ALGOMA CENTRAL CORPORATION

ANNUAL INFORMATION FORM

For The Year Ended December 31, 2015

Unless otherwise specified, all amounts are in thousands of Canadian dollars and the information in this Annual Information Form is presented as at February 19, 2016.

TABLE OF CONTENTS

In this Annual Information Form, all dollar amounts quoted are in Canadian dollars and in thousands except for per share data unless otherwise noted.

Copies of the Annual Information Form, as well as copies of the Company's 2015 Annual Report and Management Information Circular, may be obtained at www.algonet.com and www.sedar.com.

This Annual Information Form may include forward-looking statements concerning the future results of the Company. These forward-looking statements are based on current expectations. The Company cautions that all forward-looking information is inherently uncertain and actual results may differ materially from the assumptions, estimates or expectations reflected or contained in the forward-looking information, and that actual future results could be affected by a number of factors, many of which are beyond the Company's control, including economic circumstances, technological changes, weather conditions and the material risks and uncertainties identified by the Company and discussed on pages 9 to 14 in this report.

1. CORPORATE STRUCTURE

Name, Address and Incorporation of Algoma Central Corporation ("Company")

The Company was incorporated in 1899 by Special Act of the Parliament of Canada as Algoma Central Railway Company and was continued under the Canada Business Corporations Act in 1986.

The name of the Company was changed to The Algoma Central and Hudson Bay Railway Company in 1901, Algoma Central Railway in 1965 and Algoma Central Corporation in 1990.

The Company's registered head office is located at 421 Bay Street, Sault Ste. Marie, ON, P6A 5P6. The Corporation's executive offices are located at 63 Church Street, Suite 600, St. Catharines, ON, L2R 3C4.

Intercorporate Relationships

The following are the principal subsidiaries and joint ventures of the Company:

Subsidiaries	Jurisdiction of incorporation	Percentage of voting securities beneficially owned or over which control or direction is exercised	Percentage of non-voting securities owned
Algoma Central Properties Inc.	Ontario	100%	N/A
Algoma Central Hotels Ltd.	Ontario	100%	N/A
Algoma Dartmouth Ltd.	Canada	100%	N/A
Algoma Dry-Bulk Inc.	Ontario	100%	N/A
Algoma Great Lakes Shipping Inc.	Ontario	100%	N/A
Algoma Shipping Ltd.	Bermuda	100%	N/A
Algoma Tankers Limited	Canada	100%	N/A
Algoma Tankers International Inc.	Barbados	100%	N/A
SMT (USA) Inc.	Delaware	100%	N/A
Algoma International Shipholdings Ltd.	Bermuda	100%	N/A
Partnerships			
Seaway Marine Transport	Ontario	100%	N/A
SMT Services	Ontario	100%	N/A
Joint Ventures			
Marbulk Canada Inc.	Canada	50%	N/A
75 Corporate Park Drive Limited	Ontario	50%	N/A

2. GENERAL DEVELOPMENT OF THE BUSINESS

Overview

Algoma Central Corporation owns and operates Canada's largest domestic fleet of vessels operating on the Great Lakes - St. Lawrence Waterway. At year-end the fleet consisted of 18 self-unloading bulk carriers, six gearless bulk carriers, and seven product tankers. During the year the Company retired a self-unloading bulk carrier, a gearless bulk carrier, and a product tanker.

In addition to its own vessels, the Company provides operational management for three vessels owned by two third parties and both commercial and operational management for a vessel owned by another third party.

The Company has interests in both gearless and self-unloading dry-bulk vessels operating in domestic and international markets, domestic product tankers, and an ocean-class product tanker that is currently operating as part of the domestic product tanker fleet. The Company owns Algoma Ship Repair, a diversified ship repair and steel fabrication facility active in the Great Lakes and St. Lawrence regions of Canada. In addition, the Company owns Algoma Central Properties Inc. and Algoma Central Hotels Ltd., which own and manage commercial real estate properties in Ontario.

The Company's origins trace back to its creation as a railway in Sault Ste. Marie, Ontario in 1899. The Company's executive offices are located in St. Catharines, Ontario. The Company employs approximately 2,000 people worldwide. The Company has assets of $989 million and revenues of $413 million.

The Company reports the results of its operations for three business units or segments. The largest is the Domestic Dry-Bulk segment, which includes the Company's domestic dry-bulk carriers and Algoma Ship Repair.

In 2015 and prior years, the Product Tanker segment served both domestic and international markets. The domestic fleet of seven product tankers is owned and operated through a wholly owned subsidiary, Algoma Tankers Limited (ATL). The Company's wholly-owned international subsidiary, Algoma Tankers International Inc. (ATI) owns one product tanker that joined the domestic tanker fleet in July 2014 where it continues to operate.

The Company's international Ocean Shipping segment consists of two entities. Marbulk Canada Inc. (MCI) is jointly owned by the Company and CSL Group Inc. and owns two ocean self-unloaders. Algoma Shipping Ltd. (ASL), a wholly owned subsidiary of the Company, owns two ocean self-unloading vessels. The four MCI and ASL ocean self-unloaders are combined with 22 other ocean self-unloaders owned by others to form the CSL International (CSLI) commercial arrangement. A third MCI-owned self-unloader is jointly owned with Bernhard Schulte and operates under a long-term time charter in Europe. During 2015, the Company retired one of its jointly owned ocean self-unloaders.

2. GENERAL DEVELOPMENT OF THE BUSINESS

In addition to the marine businesses, the Company owns and manages commercial real estate in Sault Ste. Marie, Waterloo and St. Catharines, Ontario.

Three Year History

The following is a description of the significant events that have influenced the general development of the business over the course of the last three years.

2013

In October of 2013, the Company took delivery of the *Algoma Equinox.* The second ship in the class was launched at the shipyard in China on December 25, 2013.

In December of 2013, the Company settled a tax dispute that had been outstanding with the Canada Revenue Agency since 2002. Settlement of the dispute resulted in additional income tax and net interest expense totaling $4,707 and the refund of $5,602 of excess instalments paid.

Also in December of 2013, the Company received payments totaling US$38.9 million from two Chinese banks on refund guarantees and interest related to the 2010 cancellation of three ocean tanker shipbuilding contracts.

2014

In May of 2014, the Company took delivery of the second of its new ships, named the *Algoma Harvester,* and the vessel completed its voyage home from China, entering Canadian service in July. The third ship in the series, owned by G3 Canada Limited (formerly the Canadian Wheat Board) and managed by the Company, was delivered on October 31, 2014 and completing its voyage to Canada on January 1, 2015. This ship joined the two Algoma-owned Equinox Class ships and four other Algoma-owned gearless dry-bulk vessels to form the Algoma Bulker Pool beginning in 2015. With three vessels now delivered and a combined 24 months operating experience with the vessels, the Company is pleased with the quality of construction and that the vessels have met all significant design specifications.

Although work continued on the Equinox Class project, financial problems being experienced by the Chinese shipyard have resulted in significant delays. Shortly before year-end, the shipyard, Nantong Mingde Heavy Industries, announced it was seeking protection from creditors and had entered into a period of financial restructuring. The Company monitored the situation and had discussion with various parties involved in the restructuring with the objective of completing construction of the ships. The Company had also taken the steps necessary to trigger existing refund guarantees that secure instalments paid to date on the project.

In July 2014, the Company moved the *Algoma Hansa*, an ocean class product tanker that was until then foreign flagged, from an ocean-going tanker pool into domestic

2. GENERAL DEVELOPMENT OF THE BUSINESS

service. This step was taken in anticipation of the upcoming retirement of one of the Company's existing domestic product tankers.

2015

During the second quarter of 2015, the Company issued formal cancellation notices on the four contracts with the Nantong Mingde Shipyard and deposits made to the Shipyard totaling US $65,760 were re-classified from property, plant, and equipment to other assets. As a result of the cancellation, the Company recognized a net gain of $9,972.

Cancellation of the Mingde contracts on their terms entitled the Company to demand repayment of construction instalments paid to date, along with accrued interest.

While delayed, the overall fleet renewal program, of which these Equinox Class ships were a part, remains a priority for the Company. Algoma now has contracts in place for the construction of two new Equinox Class 650' self-unloaders and five Equinox Class 740' self-unloaders. Management expects the two 650' Equinox self-unloaders to be delivered in 2017 and is targeting 2018 for delivery of the five 740' Equinox self-unloaders.

In November, 2015, the Company's wholly owned subsidiary, Algoma Shipping Ltd., reached an agreement to purchase two ocean-going panamax size self-unloaders. Jointly owned Marbulk Canada Inc. also reached an agreement to acquire a handymax size self-unloader. The acquisition of the three vessels closed in January, 2016 for total consideration of U.S.$96,100.

Also, in November, 2015, the Company announced its decision to sell its investment properties comprising commercial, retail and other buildings. The decision to sell is a result of a review of the strategic objectives of the Company and a decision to focus the Company's capital on domestic and international shipping opportunities. Marketing of the properties has begun.

Safety and Environmental Matters

The Company strives to be a leader in safety and environmental management, and is committed to the protection of the environment, the prevention of human injury and loss of life and the protection of property.

The Company's Environmental Protection Policy stipulates the principles to which Algoma Central Corporation and its subsidiaries will adhere, the environmental commitment of the Board of Directors and Corporate Officers, the environmental management system, which underlies the compliance program, and the communications that are expected in the commitment to the preservation of the environment for health, safety, recreation, and renewal.

2. GENERAL DEVELOPMENT OF THE BUSINESS

The policy of the Company is as follows:

1. To be managed to meet its balanced responsibilities to its shareholders, employees, customers and to society.
2. To strive to be an exemplary employer and corporate citizen in environment management by carrying out sound operational and management practices to ensure its operations and facilities are in compliance with all applicable legislation providing for the protection of the environment, employees and the public.
3. In the absence of legislation, to minimize the environmental impact on the public, employees, customers and property within the limitations of technology and economic viability.
4. To constantly aspire to a safe, clean healthy workplace within the context of a clean, healthy, sustainable natural environment.
5. To manage renewable and non-renewable resources for the benefit of future generations and to seek methods to improve the wise use of resources through such methods as renewal and recycling.

The Company publishes a Sustainability Report. The most recent report was published in 2013. In this report we highlighted our sustainability initiatives and achievements. This report, which provides a detailed report card on all aspects of our sustainability performance, highlights performance against metrics for safety, environmental impact, community involvement, and governance. The Company files its Sustainability Reports on SEDAR and the report is also available for viewing on the Company's website at www.algonet.com.

Both our domestic dry-bulk and product tanker fleets are involved in an industry initiative called the "Green Marine" program. This initiative's objective is to implement a voluntary environmental improvement program in the areas of aquatic invasive species, pollutant air emissions (SOx and NOx), greenhouse gases, cargo residue and recycled water. The "Green Marine" program requires water transportation companies to implement specific best practices that will contribute to reducing the environmental impact of their business activities. Each company's performance is rated on a scale of one to five, beginning with regulatory compliance and culminating in excellence and leadership. The results are audited by an independent party and communicated annually to the public in a "Green Marine" annual report.

2. GENERAL DEVELOPMENT OF THE BUSINESS

During 2014, the Company completed the certification of the first scrubber, which is installed on the *Algoma Equinox*. The certification effort confirmed that the equipment meets design specifications and it is now operational on that vessel. The Company expects that scrubbers installed on each of the remaining Equinox Class vessels will be certified in conjunction with their entry into domestic service.

3. NARRATIVE DESCRIPTION OF THE BUSINESS

Principal Services

The principal services provided by the Company are as follows:

1. Domestic Dry-Bulk consists of Canadian flagged dry-bulk lake vessels, ship management services, and a ship repair and steel fabrication business. The dry-bulk vessels operate within the Great Lakes, St. Lawrence Seaway, and Atlantic Canada. The vessels are designed to carry a variety of dry-bulk products including grain, coal and coke, iron ore, salt and aggregates.

2. Product Tankers consist of Canadian flagged vessels which operate within the Great Lakes, St. Lawrence Seaway and Atlantic Canada. One vessel, previously foreign-flagged and operating world-wide, joined the domestic fleet in 2014.

Ocean Shipping consists of direct ownership of ocean-going dry-bulk self-unloading vessels and interests in other self- unloaders that trade world-wide.

Revenues

Revenue from continuing operations by industry segment for the two years ending December 31, 2015 and 2014 are as follows:

	2015	2014
Domestic Dry-Bulk	**$ 299,553**	$ 337,244
Product Tankers	**75,335**	95,152
Ocean Shipping	**38,605**	41,050
	$ 413,493	$ 473,446

3. NARRATIVE DESCRIPTION OF THE BUSINESS

Approximately 88% (2014 – 88%) of revenue was earned in the geographic segment of Canada. The three marine operating segments in 2015 include export sales, primarily to the United States, of $129,424 (2014 - $131,641).

The Company had three customers in 2015 and two customers in 2014 whose revenues exceeded 10% of consolidated revenues. Sales to these customers are as follows:

	2015	2014
Domestic Dry-Bulk	$ 143,604	$ 123,141
Product Tankers	$ 66,962	$ 85,780

Seasonality

The nature of the Company's business is such that earnings in the first quarter of each year are not indicative of the results for the other three quarters in a year. Due to the closing of the canal system and the winter weather conditions in the Great Lakes –St. Lawrence Waterway, the majority of the domestic dry-bulk fleet does not operate for most of the first quarter and significant repair and maintenance costs are incurred in the first quarter to prepare the domestic dry-bulk fleet for the upcoming navigation season. As a result, revenues and earnings for the first quarter are significantly lower than the remaining quarters in the year.

The seasonality is largely limited to the domestic dry-bulk business. Earnings fluctuations and seasonality of the product tanker and ocean-going fleets, as well as the real estate portfolio, are not significant.

Foreign Operations

The Company has interests which carry on most of their operations in foreign jurisdictions. The Company's proportionate share of the property, plant, and equipment in foreign jurisdictions at December 31, 2015 and 2014 were $81,496 and $76,451, respectively.

The Company's share of revenues in foreign jurisdiction for the years ended December 31, 2015 and 2014 were $38,605 and $41,050, respectively.

Locations

The Domestic Dry-Bulk segment has offices in St. Catharines, Ontario and Winnipeg, Manitoba. It also has vessel repair facilities in Port Colborne, Ontario.

The Product Tanker segment has offices in St. Catharines, Ontario, and Bridgetown, Barbados.

3. NARRATIVE DESCRIPTION OF THE BUSINESS

The Ocean Shipping segment has offices in Beverly, Massachusetts, and Hamilton, Bermuda.

The Company has office and real estate complexes in Sault Ste. Marie, St. Catharines and Waterloo, Ontario. The complex at Sault Ste. Marie consists of a regional shopping centre, a hotel, two office buildings and an apartment building. In St. Catharines, the Company owns three office buildings, three commercial properties, one light industrial building, and a 50% interest of another office building and vacant land for future development. In Waterloo, the Company owns and manages three commercial office buildings.

Banking

Effective July 19, 2011, the Company completed a refinancing of its existing bank credit facilities (the “Bank Facility”) and issued senior secured notes payable (the “Notes”) in order to secure long-term financing to support its investment in Great Lakes fleet renewal and the buy-out of its domestic dry-bulk partner.

The Bank Facility consists of a $150,000 senior secured revolving bank credit facility due July 19, 2016 provided by a syndicate of six banks. The Bank Facility bears interest at rates that are based on the Company’s ratio of senior debt to earnings before interest, taxes and amortization and ranges from 175 to 275 basis points above bankers’ acceptance or LIBOR rates.

Employees and Unions

The normal complement of employees is approximately 2,000, the majority of whom are unionized. The negotiation status of the Company’s labour agreements with the collective bargaining units is as follows:

Shipboard Managers

Certain Captains and Chief Engineers are represented by the Canadian Masters and Chiefs Association. Their current collective agreement expires on February 28, 2018.

All other Captains and Chief Engineers of the Company are non-unionized.

Navigation and engineering officers are represented by six separate bargaining units of the Canadian Merchant Service Guild. Four of these agreements will expire on May 31, 2016 and the other two agreements will expire on July 31, 2016.

3. NARRATIVE DESCRIPTION OF THE BUSINESS

Unlicensed Employees

There are three unlicensed bargaining units of shipboard employees. The Seafarers' International Union (SIU) represents two unlicensed employee bargaining units and the Canadian Maritime Union, a unit of Unifor, represents one unlicensed employees bargaining unit.

The collective bargaining agreement with one bargaining unit of the SIU was renewed in 2015 and will expire on July 31, 2018 The second collective bargaining agreement with the SIU will expire on May 31, 2016.

The collective agreement with Unifor expired on March 31, 2015 and bargaining is underway to renew the collective agreement.

Algoma Ship Repair

The collective agreement between Algoma Ship Repair and its hourly paid workers, who are represented by the United Steelworkers, expires on May 31, 2018.

Algoma Central Properties

The Delta Sault Ste. Marie Waterfront Hotel & Conference Centre's hourly paid workers are represented by the Retail, Wholesale and Department Store Union. The collective agreement with this group will expire on July 7, 2018.

4. RISKS AND UNCERTAINTIES

Risks and Uncertainties

The following section describes both general and specific risks that could affect the Company's financial performance. The risks described below are not the only risks facing the Company. Additional risks and uncertainties that are not currently known or that are currently considered immaterial may also materially and adversely affect the Company's business operations.

Shipboard Personnel

The long-term challenge of recruiting and retaining skilled crews in the marine industry continues to be an area of focus. The challenge of recruiting new employees into the marine industry, competition for skilled labour from other sectors, and the limited number of cadet berths are all factors to be addressed by the marine industry as a whole. A lack of properly skilled shipboard employees could lead to service delays and interruptions. The Company continues to work with industry groups, its unions and educators to develop and enhance training programs to ensure an adequate supply of labour is available to meet its future needs.

4. RISKS AND UNCERTAINTIES

Unions

The majority of the positions on the Company's domestic vessels are unionized. Failure to enter into new collective agreements with any of the unions representing workers could result in service interruptions. The Company believes it offers fair and competitive compensation packages and does not expect service interruptions.

Partnering

The Company operates a portion of its business jointly with third parties. Partnerships are seen by the Company as an effective tool to expand the business on a global basis. The expanded service capacity a partnership can provide includes additional stability and flexibility to its customer base. The success of its partnerships depends on the on-going cooperation and liquidity of its partners. The Company believes it has chosen partners who have similar goals and values and the financial strength to execute the strategies set out by each of the partnerships.

Outsourcing

The Company contracts certain of its information technology and technical ship management activities to third parties. The selection of the proper service providers is important to ensure the Company's high performance standards are applied consistently. Agents not performing to the expectations of the Company could have a significant impact on the reputation and financial results of the Company. The Company takes great care in ensuring the performance of parties selected to perform outsourced services on its behalf match its high quality standards. The Company deals with leading international companies for these services.

Service Failure

The Company's customers demand a high standard of operations excellence in order to ensure timely and safe delivery of their cargos. Incomplete or non-performance of services could expose the Company to customer complaints, penalties, litigation or loss of reputation. Failure to manage its fleet maintenance and capital improvements could impact the ability to generate revenue. The Company maintains stringent operational and maintenance plans to ensure assets perform to their maximum capability, and "Operations Excellence" is a high priority for each business unit.

Health and Safety

The Company places significant emphasis on health and safety management and is committed to the prevention of human injury and loss of life. An unsatisfactory safety record could lead to significant fines and penalties and a reduction in customer confidence in our ability to perform the required service. In the case of a significant customer, it could also lead to the termination of the service agreement.

4. RISKS AND UNCERTAINTIES

Property, Plant, and Equipment

The failure by a shipyard to complete the construction of a vessel under development would impact on the Company's ability to replace existing assets and expand the business. The Company has remaining commitments with two shipyards of U.S.$254,793 for the construction of seven Equinox Class vessels with delivery dates currently estimated to extend through 2018. These vessels are important to the modernization and service capacity of its fleet and to the business strategy of the Company. The Company has a knowledgeable supervision team in place at the shipyard to monitor the quality of construction and to assist the shipyard in moving to a successful completion of the contract. In addition, the Company holds refund guarantees from the shipyard's bankers for instalments made by the Company.

A significant portion of the funding for the additions to property, plant and equipment will come from internally generated cash flows, but due to the magnitude of the commitments, additional financing has been secured with credit facilities expiring on various dates through July 2021, including a revolving bank facility provided by a syndicate of six leading banks that will meet the cash requirements for its existing commitments.

Competitive Markets

The marine transportation and real estate businesses are competitive on both domestic and international fronts. Marine transportation is subject to competition from other forms of transportation such as road and rail freight. Competition may decrease the profitability associated with any particular contract and may increase the cost of acquisitions. The Company strives to differentiate itself from the competition with superior customer service, having vessels suited to each customer's needs and maintaining a compliant, safe, efficient and reliable fleet.

Changes in general economic conditions or conditions specific to a particular customer may affect the demand for vessel capacity. The Company believes that due to the long-term nature of its service contracts, vessel configurations and geographic diversity it is well positioned in the market place and is able to withstand fluctuations in market conditions.

The Company believes the effect on earnings due to inflation or specific price changes will be immaterial.

Real estate assets are well maintained to provide long-term capacity to tenants and their users.

The geographic and operational diversity of the Company will help to mitigate negative economic impact to the sectors in which it operates.

4. RISKS AND UNCERTAINTIES

Environmental

Environmental protection continues to be a dominant topic on the world legislative agenda and is a primary focus of the Company throughout its operations. Environmental issues such as aquatic invasive species, pollutant air emissions (SOx and NOx), greenhouse gases and cargo residues/wash waters are being scrutinized and regulated worldwide. A change in environmental legislation could have a significant impact on the Company's future operations and profitability.

The Company's fleet continues to monitor fuel sulphur levels in accordance with Emission Control Area (ECA) and Fleet Averaging requirements and remains in compliance with all requirements. The Company's highly efficient Equinox Class ships are equipped with exhaust gas scrubbers designed to satisfy the air emission rules. The Company's other vessels are capable of using lower sulphur fuels to satisfy air emission rules, although the cost and availability of low sulphur fuels may be a risk in the future.

Emission Control Area rules also require mandatory and significant reduction in NOx emissions for new engines installed after January 1, 2016. Cost and availability of this Tier III NOx' compliant equipment for new vessels constructed after 2016 may represent a risk to the Company.

Monitoring, reporting and verification (MRV) of greenhouse gases (GHGs) is in the planning stages at the International Maritime Organization (IMO) and mandatory GHG reporting is anticipated to be implemented in the near future by Canada and the United States. There is potential for mandatory GHG reduction targets or market-based measures such as fuel levies or carbon taxes to be applied to the marine industry in the future. If implemented, such measures could have an impact on operating costs that cannot be estimated at this time.

Canada is a signatory to the IMO Ballast Water Convention. Although the convention is not yet ratified, the Canadian government is currently developing amendments to its own ballast water regulations to implement the international ballast water discharge standards in Canadian waters. A portion of the Company's vessels also remain subject to United States regulations that will require installation of ballast water treatment systems during future dry dockings. There are presently no U.S. Coast Guard approved ballast water treatment systems available and furthermore there are no technologies proven to work in the unique operating conditions of the Great Lakes. The current imposition of unachievable and discriminatory ballast water regulations by the U.S. on Canadian vessels presents an economic and regulatory risk to the Company. The Company and other stakeholders continue to express their concern that the domestic industry needs a unique solution that provides a single, achievable regulatory approach for all domestic vessels operating in Canadian waters.

4. RISKS AND UNCERTAINTIES

Regulatory

A change in governmental policy could impact the ability to transport certain cargos. A policy change could threaten the Company's competitive position and its capacity to offer efficient programs or services. Often, several different jurisdictions are able to exercise authority over marine transportation and vessel operations. For example, within the Great Lakes – St. Lawrence Waterway there are eight U.S. state governments and two Canadian provincial governments plus both federal governments. The Company expects sufficient warning of a policy change providing it time to adjust and minimize the impact on the organization. Any such regulatory change would have a similar impact on our waterborne competitors.

The Company has employees participating in a number of industry associations that advise and provide feedback on potential regulatory change and to ensure we maintain current knowledge of the regulatory environment.

Water Levels

The Company's domestic dry-bulk vessels and product tankers operate primarily in the Great Lakes and the St. Lawrence River. Rising or declining water levels in ports in which the vessels load and unload have the effect of increasing or reducing cargo sizes and this affects the profitability of these vessels.

Drops in water levels in the Great Lakes and the St. Lawrence, which the Company has no control over, could have a significant impact on the future operations and profitability of the domestic dry-bulk vessels and product tankers. At the end of 2015, water levels on the Great Lakes were above the long term average for the second year in a row after a decade of below average water levels. According to the US Army Corp of Engineers, preliminary precipitation estimates for the Great Lakes region was above average in January and, in their latest six month forecast, the Corps predicts water levels to track above the long term average similar to those experienced during the same period in 2015.

The geographic diversity of the Company helps to mitigate the potential impact that could result from adverse effects due to lowering water levels and, in addition, a significant number of the domestic dry-bulk and product tanker customer contracts have freight rate adjustment clauses that provide partial financial protection for the impact of decreasing water levels.

Catastrophic Loss

A major disaster could impact the Company's ability to sustain certain operations and provide essential programs and services. The Company's assets may be subject to factors external to its control. The Company has emergency response and security plans for each fleet and vessel that is tested annually in accordance with statutory

4. RISKS AND UNCERTAINTIES

requirements. The Company maintains comprehensive insurance coverage on its assets and assesses the adequacy of this coverage annually.

Foreign Exchange

The Company operates internationally and is exposed to risk from changes in foreign currency rates. The foreign currency exchange risk to the Company results primarily from changes in exchange rates between the Corporation's reporting currency, the Canadian dollar, and the U.S. dollar. The Company's exchange risk on earnings of foreign subsidiaries is diminished due to both cash inflows and outflows being denominated in the same currency.

The Company has significant commitments due for payment in U.S. dollars and Euros. The Company mitigates the risk associated with the U.S. dollar payments principally through utilizing U.S. cash as a hedge on purchase commitments required under ship building contracts with foreign shipbuilders and foreign exchange forward contracts. The risks associated with the exposure to Euros are managed with forward contracts.

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Company is exposed to credit risk from its customers. The Company believes that the credit risk for accounts receivable is limited due to the tight credit terms given to customers, minimal bad debts experience and a customer base that consists of a relatively few large industrial concerns in diverse industries.

Employee Future Benefits

Economic conditions may prevent the Company from realizing sufficient investment returns to fund the defined benefit pension plans at existing levels. Any increase in the regulatory funding requirements for the Company's defined benefit pension plans, although a use of resources, is not expected to have a material impact on its cash flows. Effective January 1, 2010, the Company closed its defined benefit plans to new members and adopted defined contribution plans for all new employees.

Judicial and other proceedings

From time to time, the Company is a party to judicial, arbitration, or similar proceedings either as claimant or as respondent. Although the Company will take any actions it deems necessary to represent its interests in these proceedings, the ultimate outcomes of such proceedings are outside of the control of the Company. The realizable value of any assets and the exposure to liabilities associated with such proceedings may be different than the carrying value of those assets or liabilities on the financial statements of the Company.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

The table below provides summarized consolidated financial data for the last three years.

In thousands except per share figures	**2015**	2014	2013
For the year			
Segment revenue	**$ 413,493**	**$ 473,446**	$ 463,055
Net earnings from continuing operations	**$ 21,069**	**$ 48,977**	$ 38,439
Net earnings from discontinued operations	**$ 4,702**	**$ 3,788**	$ 3,484
Net earnings	**$ 25,771**	**$ 52,765**	$ 41,923
Additions to property, plant and equipment	**$ 115,857**	**$ 25,332**	$ 44,973
Dividends paid per common share	**$ 0.28**	**$ 0.28**	$ 0.28
Basic earnings per common share	**$ 0.66**	**$ 1.36**	$ 1.08
At December 31			
Total assets	**$ 988,805**	**$ 974,055**	$ 932,354
Shareholders' equity	**$ 618,610**	**$ 607,099**	$ 561,086
Long-term debt (including current)	**$ 246,754**	**$ 227,562**	$ 232,922
Equity per common share	**$ 15.90**	**$ 15.60**	$ 14.42
Common shares outstanding	**38,913,733**	**38,912,110**	38,912,110

The financial information is prepared in accordance with International Financial Reporting Standards. Factors affecting the comparability of financial data presented above are as follows:

2014

There are no significant events or changes in the business affecting the comparability of fiscal 2014 to fiscal 2013.

2015

The decision to sell the Company's investment properties in 2015 necessitated the restatement of certain comparative figures of fiscal 2014 and fiscal 2013.

Further discussion of the operating results for fiscal 2015 can be found in the Management Discussion and Analysis for the year ended December 31, 2015.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

Dividends

The declaration of future dividends is subject to the discretion of the Board of Directors after consideration of earnings available for dividends, financial requirements and other conditions prevailing from time to time.

Dividends were paid to shareholders at $0.28 per common share in 2015, 2014, and 2013.

The credit agreement the Company currently has with a syndicate of its bankers contains a restriction on the amount the Company may pay in annual dividends. At this time, the restriction does not limit the payment of the current dividend rate by the Company.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company's Management's Discussion and Analysis is available at *www.algonet.com* and *www.sedar.com.*

7. MARKET FOR SECURITIES

The common shares of the Company are listed on The Toronto Stock Exchange under the symbol of ALC.

The price ranges and volume of common shares of the Company traded on the TSX on a monthly basis for 2015 were as follows:

Month	High	Low	Volume Traded (ooo's)
January	$16.80	$16.20	2,744
February	$17.18	$16.15	5,240
March	$17.15	$16.60	1,873
April	$17.34	$16.60	1,657
May	$17.14	$16.70	1,453
June	$17.25	$16.85	2,443
July	$17.50	$16.91	1,909
August	$17.60	$15.50	4,531
September	$16.80	$15.17	1,413
October	$15.70	$15.25	12,353
November	$15.68	$14.26	3,720
December	$15.02	$13.27	2,360

8. CAPITAL STRUCTURE

Authorized share capital consists of an unlimited number of common and preferred shares with no par value.

The Company has 38,913,733 common shares outstanding at December 31, 2015.

At December 31, 2015 and 2014 there were no preferred shares issued and outstanding.

9. DIRECTORS AND OFFICERS

The following are the names and municipalities of residence of the directors and officers of the Company, their positions and principal occupations within the past five years and the period during which each director has served as director of the Company. The bylaws of the Company provide that all of the directors hold office until the next annual meeting of shareholders or until their respective successor is elected.

Directors

Richard B. Carty, Toronto, Ontario
During the last five years Mr. Carty has been Vice-President, General Counsel and Corporate Secretary, E-L Financial Corporation Limited.
He has served as a director of the Company since 2010.

E. M. Blake Hutcheson, Toronto, Ontario
During the last five years, Mr. Hutcheson has been President and Chief Executive Officer of Oxford Properties Group Inc.
He has served as a director of the Company since 2003.

Duncan N. R. Jackman, Toronto, Ontario
During the last five years, Mr. Jackman has been Chairman, President and Chief Executive Officer, E-L Financial Corporation Limited.
He has served as a director of the Company since 1997.

Mark McQueen, Toronto, Ontario
During the last five years, Mr. McQueen has been President and Chief Executive Officer of Wellington Financial LLP.
He has served as a director of the Company since 2015.

Clive P. Rowe, New York, New York
During the last five years, Mr. Rowe has been a partner in the firms Oskie Capital and SLS Capital.
He has served as a director of the Company since 1999.

9. DIRECTORS AND OFFICERS

Harold S. Stephen, Mississauga, Ontario
During the last five years, Mr. Stephen has been the Chairman and Chief Executive Officer, Stonecrest Capital Inc.
He has served as a director of the Company since 2002.

Eric Stevenson, Toronto, ON
During the last five years, Mr. Stevenson has been a venture capitalist and co-founder of Perseverance Marine. Mr. Stevenson has served as a director of the Company since 2013.

Officers

Duncan N. R. Jackman, Toronto, Ontario
Chairman

Ken Bloch Soerensen, Niagara Falls, Ontario
President and Chief Executive Officer
During the last five years, Mr. Soerensen has been President and Chief Executive Officer of Algoma Central Corporation, Managing Director and Partner in IPSA Capital and Chief Executive Officer of Swiss Federal Railways Cargo.

Peter D. Winkley, Mississauga, Ontario
Vice President, Finance and Chief Financial Officer
During the last five years, Mr. Winkley has been Vice President, Finance and Chief Financial Officer of Algoma Central Corporation.

Gregg Ruhl, Amherst, New York
Senior Vice President, Engineering
During the last five years, Mr. Ruhl has been Managing Director for Canadian National Railway Company.

Wayne A. Smith, St. Catharines, Ontario
Senior Vice President, Commercial
During the last five years, Mr. Smith has been Senior Vice President, Commercial of Algoma Central Corporation.

Thomas G. Siklos, Toronto, Ontario
Vice President, Algoma Central Properties Inc.
During the last five years, Mr. Siklos has been Vice President, Algoma Central Properties Inc.

Karen A. Watt, Niagara Falls, Ontario
Vice President, Human Resources
During the last five years, Ms. Watt has been Vice President, Human Resources. of Algoma Central Corporation.
Dennis McPhee, St. Catharines, Ontario

9. DIRECTORS AND OFFICERS

Vice-President, Sales and Traffic
During the last five years, Mr. McPhee has been Vice-President, Sales and Traffic for Algoma Central Corporation.

J. Wesley Newton
Legal Counsel and Secretary
During the last five years, Mr. Newton has been Legal Counsel and Secretary for Algoma Central Corporation and Senior Corporate Counsel for Federal Express Canada.

Shareholdings of Directors and Officers

The directors and senior officers of the Company as a group beneficially own, directly or indirectly, or exercise control or direction over 159,769 or 0.4% of the outstanding common shares of the Company.

Committees of the Board of Directors

Executive Committee

The members of the Executive Committee are Duncan N. R. Jackman and Clive P. Rowe.

Audit Committee

The Company is required to have an Audit Committee of the Board of Directors. The members of the Audit Committee are Harold S. Stephen (Chair), Richard B, Carty, E.M. Blake Hutcheson and Mark McQueen.

Please refer to pages 20 to 23 of this Annual Information Form for additional information on the Audit Committee.

Corporate Governance Committee

The members of the Corporate Governance Committee are Clive P. Rowe (Chair), Richard B. Carty, Duncan N. R. Jackman and Harold S. Stephen.

Environmental Health and Safety Committee

The members of the Environmental Health and Safety Committee are Eric Stevenson (Chair), Richard B. Carty, and Duncan N. R. Jackman.

10. LEGAL PROCEEDINGS

There are no legal proceedings involving a material amount outstanding against the Company. For information on contingencies, please refer to Note 25 of the consolidated financial statements.

11. TRANSFER AGENT AND REGISTRAR

The Canadian Stock Transfer Company ("CST") is the registrar and transfer agent for the common shares of the Company. CST keeps the Register of Holders and the Register of Transfers for the common shares at its principal stock transfer office in the City of Toronto.

12. INTERESTS OF EXPERTS

Deloitte LLP is the auditor of the Company and is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

13. AUDIT COMMITTEE

Mandate of the Audit Committee

The purpose of the Audit Committee is to augment and improve financial disclosure by the Company and to monitor compliance by the Company with all applicable legal requirements in this connection.

In fulfilling this role, the Committee reviews quarterly and annual financial statements prior to Board approval. As part of this process, the Committee reviews all financial statements to satisfy itself with the fairness and consistency of the accounting practices used in creating the statements, ensuring that the Company's financial statements comply with International Financial Reporting Standards and present the approved financial statements to the Board for final approval. The Committee is also required to review all news releases containing financial information prior to their release.

The Committee also has responsibility for ensuring the integrity of the external audit process. The Committee is mandated to act as an independent liaison between external auditors and the Company. Additionally, the Committee is to ensure that its Auditors are independent and ultimately accountable to the Committee and the Board as representatives of the shareholders. Similarly, the Committee is expected to monitor external audits to ensure sufficient managerial independence and reporting.
The Committee is also responsible for administering the policy regarding employee complaints on accounting and auditing matters. This process allows for confidential employee submissions concerning any accounting or auditing matters.

13. AUDIT COMMITTEE

Composition of the Audit Committee

The Audit Committee is to be composed of only independent directors. The Chair of this Committee must have significant accounting or related financial experience and should not hold more than 20% of the Company's issued and outstanding shares.

The members of the Audit Committee are Harold S. Stephen (Chair), Richard B. Carty, E. M. Blake Hutcheson and Mark McQueen.

Each member of the Audit Committee is financially literate and independent.

According to Multilateral Instrument 52-110 – Audit Committees ("MI 52-110"), an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. According to MI 52-110, a member of an audit committee is independent if the member has no direct or indirect material relationship with the Company.

Relevant Education and Experience

The education and experience of each Audit Committee member that is relevant to the performance of his or her responsibilities as an Audit Committee member is described below:

Audit Committee Member	*Education and Experience*
Harold S. Stephen - Chairman	Mr. Stephen is a Certified Public Accountant, a former Licensed Trustee in Bankruptcy, and a former partner in the accounting firm of Ernst and Young. He has over 35 years experience advising companies in financing and capital restructuring in court supervised and informal reorganization proceedings.
E. M. Blake Hutcheson	Mr. Hutcheson has over 20 years of experience in the real estate services, investment and finance business. He is currently President and Chief Executive Officer of Oxford Properties Group Inc. Prior to that, he was the Chief Executive Officer for nine years of a real estate service company with over 1,500 employees and $250 million in annual sales.

13. AUDIT COMMITTEE

	In these roles, he has dealt with multiple complex accounting issues, several years of audits, statement preparations and has a strong working knowledge of financial reporting, tax, internal controls and accounting practices.
Richard B. Carty	Mr. Carty has a Bachelor of Commerce (Honours) Degree from Queen's University, a Bachelor of Law Degree from the University of Victoria and an MBA from Imperial College (London, U.K.). Mr. Carty has many years of experience working with audit committees and exposure to financial and accounting issues of reporting issuers, a life insurance company and a mutual fund corporation.
Mark McQueen	Mr. McQueen has worked in the financial services industry since 1993. He led Wellington Financial LP's growth from its inception as a $7 million fund in 2000 to its current $600 million investment program.

Pre-Approval Policies and Procedures

The Audit Committee has a process for approval of all audit and non-audit services to be provided by its current external auditor.

The process for the audit services requires that an annual client services plan be provided to and pre-approved by the Audit Committee prior to the commencement of services by the auditor.

All requests for non-audit services must be submitted in writing and must provide adequate details as to the particular services to be provided by the external auditor. The Audit Committee must be informed about each non-audit service provided and may not delegate its approval authority to management. Services may be approved by the Chairman of the Audit Committee for non-audit services up to $25 and the Chairman of the Audit Committee advises the Audit Committee of any such pre-approved services at its next meeting.

13. AUDIT COMMITTEE

External Auditor Service Fees

The aggregate fees for services provided by the external auditor in each of the last two years are as follows:

	2015	2014
Audit fees	$481	$496
Audit – related fees	$79	$ 108
Tax-related fees	$91	$125
Other	28	$ 7

14. ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, options to purchase securities and interests of insiders in material transactions, where applicable, is contained in the Company's management information circular for its most recent annual meeting of shareholders which involved the election of directors. Additional financial information is provided in the Company's comparative financial statements for its most recently completed financial year.

Requests for additional information should be directed to the Vice President, Finance & Chief Financial Officer, Algoma Central Corporation at 63 Church Street, Suite 600, St. Catharines, Ontario, L2R 3C4.

Additional information relating to the Company is available on their website at www.algonet.com and with SEDAR at www.sedar.com.

Algoma Central Corporation
63 Church Street, Suite 600, St. Catharines, Ontario L2R 3C4
(905) 687-7888
www.algonet.com