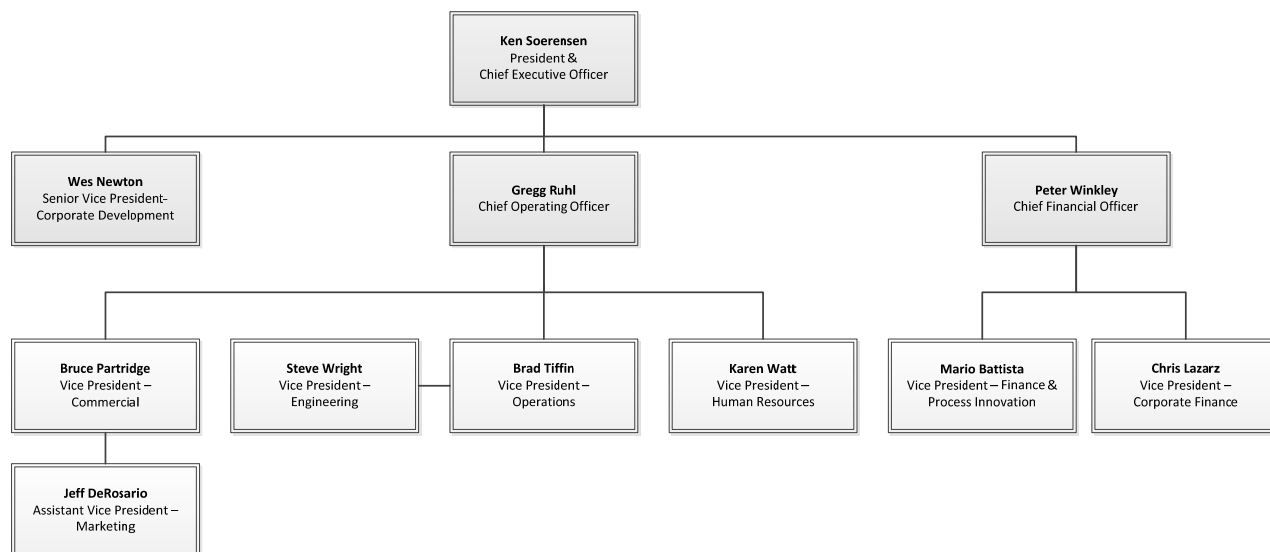
I am pleased to write that our positive start to 2017 has continued throughout the year and we are expecting to reach our ambitious targets.

We released our third quarter financial reports in early November and I am happy with the results for the year to date. In particular, the sustained strength in our Domestic Dry-Bulk business where revenue is up 19.8% in the major commodity markets we serve. Two additional highlights from our year to date results are revenues for Ocean Self-Unloaders which grew 8.1% and revenues for Product Tankers which grew 37.3%.

During the third quarter, the Company sold four properties held for sale in the discontinued real estate segment.

As you are aware, a major part of our future growth will come from expansion outside our traditional stronghold in Canada. We announced earlier in the year that we have invested in the short-sea business in Europe alongside Nova Marine to create NASC (NovaAlgoma Shortsea Carriers) – the plans to further grow the existing platform of 60 vessels are well under way. NACC (NovaAlgoma Cement Carriers) is continuing its rise to market leadership with the most recent win of the contract to service Lafarge Canada and we are bidding for contracts in Northern Europe. In short, we are keeping busy on the International Expansion front.

With the continued expansion internationally, I shall be spending a big part of my time away from the head office in St Catharines. This and the recent retirements of Wayne Smith (Senior V.P. Commercial) and Dennis McPhee (V.P. Sales & Vessel Traffic) has generated a need for some change to our Executive team. I am pleased to announce and congratulate the following employees on their promotions: Gregg Ruhl, Wes Newton, Bruce Partridge, Mario Battista, Chris Lazarz and Jeff DeRosario (see the organization chart below). I look forward to working with this newly established Executive team as we continue to build a successful future for Algoma!



Message from our CEO

In July 2017, the Company acquired the partially completed *Algoma Conveyor* under the terms of a bankruptcy liquidation of the Nantong Mingde Shipyard. The vessel is now at Yangzijiang Shipyard where final construction will be completed for delivery in early 2019.

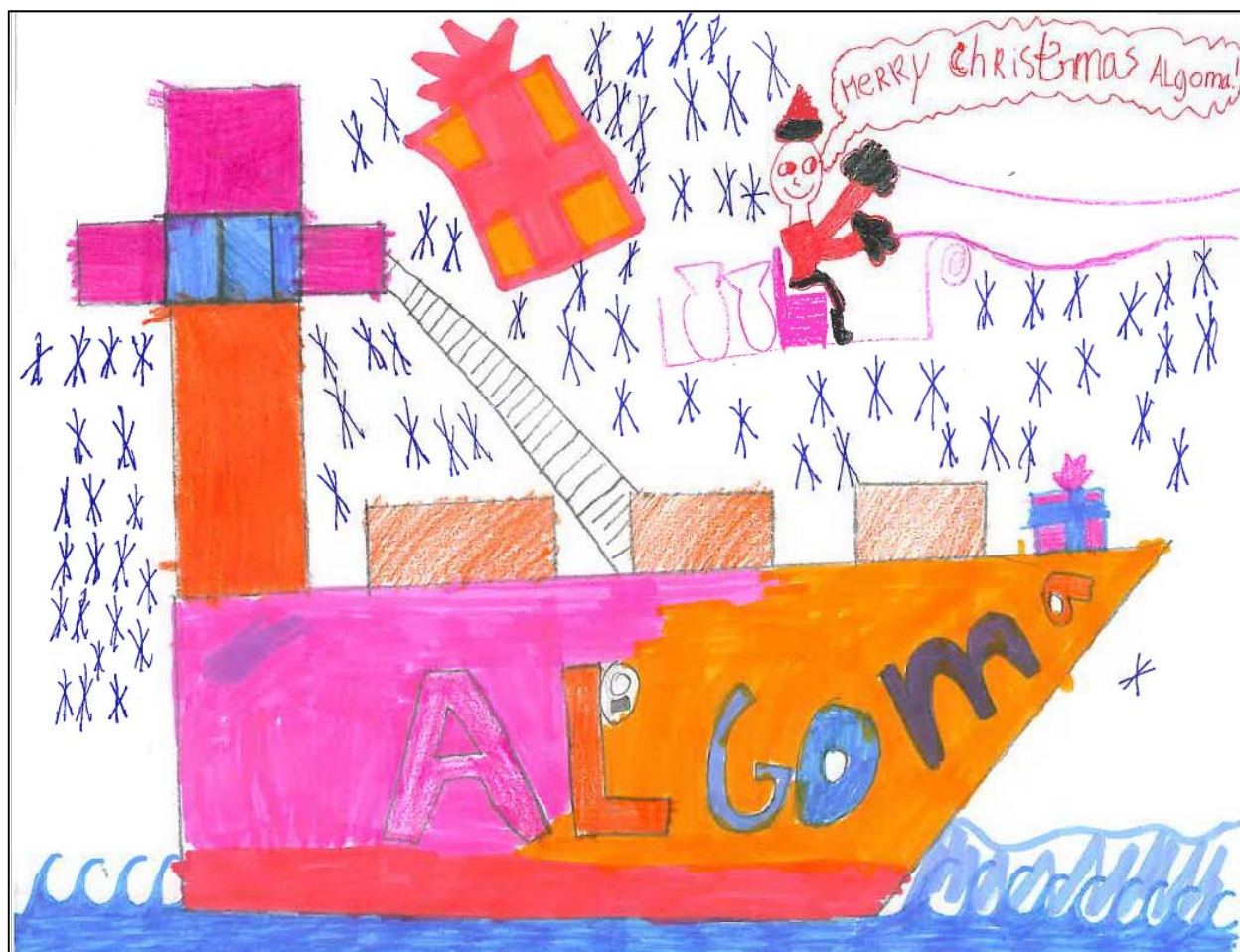
Newbuildings from China are on track with the delivery of the *Algoma Niagara* which took place in early November. The *Algoma Niagara* loaded its first cargo of iron ore from Port Cartier and departed for Hamilton shortly after. The *Algoma Niagara* is the fifth Equinox Class vessel in Canada and she joins her four gearless sister ships in the Algoma fleet.

We are facing some delays in Croatia but have backup plans in place to ensure 'full force' going into 2018 as planned. You will find additional information on the Equinox Program on page 13.

We have and will continue to take steps to position ourselves to take advantage of improving markets in our core business and to seize opportunities in short-sea shipping globally. We are now seeing these efforts pay off which are reflected in our financial results.

In closing, I would like to extend my holiday wishes to all employees, retirees, customers and their families this Holiday Season. Warmest greetings and best wishes for the New Year!

Ken



WINNER OF THE CHRISTMAS CARD CONTEST

Artwork created by Nicholas, 8 year old son of Chief Engineer Nicolae Coman.

Algoma Central Corporation

New Hires



Samantha Moore joined Algoma on a full-time basis as HR Coordinator - Health & Wellness on July 24th.



Jessica Castelli joined Algoma on a full-time basis as Crewing Coordinator on July 25th.



Tawnya Boivin joined Algoma on a full-time basis as Accounts Payable Clerk on August 1st.



Kenedy Assman joined Algoma on a full-time basis as Management Trainee on September 5th.



Ryan Muil joined Algoma on a full-time basis as Management Trainee on September 5th.



Borys Matvyeyev joined Algoma on a full-time basis as Engineering Superintendent on September 11th.



Lucia Chen joined Algoma on a full-time basis as Corporate Accountant on November 1st.



Artwork created by Chelsea, 7 year old daughter of Second Engineer **Gavin Pink**.

Algoma Central Corporation

Promotions



On July 25th **John Lavery** was promoted to Captain.



On July 26th **Sardar Habib** was promoted to Chief Engineer.



On August 1st **John Brenton** was promoted to Director - Information Systems.



On September 20th **Stephane Gilbert** was promoted to Chief Engineer.



On October 1st **Dave Pauze** was promoted to Senior Engineering Superintendent.



On October 1st **Robin Waldie** was promoted to Senior Engineering Superintendent.



On October 19th **Charlene Munden** was promoted to Captain.



Algoma is proud to announce that Charlene is our first female Captain!

We wish everyone success in their new position!

Births



3rd Mate **Ayla Berry** is proud to announce the birth of her daughter Evelyn who was born on July 2nd.



Quality Manager **Doug Dorn** and his wife Nicole are proud to announce the birth of their daughter Ruby who was born on August 19th.



4th Engineer **Martin Vachon** is proud to announce the birth of his daughter Eva who was born on October 8th.

Algoma Central Corporation

Retirements

After 19 years of service, **Eric Height** retired on May 1st. Eric worked in the head office as Engineering Superintendent.

On July 11th, after 27 years of service, **Edward Pakersky** retired. Ed was a Mechanical Assistant and primarily sailed onboard the *Algorail*.

Gary Sokolowski retired on July 13th after 20 years of service. Gary sailed onboard the *Algoma Enterprise* as an Electrician.

Lead Hand **Steve Kertai** retired on August 1st after 27 years of service. Steve worked at Algoma Ship Repair.

On August 4th, after 33 years of service, **Captain Edmund Dewling** retired. Ed sailed throughout the ACL fleet most recently as the Captain on the *John D. Leitch*.

After 28 years of service, Special Projects Manager **Peter Bennett** retired on September 1st. Prior to Peter working in the head office; he worked as Technical Service Manager at Algoma Ship Repair.

Development Director **Barry Kolwaski** retired on September 1st after 13 years of service. Barry worked at Algoma Central Properties.

Camille Cloutier retired on September 15th after 45 years of service. Camille was a dedicated employee who worked onboard the *Algoma Mariner* as a Wheelsman.

After 15 years of service, **Clyde Grandy** retired on September 18th. Clyde most recently sailed onboard the *Algoma Spirit* as an Ordinary Seaman.

Ray Rousseau retired on October 1st after 31 years of service. Ray was a Machinist / Fitter Class 1 at Algoma Ship Repair.

Second Mate (**Hugh**) **Brian MacDonald** retired on November 1st after 11 years of service. Brian sailed most recently on the *AlgoCanada*.

On November 28th **Brian Beresford** retired after 38 years of service. Brian was a Second Engineer.

We wish all those who have retired with Algoma a healthy and happy retirement and appreciate the many years of dedicated service you have provided!



Senior Vice President - Commercial, **Wayne Smith** (R) retired on August 1st after 21 years of service and Vice President - Sales & Vessel Traffic, **Dennis McPhee** (L) retired on November 1st after 31 years of service. Congratulations and enjoy your retirement Wayne and Dennis!



Artwork created by Claire, 10 year old daughter of **Captain Tim Mustard**.

Algoma Scholarship Recipients

The Algoma Central Corporation Scholarship program was launched in 1993 and has since provided \$508,000 to 280 deserving students. To be eligible to receive the \$2,000 first-year post-secondary education scholarship, the student making the application must meet the following criteria:

- a) The student must be a dependent (age 24 or under) of a permanent employee of Algoma Central Corporation or one of its subsidiaries;
- b) The student has or is about to graduate from high school and/or CEGEP and plans to enroll for their first time in a full-time graduate degree credit program at an accredited college or university in a two, three or four year program.

Application packages for 2018 scholarships (which include the full consideration criteria) will be available beginning in January 2018 through the Human Resources Department. Interested students must complete the application and mail it to the Human Resources Department no later than July 1, 2018.



Julia Caines

Daughter of Head Tunnelman
Colin Caines
Attending: Keyin College



Stephanie Camp

Daughter of Ordinary Seaman
Danny Brown
Attending: Brock University



Gillian Hennessy

Daughter of NASC Chartering
Wayne Hennessy
Attending: McMaster University



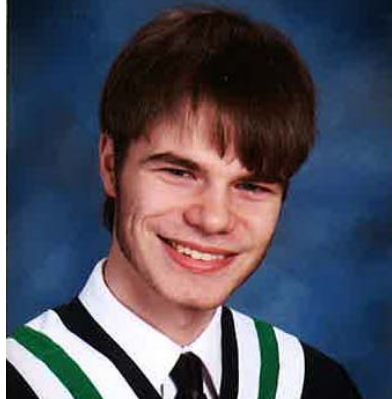
Hannah Hennessy

Daughter of NASC Chartering
Wayne Hennessy
Attending: McMaster University



Jeremy Hube

Son of Director Environment
Director Mira Hube
Attending: University of Guelph



Noah Janzen

Son of Assistant Controller
Barb Janzen
Attending: Niagara College

Scholarship Program



Morgan Meade

Daughter of Mechanical
Assistant Clinton Meade
Attending: University of New
Brunswick



Katherine Olivier

Daughter of Chief Engineer
Martin Olivier
Attending: University of
Montreal



Jerome Perron

Son of GP Watchkeeper Michel
Lavallee
Attending: Ecole de
Technologie Superieure



Chelsea Spicer

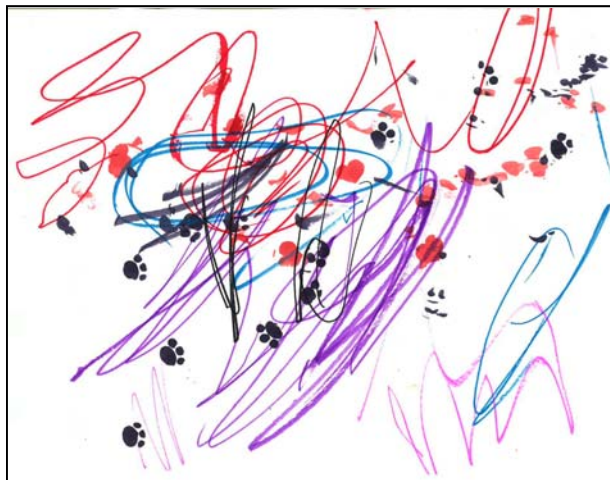
Daughter of 3rd Engineer
Corey Spicer
Attending: Memorial University



Andrew Waldie

Son of Engineering
Superintendent Robin Waldie
Attending: Brock University

**Congratulations to
our scholarship
recipients!**



Artwork created by the children of Purchasing Supervisor **Dalia Dief**.
From left to right: Solomon age 2 and Arthur age 3.5.



Certificate Upgrades



Congratulations to
Jason Bowman and Tyler
Davidson for upgrading
their certificates!



Marine School Scholarships

Algoma continues to acknowledge students who demonstrate academic excellence, dedication to their program and extracurricular activities through scholarship awards. Recently, scholarship awards were presented to six dedicated cadets: two cadets at the British Columbia Institute of Technology (BCIT), two cadets at Marine Institute and two cadets from Nova Scotia Community College (NSCC).



Second Engineer Frank de Crom presents Marine Navigation student Gordon Lawers (L) and Marine Engineering student Tim Leeming (R) with their scholarships award at BCIT.



Fabian Lambert, Assistant School Head at Marine Institute of Memorial University presents 4th year Nautical Science student Nicholas Doherty (L) and 3rd year Marine Engineering student Danika Dyer (R) with their scholarship awards at Marine Institute.



Marine School Scholarships



Captain Ken Marsh presents Marine Engineering student Matthew Devoe (L) and Marine Navigation student Tyler Strickland (R) from NSCC with their scholarship awards.



Take Our Kids to Work Day



Algoma participated in Take Our Kids to Work Day on November 1st. Four grade 9 students learned about the marine industry by touring the head office, listening to a safety presentation and a going on a ship visit onboard the *Algoma Mariner*. A special thank you to Captain Robert Loveless, Chief Engineer Marc Cimon and the rest of the crew onboard the vessel for the warm welcome.

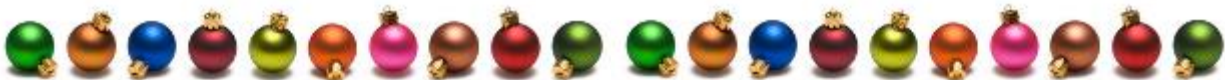


Community Involvement

United Way

Backpacks for Kids

For the seventh consecutive year, 20 employees from the Algoma office participated in the Backpacks for Kids program coordinated by United Way. Backpacks for Kids provides new backpacks filled with school supplies to children and youth from low-income families. Distributed through schools and community agencies, the backpacks provide students school supplies while alleviating the financial burden for families.



Indoor NFL Tailgate Party

For the third consecutive year, Algoma employees came together to raise funds and awareness for United Way at our Indoor NFL Tailgate Party. Employees wore their favourite sports attire while enjoying some “game day grub” and raising money for our local United Way.



Equinox Update

Yangzijiang Update

Since the delivery of the *Algoma Niagara* the site team in China has been going full steam ahead on the completion of the *Algoma Sault*. Algoma has also added a new project to their workload; the completion of MD 153 the *Algoma Conveyor*. The *Algoma Conveyor* arrived in September at a second Yangzijiang shipyard facility which is a few kilometers away from the main shipyard.



The *Algoma Sault* in final preparations for sea trial.



The *Algoma Sault*.

The *Algoma Sault* is scheduled for sea trials to start on December 20th and we are hoping for delivery and departure from China near the end of January. The *Algoma Sault* should arrive in Canada near the end of March and enter into service shortly thereafter. The condition of the ship at this point is much better than the previous ship for a number of reasons. The most significant reason is that this is the second ship in the series and the shipyard has utilized their own experience from the *Algoma Niagara* to improve the quality and reduce the number of outstanding items at this stage of the construction. The other significant factor is the ongoing feedback which the site team has been receiving from the *Algoma Niagara* through not only the warranty process but also the operating experience. It is certainly worth noting that the *Niagara* was the first new self-unloader in the Equinox series and even though the design was made over 5 years ago this is the first actual operating experience with the ship. This experience will be useful not only during the final phases of delivery for the *Algoma Sault* but also an even greater advantage as we move along in the completion of the *Algoma Conveyor*.

Equinox Update

Yangzijiang Update (continued)

The *Algoma Conveyor* project at this time is still in the “assessment” stage. Much of the equipment and materials that were transferred to Jiangyin from Nantong have now been catalogued and inspected as much as possible and the process of purchasing missing items has begun. The recovery of these materials from the bankrupt shipyard was a very long and difficult administrative process. On board checks of the condition of the materials and equipment installed are well underway and the information collected is being used to refine the production planning. We hope that this phase of work will be completed by the time the *Algoma Sault* sails and we can then turn full time attention on the completion of the *Algoma Conveyor*.



Algoma Conveyor arriving at the Chang Bo Facility of Yangzijiang Shipyards.



Total of 4 barges and several truck loads of material arriving from the old shipyard.

Equinox Update

3Maj Update

On December 17th, Algoma took delivery of our latest vessel, the *Algoma Innovator*, from the 3 Maj shipyard in Croatia. The *Algoma Innovator* is a 198M (650') long, boom forward, self-unloader and is a modified version of our Equinox Class vessels, specifically built for 650' trade.

Although Algoma has taken delivery of the vessel, the winter season in the North Atlantic does not provide safe transit conditions for a lake freighter. Consequently, the vessel is scheduled to depart Croatia mid February to be ready for the opening of the St. Lawrence Seaway in late March. We look forward to having the *Algoma Innovator* join our fleet for the 2018 season.

The vessel design uses Equinox Class (1st ship delivered in September 2013) as a baseline but she has had some additional modernization touches. Given that the ship has been built in an EU nation, she contains more European supplied equipment than the original Equinox vessels and has been updated with advanced heat recovery systems and a completely re-configured scrubber system. Other improvements throughout the vessel are aimed at safe operation, crew comfort and system efficiencies.

The forward boom (and unloading casing) allows for more space in the engine room than we would normally expect, and the efficient use of that space will assist in optimizing operational and maintenance activities.



The forward boom and deck of the vessel.



Wheelhouse exterior.



The side of the vessel.

NACC Update

Three additional vessels will be added to the NACC fleet in the first quarter of 2018; bringing the fleet to twelve ships. All three vessels are undergoing an upgrade or conversion to cement carriers at a single Turkish shipyard.

The *NACC Argonaut* will replace the *English River* in spring 2018. The *NACC Argonaut* is a high-quality Japanese-built ship, who will undoubtedly demonstrate her mettle in the rigorous Lafarge-Holcim trade within Lake Ontario and Lake Erie.

The *NACC Alicudi* will join seven of her sisters in the NACC fleet, sharing their 120m LOA x 16.8m B design. She will be deployed to the East Coast of North America and will be capable of pneumatic and mechanical discharge.



NACC Argonaut (foreground)
and the *NACC Alicudi*
(background).



Reloader room No. 2 on the
NACC Argonaut.



Upper deck looking aft on the
NACC Argonaut.

The *NACC Valbella* was built as a cement carrier in Korea and after a thorough refit will be capable of worldwide trade and will be deployed where our expanding trade takes her.

It is also worth noting that since *NACC Quebec* made landfall in Canada on May 17, 2017, she has made her presence felt on the East Coast and Lakes, ranging from Western Lake Ontario to the U.S. East Coast and Newfoundland on charter to McInnis Cement. We are proud of her pioneering voyages in this new trade and congratulate officers and crew on their accomplishments in their first eight months.



Truck loading station of the
NACC Valbella.



NACC Quebec alongside in New England.

Service Awards



Dave Pauze (L) and Tom Anderson (R) present Gary Mullins with his 40 year service award.



Captain Mark Young (L) presents Paul Bown (R) with his 35 year service award.



James Field receives his 35 year service award.



Captain Robert Loveless (L) presents Mark Hurst (R) with his 35 year service award.



Charlie Bungard (L) and Chief Engineer Charles Ford (R) present Rodney Lee with his 35 year service award.



Captain Neil Olsen (L) presents Henri Levesque (R) with his 35 year service award.



Tom Anderson (R) presents Jeffrey Scott (L) with his 35 year service award.



Charlie Bungard (L) and Chief Engineer Charles Ford (R) present Garry Toope with his 35 year service award.



Charlie Bungard (R) presents Robert Town (L) with his 35 year service award.

Service Awards



Brad Tiffin (L) presents Phyllis Derraugh (R) with her 30 year service award.



Captain Neil Olsen (L) presents Winston Gill (R) with his 30 year service award.



Charlie Bungard (L) and Captain Ed Dewling (R) present Ricardo Walters with his 30 year service award.



Adam Regular (L) presents Delbert Clowe (R) with his 25 year service award.



Martin Neuenhagen (L) and Tom Anderson (R) present Nicholas Cusovich with his 25 year service award.



Brad Tiffin (L) presents Roland Harvey (R) with his 25 year service award.



Dave Pauze (L) and Tom Anderson (R) present Karlie Laws with his 25 year service award.



Captain Monford Organ (L) presents Bruno Lemay (R) with his 25 year service award.



Charlie Bungard (R) presents Calvin Ransome (L) with his 25 year service award.

Service Awards



Brad Tiffin (L) presents Mark Redman (R) with his 25 year service award.



Adam Regular (L) presents Michel Boucher (R) with his 20 year service award.



Adam Regular (L) presents Lawrence Kurgan (R) with his 20 year service award.



Brad Tiffin (L) presents Nicklaus Miller (R) with his 20 year service award.



Captain Charlene Munden (R) presents James Murray (L) with his 20 year service award.



Tom Anderson (R) presents Dean Bobbett (L) with his 15 year service award.



Captain Monford Organ (L) presents Robert Cook (R) with his 15 year service award.



Tom Anderson (L) and Chief Engineer Evgueni Ananiev (R) present Dennis Courtney with his 15 year service award.



Chief Engineer Dean Kettle (R) and Daniel LePage (L) present Jacques Dumont with his 15 year service award.

Service Awards



Captain Neil Olsen (L) presents Porfirio Pernetá (R) with his 15 year service award.



Brad Tiffin (L) presents Christopher Billard (R) with his 10 year service award.



Captain Monford Organ (L) presents Winston Billard (R) with his 10 year service award.



Brad Tiffin (R) presents Gordon Butler (L) with his 10 year service award.



Paul Plamondon (L) presents Donald Coleman (R) with his 10 year service award.



Adam Regular (L) presents Blair King (R) with his 10 year service award.



Tom Anderson (L) presents Yohan Laberge (R) with his 10 year service award.



Brad Tiffin (L) presents Daniel Lepage (R) with his 10 year service award.



Adam Regular (L) presents Anthony Munden (R) with his 10 year service award.

Service Awards



Captain Peter Carpenter (R) presents Captain Charlene Munden (L) with her 10 year service award.



Captain Mark Young (L) presents Tito Reyes (R) with his 10 year service award.



Charlie Bungard (R) presents Terry Temple (L) with his 10 year service award.



Paul Plamondon (L) presents Chief Engineer Yun Fu Wu (R) with his 10 year service award.

Congratulations to all employees who celebrated a service milestone. Thank you for your continuous years of service and contributions to Algoma!



Employees that also received a service award in 2017 but were unavailable for a photo include:

35 Years - Austin Barker, Terence Dominic, Gerard Feehan, Tim Gonyou, Graham Green, Pauline Hopkins and Todd Trenholm.

30 Years - Carl Carey.

25 Years - Gordon Davis and Timothy Pitts.

20 Years - Martin Bride, John Caton, Jorge Chavez, Peter Cole, Captain Dino Dini, Robert Hopkins, Ewan Mc Minn and Daryn Miller.

15 Years - Randy Densmore, Ronald Eavis, Bryan Leitch and Keith Stone.

10 Years - Ivan Bryan, Joey Di Stefano, Marshall Dominix, Gerald Goodchild, Charles Harris, Danny Hopkins, Darryl Keeping, Mariusz Lecko, Jimmy Marchand, William Peckford, Roger Ritchie, Keith Rose and Gerard Wheaton.

Employee Photo Contest

Algoma was excited to celebrate Canada's 150th birthday this year so we asked employees to explore Canada's parks, heritage sites and Canada 150 celebrations and share their photos with us. Whether you were touring Canadian landscapes, hiking through a trail or celebrating on July 1st we wanted to see your **Canadian pride** and hear what you love most about Canada!

1st Place



4th Engineer **Cassie Ritchie** watching the Canada Day fireworks onboard the *Algoma Equinox*. This photo was submitted by 2nd Engineer **Guarav Devgan**.

2nd Place



Vice President - Engineering **Steve Wright** submitted this photo of a small island seen from the waterfront of his cottage. Shortly after Steve took the photo he could hear loons on the lake.

3rd Place



Vice President - Engineering **Steve Wright** submitted this photo of celebrations in Niagara Falls - one of Canada's most recognized and well-known landmarks.

Share Your Story

Do you have a story, announcement or picture to share with Algoma employees?
If so, mail your story to: Algoma Central Corporation - Attention Bear Facts
63 Church Street Suite 600 - St. Catharines ON - L2R 3C4
or email us at BearFact@algonet.com.

\$25 Bear Bucks will be awarded to employees whose story is shared in Bear Facts.



3rd Mate **James Wahlgren** shared this photo of the *Algoma Equinox* loading soya beans in Sarnia.



Chief Engineer **Marc Cimon's** wife took this photo of him onboard the *Algoma Mariner* from the wharf at Saint Joseph de la Rive.



2nd Engineer **Devgan Gaurav** shared this photo of the *Algoma Niagara* departing the port in Hamilton after her first unload on November 11th.

Share Your Story



1st year Navigation cadet from NCSS **Tyler Strickland** shared these photos of his first sea phase onboard the *John D. Leitch* this past summer.



3rd year Engine cadet **Matthew Devoe** shared this photo onboard the *G3 Marquis*.

Welland Canal Fallen Workers Memorial



The *Algoma Mariner* transiting through the Welland Canal.





**Algoma Central Corporation
is honoured to support the
Welland Canal Fallen
Workers Memorial.**

The Welland Canal plays a pivotal role in our community and the Canadian economy. **Algoma Central Corporation** acknowledges the significant sacrifice the workers and their families made over the course of its construction especially those who lost their lives as a result. This memorial plays tribute to them and allows our community and visitors the opportunity to understand and appreciate the historical significance of their sacrifice. Algoma Central Corporation honours and remembers these fallen workers and is proud to be a part of this important memorial.



Short Sea Shipping is OUR BUSINESS.

Algoma Central Corporation | www.algonet.com |   @AlgomaCentral

Happy Holidays From Algoma



The crew on the *Algoma Guardian* created a Christmas tree on the deck of the vessel.



Artwork created by Sandrine, 10 year old daughter of 1st Mate **Dominique Belley**.

Happy Holidays From Algoma



Artwork created by Owen, 10 year old son of Engineering Director **Charlie Bungard**.



Artwork created by Piper, 7 year old daughter of Payroll Manager **Charlene Horton**.



Artwork created by Angelin, 8 year old daughter of 2nd Engineer **Jimmy Austin**.

**WISHING YOU A
HAPPY HOLIDAY AND
A JOYFUL NEW YEAR!**

