ALGOMA CENTRAL CORPORATION

INTERIM REPORT TO SHAREHOLDERS
For the Three Months Ended March 31, 2019 and 2018

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General

Algoma Central Corporation ("Algoma" or the "Company") operates through six segments, Domestic Dry-Bulk, Product Tankers, Ocean Self-Unloaders, Global Short Sea Shipping, Investment Properties and Corporate.

This Management's Discussion and Analysis ("MD&A") of the Company should be read in conjunction with its interim consolidated financial statements for the three months ended March 31, 2019 and 2018 and related notes thereto and has been prepared as at May 3, 2019.

The MD&A has been prepared by reference to the disclosure requirements established under National Instrument 51-102 "Continuous Disclosure Obligations" of the Canadian Securities Administrators. Additional information on the Company, including its 2018 Annual Information Form, is available on the SEDAR website at *www.sedar.com* or on the Company's website at *www.algonet.com*.

The reporting currency used is the Canadian dollar and all amounts are reported in thousands of Canadian dollars, except for per share data, and unless otherwise noted.

Impact of Seasonality on the Business

The nature of the Company's business is such that the earnings in the first quarter of each year are not indicative of the results for the other three quarters in the year. Due to the closing of the canal system and the winter weather conditions on the Great Lakes - St. Lawrence Waterway, the majority of the Domestic Dry-Bulk fleet does not operate for most of the first quarter. In addition, 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, first quarter revenues and earnings are significantly lower than those of the remaining quarters in the year.

Use of Non-GAAP Measures

The following summarizes non-GAAP financial measures utilized in the MD&A. As there is no generally accepted method of calculating these financial measures, they may not be comparable to similar measures reported by other corporations.

EBITDA refers to earnings before interest, taxes, depreciation, and amortization, including its share of the EBITDA of its equity interest in joint arrangements in this measure. EBITDA is not a recognized measure for financial statement presentation under generally accepted accounting principles as defined by IFRS. EBITDA is not intended to represent cash flow from operations and it should not be considered as an alternative to net earnings, cash flow from operations, or any other measure of performance prescribed by IFRS. The Company's EBITDA may also not be comparable to EBITDA used by other corporations, which may be calculated differently. The Company considers EBITDA to be a meaningful measure to assess its operating performance in addition to other IFRS measures. It is included because the Company believes it can be useful in measuring its ability to service debt, fund capital expenditures, and expand its business, and a version of it is used by credit providers in the financial covenants of the Company's long-term debt.

Adjusted Measures
Management assesses results on a reported and adjusted basis and considers both as useful measures of performance. Adjusted results remove items of note from reported results and are used to calculate the adjusted measure noted below. Items of note include certain items of significance that arise from time to time which management believes are not reflective of underlying business performance. We believe that adjusted measures provides the reader with a better understanding of how management assesses underlying business performance and facilitate a more informed analysis of trends.

Adjusted Basic Earnings per Share
The Company adjusts reported Basic Earnings per Share to remove the impact of items of note, net of income taxes, and any other items specified to calculate the Adjusted Basic Earnings per Share (page 4).

Return on equity is net earnings as a percent of average shareholders' equity.

Caution Regarding Forward-Looking Statements

Algoma Central Corporation's public communications often include written or oral forward-looking statements. Statements of this type are included in this document and may be included in other filings with Canadian securities regulators or in other communications. All such statements are made pursuant to the safe harbour provisions of any applicable Canadian securities legislation. Forward-looking statements may involve, but are not limited to, comments with respect to our objectives and priorities for 2019 and beyond, our strategies or future actions, our targets, expectations for our financial condition or share price and the results of or outlook for our operations or for the Canadian, U.S. and global economies. The words "may", "will", "would", "should", "could", "expects", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "predicts", "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements.

By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions, forecasts, conclusions or projections will not prove to be accurate, that our assumptions may not be correct and that actual results may differ materially from such predictions, forecasts, conclusions or projections. We caution readers of this document not to place undue reliance on our forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements.

The future outcomes that relate to forward-looking statements may be influenced by many factors, including but not limited to: on-time and on-budget delivery of new ships from shipbuilders; general economic and market conditions in the countries in which we operate; interest rate and currency value fluctuations; our ability to execute our strategic plans and to complete and integrate acquisitions; critical accounting estimates; operational and infrastructure risks; general political conditions; labour relations with our unionized workforce; the possible effects on our business of war or terrorist activities; disruptions to public infrastructure, such as transportation, communications, power or water supply, including water levels; technological changes; significant competition in the shipping industry and from other transportation providers; reliance on partnering relationships; appropriate maintenance and repair of our existing fleet by third-party contractors; health and safety regulations that affect our operations can change and be onerous and the risk of safety incidents can affect results; a change in applicable laws and regulations, including environmental regulations, could materially affect our results; economic conditions may prevent us from realizing sufficient investment returns to fund our defined benefit plans at the required levels; our ability to raise new equity and debt financing if required; weather conditions or natural disasters; our ability to attract and retain quality employees; the seasonal nature of our business; and, risks associated with the lease and ownership of real estate.

For more information, please see the discussion of risks in the Company's Annual Information Form for the year ended December 31, 2018, which outlines in detail certain key factors that may affect the Company's future results. The Annual Information Form can be found on the Company's website at www.algonet.com and on SEDAR at www.sedar.com. This should not be considered a complete list of all risks to which the Company may be subject from time to time. When relying on forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider these factors, as well as other uncertainties and potential events and the inherent uncertainty of forward-looking statements. The Company does not undertake to update any forward-looking statements, whether written or oral, that may be made, from time to time, by the organization or on its behalf, except as required by law. The forward-looking information contained in this document is presented for the purpose of assisting our shareholders in understanding our financial position as at and for the periods ended on the dates presented and our strategic priorities and objectives and may not be appropriate for other purposes.

Highlights

	2019	2018
For the periods ended March 31		
Revenue	**$ 71,853**	$ 60,488
Net loss	**$ (22,800)**	$ (9,142)
Basic loss per common share	**$ (0.59)**	$ (0.23)
As at March 31		
Common shares outstanding	**38,406,215**	38,545,715
Total assets	**$ 1,083,997**	$ 1,140,258
Total long-term financial liabilities	**$ 271,847**	$ 353,739

Consolidated revenue for the 2019 first quarter was $71,853, an increase of 19% compared to $60,488 reported for the same period in 2018. The increase was mainly as a result of high customer demand and the addition of one vessel in the Product Tanker segment, and full fleet utilization in the Ocean Self-Unloader segment. Revenue from the Global Short Sea segment, which we participate via joint ventures, is not included in the consolidated revenue figure. The Global Short Sea Shipping businesses generated revenues of $61,682 in the 2019 first quarter compared to $64,648 for the same period in 2018. The Company has a 50% interest in these businesses.

Net loss for the 2019 first quarter was $22,800 compared to $9,142 for the same period in 2018. The higher loss was mainly as a result of a foreign currency loss in 2019 versus a gain reported in 2018 and higher lay-up and dry-dock expenses in 2019 than in the prior year.

The Company uses EBITDA as a measure of the cash generating capacity of its businesses. The following table reconciles EBITDA to Net Earnings, the most nearly comparable IFRS measure. EBITDA for the 2019 first quarter was a loss of $6,914 compared to a loss of $4,197 for the same period in 2018. EBITDA is determined as follows:

For the periods ended March 31	2019	2018
Net earnings	**$ (22,800)**	$ (9,142)
Adjustments to net earnings:		
Depreciation and amortization	**14,964**	12,715
Interest, net	**3,303**	1,400
Foreign currency loss (gain)	**2,138**	(8,292)
Income tax recovery	**(10,433)**	(3,523)
Joint ventures		
Interest expense	**1,664**	685
Foreign exchange loss (gain)	**257**	(263)
Depreciation	**3,890**	2,082
Income tax expense	**103**	141
EBITDA	**$ (6,914)**	$ (4,197)

The decrease in EBITDA is a result of higher spending on winter lay-up in Domestic Dry-Bulk and on a Tanker dry-docking in the current year compared to 2018.

Outlook

The Domestic Dry-Bulk fleet is fully booked and high levels of utilization are expected as demand looks strong for the year. The Algoma Conveyor arrived in Canada and began operations on April 18, 2019 bringing our operating fleet to 19 vessels, one less than in 2018.

Subsequent to the 2019 first quarter, the Company has exercised an option to build a new Equinox Class seawaymax gearless bulker at the Jangzijiang Shipyard in China for US$38 million. The vessel is expected to arrive in Canada for the 2021 navigation season.

In the Product Tanker segment, demand is expected to stay strong, especially in the latter part of the year, and full utilization of the fleet and sustained use of outside charters are anticipated for the year. The Company acquired a seventh full-size tanker, the Algoterra, which began operations on April 20, 2019 and the vessel is expected to be in full service for the remainder of the year. The Algoscotia was on dry-dock from late February and returned to operations in early April. No further dry-dockings are planned this year.

In the Ocean Self-Unloaders segment, the Algoma Integrity left for dry-dock in late March, 2019 and will remain on dry-dock for the second quarter. In January we announced the acquisition of the three Pool vessels and we expect this transaction to close in June. This will increase our interest in the Ocean Self-Unloader Pool to approximately 40%. Demand looks steady for the remainder of the year and we look forward to adding the three vessels into operations in the second half of the year.

During and subsequent to the quarter in the Global Short Sea segment, NABH sold one vessel and acquired two vessels and NACC acquired an additional vessel. NASC has six new builds currently under construction and the vessels are expected to join the NASC fleet upon completion beginning in late 2019.

Summary of Quarterly Results

The results for the last nine quarters were as follows:

Year	Quarter	Revenue	Net Earnings (Loss)	Basic Earnings (Loss) per Share
2019	Quarter 1	$ 71,853	$ (22,800)	$ (0.59)
2018	Quarter 4	$ 149,542	$ 26,003	$ 0.68
	Quarter 3	$ 158,729	$ 19,639	$ 0.51
	Quarter 2	$ 139,442	$ 14,445	$ 0.38
	Quarter 1	$ 60,488	$ (9,142)	$ (0.23)
2017	Quarter 4	$ 139,435	$ 15,973	$ 0.34
	Quarter 3	$ 137,200	$ 32,768	$ 0.84
	Quarter 2	$ 124,147	$ 29,164	$ 0.75
	Quarter 1	$ 52,092	$ (19,105)	$ (0.49)

The following summarizes the trailing twelve month results on an adjusted and unadjusted basis in each of the last nine quarters:

		Trailing Twelve Months				
Year	Quarter	Revenue	Net Earnings	Basic Earnings per Share	Adjustment to Basic Earnings per Share *	Adjusted Basic Earnings per Share
2019	Quarter 1	$ 519,566	$ 37,285	$ 0.97	$ (0.26)	$ 0.71
2018	Quarter 4	$ 508,201	$ 50,943	$ 1.32	$ (0.26)	$ 1.06
	Quarter 3	$ 498,094	$ 40,915	$ 1.06	$ 0.03	$ 1.09
	Quarter 2	$ 476,565	$ 54,044	$ 1.40	$ (0.27)	$ 1.13
	Quarter 1	$ 461,270	$ 68,763	$ 1.77	$ (0.62)	$ 1.15
2017	Quarter 4	$ 452,874	$ 58,800	$ 1.53	$ (0.62)	$ 0.91
	Quarter 3	$ 444,017	$ 31,074	$ 0.80	$ (0.04)	$ 0.76
	Quarter 2	$ 425,045	$ 36,808	$ 0.95	$ (0.23)	$ 0.72
	Quarter 1	$ 399,935	$ 20,905	$ 0.54	$ 0.12	$ 0.66

* The following table summarizes the Adjustment to Basic Earnings per Share, by quarter, for certain items management believes are not reflective of underlying business performance.

	2016			2017				2018				2019
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Gain (loss) on shipbuilding contracts	$ —	$ 0.16	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ (0.02)	$ 0.15	$ —
Impairment (provisions) reversals	—	—	(0.81)	—	—	—	—	—	—	—	0.13	—
Sale of real estate properties	—	0.31	0.22	—	0.35	0.28	(0.01)	—	—	—	—	—
	$ —	$ 0.47	$ (0.59)	$ —	$ 0.35	$ 0.28	$ (0.01)	$ —	$ —	$ (0.02)	$ 0.28	$ —
Trailing adjustment to EPS				$ (0.12)	$ 0.23	$ 0.04	$ 0.62	$ 0.62	$ 0.27	$ (0.03)	$ 0.26	$ 0.26

Business Segment Discussion

Domestic Dry-Bulk

Financial Results Overview

For the periods ended March 31		2019		2018
Revenue	**$**	**17,853**	$	18,201
Operating expenses		**(35,070)**		(32,584)
Selling, general and administrative		**(2,905)**		(2,804)
		(20,122)		(17,187)
Depreciation and amortization		**(5,486)**		(4,671)
Gain on foreign currency forward contracts		**—**		3,977
Income tax recovery		**6,881**		5,185
Net loss	**$**	**(18,727)**	$	(12,696)

Revenues for Domestic Dry-Bulk in the 2019 first quarter decreased marginally compared to the same period in 2018 primarily as a result of lower fuel costs which we passed on to customers as part of their freight rate.

Operating expenses increased 8% in the 2019 first first quarter compared to the same period in 2018 as a result of an increase in lay-up expenses.

The increase in depreciation and amortization during the 2019 first quarter compared to last year's first quarter was a result of four new vessels operating in the fleet, partially offset by the retirement of two vessels at the beginning of 2019.

EBITDA for Domestic Dry-Bulk was a loss of $20,122, compared to a loss of $17,187 for the same period in 2018. EBITDA is determined as follows:

For the periods ended March 31		2019		2018
Net earnings (loss)	**$**	**(18,727)**	$	(12,696)
Adjustments to net earnings:				
Depreciation and amortization		**5,486**		4,671
Gain on foreign currency forward contracts		**—**		(3,977)
Income taxes		**(6,881)**		(5,185)
EBITDA	**$**	**(20,122)**	$	(17,187)

Product Tankers

Financial Results Overview

For the periods ended March 31	**2019**	2018
Revenue	**$ 27,071**	$ 19,335
Operating expenses	**(21,227)**	(15,208)
Selling, general and administrative	**(1,056)**	(737)
	4,788	3,390
Depreciation and amortization	**(3,141)**	(2,463)
Income tax expense	**(437)**	(246)
Net earnings	**$ 1,210**	$ 681

Revenues for Product Tankers increased by $7,736 in the 2019 first quarter compared to the same period in 2018 as a result of high customer demand which increased the need to hire outside charters. Additionally, there was one additional Algoma vessel, the Algonorth, operating during the quarter compared to last year. The Algonorth joined the fleet at the beginning of December, 2018 and has already been a successful addition to the fleet by aiding in reducing the need to hire one additional outside charter.

Operating expenses increased by $6,019 in the 2019 first quarter compared to the same period in 2018 due to the addition of the Algonorth to the fleet and the higher use of outside charters. Although these charters have increased revenue, the cost to operate these vessels is typically higher than our owned fleet resulting in minimal earnings from chartered vessels. Lay-up expenses were also higher as one vessel underwent a significant dry-docking during the quarter.

Depreciation and amortization increased in the 2019 first quarter compared to the same period last year as a result of the addition of the Algonorth to operations.

EBITDA for Product Tankers was $4,788 in the 2019 first quarter, an increase of 41% compared to the same period in 2018. EBITDA is determined as follows:

For the periods ended March 31	**2019**	2018
Net earnings	**$ 1,210**	$ 681
Adjustments to net earnings:		
Depreciation and amortization	**3,141**	2,463
Income taxes	**437**	246
EBITDA	**$ 4,788**	$ 3,390

Ocean Self-Unloaders

Financial Results Overview

For the periods ended March 31	**2019**	2018
Revenue	**$ 23,439**	$ 18,904
Operating expenses	**(16,130)**	(12,175)
General and administrative	**(459)**	(734)
	6,850	5,995
Depreciation and amortization	**(5,422)**	(4,525)
Income tax recovery (expense)	**2**	(1)
Loss from joint venture	**(729)**	(3)
Net earnings	**$ 701**	$ 1,466

Algoma participates in the world's largest pool of ocean-going self-unloaders (the "Pool"). The Pool's commercial results and reports a pro-rata share of Pool revenue and voyage costs (in operating expenses) for five 100% owned ships. Vessel operating expenses for these ships are recorded in operating expenses. Earnings from partially owned ships are included in the Company's joint venture, Marbulk. Algoma does not incur selling expenses on ocean self-unloader business, but instead pays a commercial fee to the Pool manager, which is reflected as an operating expense.

Revenues in the Ocean Self-Unloader segment increased by $4,535 in the 2019 first quarter compared to the same period in 2018. The increase was a result of the segment experiencing continued strength in Pool trades and the fleet being in full utilization. The Algoma Integrity was laid-up at the beginning of 2018 due to lack of demand and the Bahama Spirit underwent dry-docking during the 2018 first quarter.

Operating expenses increased by $3,955 in the 2019 first quarter compared to the same period in 2018 due to a 13% increase in operating days as a result of the fleet being in full utilization as mentioned above.

EBITDA for Ocean Self-Unloaders was $7,188 in the 2019 first quarter compared to $6,272 for the same period in 2019. EBITDA is determined as follows:

For the periods ended March 31	**2019**	2018
Net earnings	**$ 701**	$ 1,466
Adjustments to net earnings:		
Depreciation and amortization	**5,422**	4,525
Income tax (recovery) expense	**(2)**	1
Joint Venture:		
Depreciation and amortization	**518**	459
Interest expense	**173**	175
Foreign exchange (gain) loss	**301**	(391)
Income tax expense	**75**	37
EBITDA	**$ 7,188**	$ 6,272

Global Short Sea Shipping

Financial Results Overview

For the periods ended March 31		**2019**		2018
Revenue	**$**	**61,682**	$	64,648
Operating expenses		**(52,609)**		(55,487)
Selling, general and administrative		**(2,316)**		(1,097)
		6,757		8,064
Depreciation and amortization		**(6,493)**		(2,709)
Gain on sale of vessels		**1,174**		—
Interest expense		**(2,981)**		(1,019)
Foreign exchange gain (loss)		**89**		(256)
(Loss) earnings before undernoted		**(1,454)**		4,080
Income tax expense		**(55)**		(207)
Net earnings of joint ventures		**459**		427
Net earnings attributable to non-controlling interest		**354**		—
Net (loss) earnings	**$**	**(696)**	$	4,300
Company share of net (loss) earnings above	**$**	**(348)**	$	2,150
Amortization of vessel purchase price allocation and intangibles		**(125)**		(269)
Company share included in net (loss) earnings of joint ventures	**$**	**(473)**	$	1,881

The figures above reflect 100% of the joint ventures in the Global Short Sea Shipping segment. The Company's 50% share of net earnings, adjusted for amortization arising from vessel purchase price allocation and intangibles, is included in net earnings of joint ventures in our Interim Condensed Consolidated Statement of Earnings.

Revenue for Global Short Sea Shipping was $61,682 in the first quarter of 2019 compared to $64,648 for the same period in 2018. The decrease compared to the previous year period is due to the decline in the amount of commercially managed vessels by NovaAlgoma Short Sea Carriers (NASC), offset by the additional owned vessels in the NASC, NovaAlgoma Bulk Holdings (NABH) and NovaAlgoma Cement Carriers (NACC) fleets compared to the prior year period. Additionally, there was no revenue from the NABH fleet in the first quarter last year as NABH was not established until the third quarter of 2018.

Operating expenses for the first quarter of 2019 were $52,609 a decrease of $2,878 over the same period in 2018. The decrease for the quarter was due primarily to the decrease in commercially managed vessels in the NASC fleet as these vessels are typically time chartered into the fleet, partially offset by an increase in vessel operating costs generated from the increase in vessels in the NACC and NABH fleets. Operating expenses include only those costs incurred after the ships enter operation in the case of the ships acquired during the year.

Depreciation expense for the first quarter of 2019 was $6,493 an increase of $3,784 over the same period in 2018. The increase was a result of the addition of vessels to the NACC and NASC fleet over the course of the year, plus the addition of the NABH fleet. The addition of these ships also resulted in increased interest expense on related vessel financings.

NABH recorded a gain of $1,174 on the sale of a vessel in January, 2019.

Investment Properties

The Company owns a shopping centre and an apartment building located in Sault Ste. Marie, Ontario.

For the periods ended March 31	2019	2018
Revenue	**$ 2,654**	$ 3,303
Operating expenses	**(1,946)**	(1,962)
	708	1,341
Depreciation	**(676)**	(796)
Income tax expense	**(8)**	(144)
Net earnings	**$ 24**	$ 401

Corporate

The Corporate segment consists of revenue from management services to third parties, head office expenditures and other administrative expenses of the Company. Revenues are also generated from rental income provided by third party tenants in the Company's head office building. Operating expenses include the operating costs of that office building.

For the periods ended March 31	2019	2018
Revenue	**$ 836**	$ 745
Operating expenses	**(237)**	(127)
Selling, general and administrative	**(4,449)**	(2,877)
	(3,850)	(2,259)
Depreciation	**(239)**	(260)
Foreign currency (loss) gain	**(2,138)**	4,315
Interest, net	**(3,303)**	(1,400)
Income tax recovery (expense)	**3,995**	(1,271)
Net loss	**$ (5,535)**	$ (875)

Selling general and administrative increased by $1,572 in the 2019 first quarter compared to the same period in 2018 as a result of higher retirement allowances.

Consolidated

For the periods ended March 31		2019		2018
Revenue	$	71,853	$	60,488
Operating expenses		(74,610)		(62,056)
Selling, general and administrative		(8,869)		(7,152)
		(11,626)		(8,720)
Depreciation and amortization		(14,964)		(12,715)
Interest expense		(3,725)		(1,681)
Interest income		422		281
Foreign currency (loss) gain		(2,138)		8,292
Income tax recovery		10,433		3,523
(Loss) earnings of joint ventures		(1,202)		1,878
Net loss	$	(22,800)	$	(9,142)

Interest Expense

For the periods ended March 31		2019		2018
Interest expense on borrowings	$	3,728	$	4,291
Amortization of financing costs		281		286
Interest on employee future benefits, net		195		72
Interest capitalized on vessels under construction		(479)		(2,968)
	$	3,725	$	1,681

Net interest expense increased by $2,044 in the 2019 first quarter compared to the same period in 2018. Interest is capitalized on vessels under construction. Capitalized interest in 2019 relates to the construction of one vessel. 2018 capitalized interest relates to construction of five vessels, subsequently cancelled.

Foreign Currency Translation and Unrealized Gain on Foreign Currency Exchange Contracts

For the periods ended March 31		2019		2018
(Loss) gain on foreign denominated cash	$	(363)	$	3,707
Foreign exchange loss on contract cancellation receivable		(1,775)		—
Unrealized gain on foreign exchange forward contracts		—		4,585
	$	(2,138)	$	8,292

Foreign exchange forward contracts are utilized by the Company on certain purchase commitments to assist in managing its foreign exchange risk associated with payments required under shipbuilding contracts with foreign shipbuilders for vessels that will join its Canadian flag domestic dry-bulk fleet. Gains and losses on the foreign currency exchange contracts relates to the contracts being marked-to-market as a result of the fluctuation in the period of their fair value. The contracts were deemed to be ineffective for hedge accounting purposes as the maturity dates of the contracts ceased to coincide with the expected date of the payments to the shipyard as production schedules provided by the shipyards changed.

The foreign exchange loss of $1,775 in the 2019 first quarter was a result of the strengthening of the Canadian dollar at the time the refund guarantees were received.

Income Tax Provision

For the periods ended March 31		2019		2018
Combined federal and provincial statutory income tax rate		26.5%		26.5%
Loss before income tax and net loss of joint ventures	$	(32,031)	$	(14,543)
Expected income tax recovery	$	8,488	$	3,854
(Increase) decrease in expense resulting from:				
Effect of items that are not (deductible) taxable		231		432
Foreign tax rates different from Canadian statutory rate		381		237
Adjustments to prior period provision		1,419		(554)
Other		(86)		(446)
Actual tax expense	$	10,433	$	3,523

Earnings from the Company's foreign subsidiaries are taxed in jurisdictions which have nil income tax rates. The Canadian statutory rate for the Company for both 2019 and 2018 was 26.5%. Any variation in the effective income tax rate from the statutory income tax rate is due mainly to the lower income tax rates applicable to foreign subsidiaries, the effect of taxable and non-taxable items that may or may not be included in earnings and changes to income tax provisions related to prior periods.

Comprehensive Loss

The comprehensive loss for the three months ended March 31, 2019 was $30,950 compared to a loss of $6,036 for the same period in 2018. The increase in comprehensive loss for 2019 first quarter was primarily due to a higher net loss and an unrealized loss on the translation of financial statements of foreign operations compared to a gain reported in 2018.

The actuarial loss for employee future benefits, net of income tax in the first quarter 2019 was $2,675 compared to $1,237 for the same period in 2018.

Financial Condition, Liquidity and Capital Resources

Statement of Cash Flows

For the periods ended March 31		**2019**		2018
Net earnings	**$**	**(22,800)**	$	(9,142)
Operating activities	**$**	**15,716**	$	5,117
Investing activities	**$**	**(9,185)**	$	(37,973)
Financing activities	**$**	**5,880**	$	48,533

Operating Activities

Net cash generated from operating activities for the three months ended March 31, 2019 was $15,716 compared to cash generated of $5,117 in the same period in 2018. This was mainly as a result of a significantly higher net change in non-cash working capital.

Investing Activities

Net cash used in investing activities for the first quarter 2019 was primarily used for the remaining instalment on one new Equinox Class vessel that was delivered in January, 2019, the purchase of a new product tanker, and investments in Global Short Sea Shipping. This was offset by the Company receiving the remaining cancellation refund payment.

Financing Activities

Net cash from financing activities relates to increased proceeds on long-term debt used for capital purchases.

Capital Resources

The Company has cash on hand of $35,447 at March 31, 2019. Available credit facilities along with projected cash from operations for 2019 are expected to be more than sufficient to meet the Company's planned operating and capital requirements and other contractual obligations for the year.

The Company maintains credit facilities that are reviewed periodically to determine if sufficient capital is available to meet current and anticipated needs. The Company's bank credit facility (the "facility") expires July 15, 2020 and comprises a $50 million Canadian dollar and a $100 million U.S. dollar senior secured revolving bank credit facility provided by a syndicate of seven banks. The Facility bears interest at rates that are based on the Company’s ratio of senior debt to earnings before interest, taxes, depreciation and amortization and ranges from 150 to 275 basis points above bankers’ acceptance or LIBOR rates. The Company has granted a general security agreement in favour of the senior secured lenders and has granted specific collateral mortgages covering its wholly owned vessels. The Company’s real estate assets and vessels that are not wholly owned are not directly encumbered under this Facility.

The Company is subject to certain covenants including ones with respect to maintaining defined financial ratios and other conditions under the terms of the Bank Facility and the Notes. As at March 31, 2019, the Company was in compliance with all of its covenants.

Normal Course Issuer Bid

On March 15, 2019, Algoma received acceptance from the TSX to renew the normal course issuer bid (the "NCIB") for the period of March 19, 2019 through March 18, 2020. Under the renewed NCIB, the Company may purchase up to 1,000 common shares per day, representing 25% of the average daily trading volume during the six months ending March 7, 2019 to a maximum of 1,920,735 commons shares (approximately 5% of the 38,414,715 common shares issued and outstanding) during the course of the NCIB.

In conjunction with the renewal of the NCIB, the Company entered into an automatic share purchase plan on March 18, 2019 with a designated broker to allow for the purchase of its commons shares under the NCIB at times Algoma normally would not be active in the market due to applicable regulatory restrictions or internal trading black-out periods.

Although Algoma intends to purchase Shares under its NCIB there can be no assurances that any such purchases will be completed.

During the three months ended March 31, 2019 15,400 common shares were purchased for cancellation for a total cost of $204.

Contingencies

For information on contingencies, please refer to Note 30 of the consolidated financial statements for the years ending December 31, 2018 and 2017. There have been no significant changes in the items presented since December 31, 2018.

Transactions with Related Parties

The Company's ultimate controlling party is The Honourable Henry N. R. Jackman, together with a trust created in 1969 by his father, Henry R. Jackman.

There were no transactions with related parties for the three months ended March 31, 2019.

New Accounting Standards Applied

Leases

Effective January 1, 2019, the Company adopted *IFRS 16 - Leases* (IFRS 16), which supersedes *IAS 17 - Leases* (IAS 17) and its interpretive guidance.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a lease. IFRS 16 eliminates the classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. IFRS 16 also substantially carries forward the lessor accounting requirements. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. Right-of-use assets and lease liabilities will be amortized and accreted with a different pattern of expense being recognized in the statement of earnings.

The Company applied this standard using a modified retrospective approach using the following practical expedients:

- The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease; and
- For contracts entered into before the transition date, the Company relied on its assessment made applying IAS 17 and IFRIC 4 - Determining Whether an Arrangement Contains a Lease

On adoption of IFRS 16, the Company recognized lease liabilities in relation to leases which had previously been classified as operating leases under IAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted using an incremental borrowing rate of 5.95% as of January 1, 2019.

The associated right-of-use asset was measured at an amount equal to the lease liability. There were no onerous lease contracts requiring an adjustment to the right-of-use assets at the date of initial application.

The Company's leasing activities

The Company leases property in the form of offices and warehouses. Rental contracts are typically for fixed periods from 5 years, but may have extension options. Where the Company is reasonably certain to extend the option, it is included in the term of the lease. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants.

The Company may from time to time enter into short term leases of vessels or tankers which are limited to a maximum of 12 months. Payments associated with short term leases are recognized on a straight-line basis as an expense in the interim condensed consolidated statement of earnings, in line with the practical expedient in the standard.

Prior to adoption of IFRS 16, all leases were classified as operating leases, which were charged to the interim condensed consolidated statement of earnings on a straight-line basis over the period of the lease. From January 1, 2019, leases are recognized in full on the interim condensed consolidated balance sheet with a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period producing a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

Lease liabilities include the net present value of fixed payments and any variable payments which are based on an index, discounted using the Company's incremental borrowing rate. Right-of-use assets are measured at the amount of the initial lease liability and adjusted for prepaid lease payments, initial direct costs and restoration costs, if applicable.

Some property leases contain variable payment terms for the Common Area Maintenance which is recorded directly to the interim condensed consolidated statement of earnings.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Disclosure Controls and Procedures

In accordance with the requirements of National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings, the Company's management, including the Chief Executive Officer and the Chief Financial Officer, have evaluated the effectiveness of the Company's disclosure controls and procedures as of March 31, 2019. Under the supervision of and with the participation of the Chief Executive Officer and the Chief Financial Officer, management has concluded that the Company's disclosure controls and procedures were effective as of March 31, 2019.

Internal Controls over Financial Reporting

The Company's management is responsible for designing, establishing and maintaining an adequate system of internal controls over financial reporting. The internal control system was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes, in accordance with IFRS. Because of inherent limitations, internal controls over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

Management has used the criteria established in the 2013 Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission to assess, with the participation of the Chief Executive Officer and Chief Financial Officer, the effectiveness of the Company's internal controls over financial reporting. Based on this assessment, management has concluded that the Company's internal controls over financial reporting are operating effectively as of March 31, 2019.

Changes in Internal Controls over Financial Reporting

During the three months ended March 31, 2019, there have been no changes in the Company's policies and procedures and other processes that comprise its internal control over financial reporting, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Contractual Obligations

The table below provides aggregate information about the Company's contractual obligations at March 31, 2019 that affect the Company's liquidity and capital resource needs.

	2019	2020	2021	2022	2023 and Beyond
Long-term debt including equity component	$ 15,097	$ 136	$ 175,366	$ 150	$ 87,698
Capital asset commitments	128,044	18,842	—	—	—
Interest payments on long-term debt	9,164	13,856	9,638	4,581	6,558
	$ 152,305	$ 32,834	$ 185,004	$ 4,731	$ 94,256

ALGOMA CENTRAL CORPORATION

Interim Condensed Consolidated Financial Statements
For the Three Months Ended March 31, 2019 and 2018

Notice of disclosure of no auditor review of interim condensed consolidated financial statements pursuant to National Instrument 51-02, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators.

The accompanying interim condensed consolidated financial statements of Algoma Central Corporation for the three months ended March 31, 2019 and 2018 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting as issued by the International Accounting Standards Board and are the responsibility of the Company's management. The Company's independent auditors have not performed an audit or a review of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Earnings

For the periods ended March 31 (unaudited, in thousands of dollars, except per share data)	Notes	2019	2018 (Note 4)
Revenue	5	**$ 71,853**	$ 60,488
Expenses			
Operations		**(74,610)**	(62,056)
Selling, general and administrative		**(8,869)**	(7,152)
		(83,479)	(69,208)
		(11,626)	(8,720)
Depreciation and amortization		**(14,964)**	(12,715)
Interest expense	7	**(3,725)**	(1,681)
Interest income		**422**	281
Foreign currency (loss) gain	8	**(2,138)**	8,292
		(32,031)	(14,543)
Income Tax Recovery	9	**10,433**	3,523
Net (Loss) Earnings of Joint Ventures	6	**(1,202)**	1,878
Net Loss		**$ (22,800)**	$ (9,142)
Basic Loss per Share	17	**$ (0.59)**	$ (0.23)
Diluted Loss per Share	17	**$ (0.59)**	$ (0.23)

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Comprehensive Earnings

For the periods ended March 31 (unaudited, in thousands of dollars)	2019	2018
		(Note 4)
Net Loss	**$ (22,800)**	$ (9,142)
Other Comprehensive (Loss) Earnings		
Items that may be subsequently reclassified to net earnings:		
Unrealized (loss) gain on translation of financial statements of foreign operations	**(7,290)**	8,043
Unrealized gain (loss) on hedging instruments, net of income tax	**1,815**	(815)
Foreign exchange gain on purchase commitment hedge reserve, net of income tax, transferred to:		
Net earnings	**—**	(2,852)
Property, plant, and equipment	**—**	(33)
Items that will not be subsequently reclassified to net earnings:		
Employee future benefits actuarial loss, net of income tax	**(2,675)**	(1,237)
	(8,150)	3,106
Comprehensive Loss	**$ (30,950)**	$ (6,036)

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Balance Sheet

As at (unaudited, in thousands of dollars)	Notes	**March 31 2019**	December 31 2018
Assets			
Current			
Cash and cash equivalents		**$ 35,447**	$ 25,539
Accounts receivable		**44,418**	72,714
Income taxes recoverable		**23,241**	18,826
Other current assets	10	**17,758**	82,908
		120,864	199,987
Employee Future Benefits		**—**	2,452
Property, Plant, and Equipment	11	**786,535**	726,251
Goodwill and Intangible Assets	12	**14,383**	15,653
Investment in Joint Ventures	6	**147,609**	153,289
Other Assets	13	**14,606**	14,261
		$ 1,083,997	$ 1,111,893
Liabilities			
Current			
Accounts payable and accrued charges		**$ 69,195**	$ 67,032
Current portion of long-term debt	16	**15,131**	130
Income taxes payable		**384**	7,343
Other current liabilities	14	**936**	796
		85,646	75,301
Other Long-Term Liabilities	15	**937**	3,296
Deferred Income Taxes		**47,940**	48,430
Employee Future Benefits		**25,199**	23,853
Long-Term Debt	16	**256,716**	258,458
		330,792	334,037
Commitments	20		
Shareholders' Equity			
Share Capital	17	**8,237**	8,240
Contributed Surplus		**8,638**	8,839
Convertible Debentures		**2,309**	2,309
Accumulated Other Comprehensive Loss	18	**(16,320)**	(10,845)
Retained Earnings		**664,695**	694,012
		667,559	702,555
		$ 1,083,997	$ 1,111,893

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Changes in Equity

(unaudited, in thousands of dollars)	Share Capital (Note 17)	Contributed Surplus and Convertible Debentures	Accumulated Other Comprehensive Loss (Note 18)	Retained Earnings	Total Equity
Balance at December 31, 2017 (Note 4)	$ 8,268	$ 13,012	$ (23,507)	$ 665,293	$ 663,066
Net loss	—	—	—	(9,142)	(9,142)
Dividends	—	—	—	(3,502)	(3,502)
Repurchase and cancellation of common shares	(1)	(139)	—	—	(140)
Other comprehensive earnings (loss)	—	—	4,343	(1,237)	3,106
Balance at March 31, 2018 (Note 4)	$ 8,267	$ 12,873	$ (19,164)	$ 651,412	$ 653,388
Balance at December 31, 2018	$ 8,240	$ 11,148	$ (10,845)	$ 694,012	$ 702,555
Net loss	—	—	—	(22,800)	(22,800)
Dividends	—	—	—	(3,842)	(3,842)
Repurchase and cancellation of common shares	(3)	(201)	—	—	(204)
Other comprehensive loss	—	—	(5,475)	(2,675)	(8,150)
Balance at March 31, 2019	**$ 8,237**	**$ 10,947**	**$ (16,320)**	**$ 664,695**	**$ 667,559**

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Cash Flows

For the three months ended March 31 (unaudited, in thousands of dollars)	Notes	2019	2018
			(Note 4)
Net Inflow (Outflow) of Cash Related to the Following Activities			
Operating			
Net loss		**$ (22,800)**	$ (9,142)
Loss (earnings) of joint ventures	6	**1,202**	(1,878)
Items not affecting cash			
Depreciation and amortization		**14,964**	12,715
Other		**(4,993)**	(10,415)
Net change in non-cash operating working capital		**28,340**	17,708
Income taxes paid		**(718)**	(3,261)
Employee future benefits paid		**(279)**	(610)
Net cash generated from operating activities		**15,716**	5,117
Investing			
Additions to property, plant, and equipment	19	**(74,741)**	(22,418)
Cancellation refunds received		**66,242**	—
Distributions received from joint ventures	6	**2,078**	6,448
Investment in joint ventures	6	**(794)**	(22,284)
Compensation payments to pool members		**(3,543)**	—
Interest received		**1,573**	281
Net cash used in investing activities		**(9,185)**	(37,973)
Financing			
Interest paid		**(5,137)**	(5,341)
Proceeds of long-term debt		**15,000**	76,334
Repayments on long-term debt		**(32)**	(18,818)
Repurchase of common shares		**(204)**	(140)
Dividends paid		**(3,747)**	(3,502)
Net cash generated from financing activities		**5,880**	48,533
Net Change in Cash		**12,411**	15,677
Effects of Exchange Rate Changes on Cash Held in Foreign Currencies		**(2,503)**	1,048
Cash, Beginning of Period		**25,539**	68,860
Cash, End of Period		**$ 35,447**	$ 85,585

See accompanying notes to the interim condensed consolidated financial statements.

1. ORGANIZATION AND DESCRIPTION OF BUSINESS

Algoma Central Corporation (the "Company") is incorporated in Canada and is listed on the Toronto Stock Exchange. The address of the Company's registered office is 63 Church St, Suite 600, St. Catharines, Ontario, Canada. The interim condensed consolidated financial statements of the Company for the three months ended March 31, 2019 and 2018 comprise the Company, its subsidiaries and the Company's interest in associated and jointly controlled entities.

The principal subsidiaries are Algoma Shipping Ltd., Algoma International Shipholdings Ltd., Algoma Tankers Limited and Algoma Central Properties Inc. The principal jointly controlled entities are Marbulk Canada Inc. (50%), NovaAlgoma Cement Carriers Limited (50%), NovaAlgoma Short-Sea Holdings Ltd. (50%) and NovaAlgoma Bulk Holdings Ltd. (50%). In addition, Algoma Shipping Ltd. and Marbulk Canada Inc. are members of an international pool arrangement (the "Pool"), whereby revenues and related voyage expenses are distributed to each Pool member based on the earnings capacity of the vessels.

Algoma Central Corporation owns and operates the largest fleet of dry and liquid bulk carriers operating on the Great Lakes – St. Lawrence Waterway. The Company's Canadian flag fleet consists of self-unloading dry-bulk carriers, gearless dry-bulk carriers and product tankers.

The Domestic Dry-Bulk marine transportation segment includes ownership and management of the operational and commercial activities of the Company's vessel fleet. The dry-bulk vessels carry cargoes of raw materials such as iron ore, grain, salt and aggregates and operate throughout the Great Lakes – St. Lawrence Waterway, from the Gulf of St. Lawrence through all five Great Lakes. This segment also includes the operational management of vessels owned by other ship owners.

The Product Tankers marine transportation segment includes ownership and management of the operational and commercial activities of Canadian flag tanker vessels operating on the Great Lakes, the St. Lawrence Seaway and the east coast of North America.

The Ocean Self-Unloaders marine transportation segment includes ownership of five ocean-going self-unloading vessels, a 50% interest in a sixth self-unloader and a 25% interest in a specialized ocean vessel. The ocean vessels are engaged in the carriage of dry-bulk commodities in worldwide trades.

The Global Short Sea Shipping segment includes the Company's 50% interests, through joint ventures, in NovaAlgoma Cement Carriers Limited, NovaAlgoma Short-Sea Holdings Ltd. and NovaAlgoma Bulk Holdings Ltd.

The nature of the Company's business is such that the 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. In addition, 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, first quarter revenues and earnings are significantly lower than those for the remaining three quarters of the year.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB") and using the same accounting policies and methods as were used for the Company's Consolidated Financial Statements and the notes thereto for the years ended December 31, 2018 and 2017, except as described in Note 3. The financial statements should be read in conjunction with the Company's Consolidated Financial Statements for the years ended December 31, 2018 and 2017.

The reporting currency used is the Canadian dollar and all amounts are reported in thousands of Canadian dollars, except for share data and unless otherwise noted.

The interim condensed consolidated financial statements were approved by the Board of Directors and authorized for issue on May 3, 2019.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

APPLIED

Leases

Effective January 1, 2019, the Company adopted *IFRS 16 - Leases* (IFRS 16), which supersedes *IAS 17 - Leases* (IAS 17) and its interpretive guidance.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a lease. IFRS 16 eliminates the classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. IFRS 16 also substantially carries forward the lessor accounting requirements. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. Right-of-use assets and lease liabilities will be amortized and accreted with a different pattern of expense being recognized in the statement of earnings.

The Company applied this standard using a modified retrospective approach using the following practical expedients:

- The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease; and
- For contracts entered into before the transition date, the Company relied on its assessment made applying IAS 17 and IFRIC 4 - Determining Whether an Arrangement Contains a Lease

On adoption of IFRS 16, the Company recognized lease liabilities in relation to leases which had previously been classified as operating leases under IAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted using an incremental borrowing rate of 5.95% as of January 1, 2019.

The associated right-of-use asset was measured at an amount equal to the lease liability. There were no onerous lease contracts requiring an adjustment to the right-of-use assets at the date of initial application.

The change in accounting policy affected the following items in the balance sheet on January 1, 2019:

- Right-of-use asset - increase by $429
- Lease liability - increase by $429

The Company's leasing activities

The Company leases property in the form of offices and warehouses. Rental contracts are typically for fixed periods from 5 years, but may have extension options. Where the Company is reasonably certain to extend the option, it is included in the term of the lease. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants.

The Company may from time to time enter into short term leases of vessels or tankers which are limited to a maximum of 12 months. Payments associated with short term leases are recognized on a straight-line basis as an expense in the interim condensed consolidated statement of earnings, in line with the practical expedient in the standard.

Prior to adoption of IFRS 16, all leases were classified as operating leases, which were charged to the interim condensed consolidated statement of earnings on a straight-line basis over the period of the lease. From January 1, 2019, leases are recognized in full on the interim condensed consolidated balance sheet with a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period producing a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

Lease liabilities include the net present value of fixed payments and any variable payments which are based on an index, discounted using the Company's incremental borrowing rate. Right-of-use assets are measured at the amount of the initial lease liability and adjusted for prepaid lease payments, initial direct costs and restoration costs, if applicable.

Some property leases contain variable payment terms for the Common Area Maintenance which is recorded directly to the interim condensed consolidated statement of earnings.

The Company reports its right-of-use asset and lease liability as part of other assets and liabilities on the interim condensed consolidated balance sheet. The tables below show continuity schedules of the right-of-use asset and lease liability:

(unaudited, in thousands of dollars)		2019
Right-of-use asset at January 1	$	429
Depreciation		(15)
Effect of foreign currency exchange differences		(8)
Right-of-use asset at March 31	**$**	**406**

(unaudited, in thousands of dollars)		2019
Lease liability at January 1	$	429
Interest accretion		5
Payments		(14)
Effect of foreign currency exchange differences		(19)
Lease liability at March 31	**$**	**401**

Depreciation expense for the right-of-use assets is recognized within depreciation and amortization expenses while interest expense for the lease liabilities is recognized within interest expense in the interim condensed consolidated statement of earnings. For the three months ended March 31, 2019, these amounts correspond to the depreciation of $15 and the interest accretion of $5 reported in the tables above.

Shown below is a table detailing the components of all cash payments relating to leases following the adoption of IFRS 16:

For the period ended March 31 (unaudited, in thousands of dollars)		2019
Payments - short term leases	$	4,812
Payments per IFRS 16		14
Non-lease components per IFRS 16		14
Total cash payments	**$**	**4,840**

Shown below is a maturity analysis of the lease liabilities:

As at March 31 (unaudited, in thousands of dollars)		2019
Within 1 year	$	48
Within 1 to 5 years		170
Over 5 years		183
Total lease liabilities	**$**	**401**

4. REVISIONS TO PRIOR PERIOD COMPARATIVES

In the second quarter of 2018, the Company identified an immaterial error relating to the fair value measurement of a foreign exchange forward contract recorded as of December 31, 2017 and March 31, 2018, resulting in a reduction of 2017 previously reported net earnings of $2,605, and a reduction of previously reported net loss for the three months ended March 31, 2018 of $1,689. This immaterial error has been retrospectively adjusted in the balance sheet and statement of earnings as described below.

The impact on the comparative interim condensed consolidated statement of earnings is outlined in the table below. The impact to the interim condensed consolidated balance sheet previously reported as at March 31, 2018 was an overstatement of derivative liabilities of $1,056 and an understatement of income taxes payable of $140. There has been no change to the previously reported cash flows from operating, investing, and financing activities in the comparative interim condensed consolidated statements of cash flow for any period and there was no impact to any other prior periods.

For the three months ended March 31 (unaudited, in thousands of dollars, except per share data)		2018
Impact on Net Loss		
Net loss as previously reported	$	(7,453)
Adjustment to unrealized gain on foreign currency		(1,947)
Adjustment to income tax expense		258
Adjustment to net loss		(1,689)
Adjusted net loss	$	(9,142)
Impact on Loss per Share		
Basic weighted average number of shares outstanding		38,550,115
Impact of diluted securities		
Convertible unsecured subordinated debentures		3,900,709
Net loss per share as previously reported:		
Basic		(0.19)
Diluted		(0.19)
Impact of adjustment to net loss per share:		
Basic		(0.04)
Diluted		(0.04)
Adjusted net loss per share:		
Basic		(0.23)
Diluted		(0.23)

5. REVENUE

Disaggregated revenue by segment is as follows:

For the three months ended March 31 (unaudited, in thousand of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Investment Properties	Corporate	Total
2019						
Contract of Affreightment	$ 8,803	$ —	$ —	$ —	$ —	$ 8,803
Time Charter	8,948	27,069	—	—	—	36,017
Pool Revenue Share	—	—	23,439	—	—	23,439
Other	102	2	—	2,654	836	3,594
	$ 17,853	**$ 27,071**	**$ 23,439**	**$ 2,654**	**$ 836**	**$ 71,853**
2018						
Contract of Affreightment	$ 8,971	$ —	$ —	$ —	$ —	$ 8,971
Time Charter	8,315	19,335	—	—	—	27,650
Pool Revenue Share	—	—	18,904	—	—	18,904
Other	915	—	—	3,303	745	4,963
	$ 18,201	$ 19,335	$ 18,904	$ 3,303	$ 745	$ 60,488

The Company's contract assets and liabilities are as follows:

As at (unaudited, in thousands of dollars)	March 31 2019	December 31 2018
Contract assets		
Unbilled revenue	**$ 8,187**	$ 4,475

As at (unaudited, in thousands of dollars)	March 31 2019	December 31 2018
Contract liabilities		
Deferred revenue	**$ 843**	$ 1,045

6. JOINT VENTURES

The Company has a 50% interest in Marbulk Canada Inc. ("Marbulk"), which owns and operates ocean-going vessels and participates in an international commercial arrangement, a 50% interest in NovaAlgoma Cement Carriers Limited ("NACC"), which owns and operates pneumatic cement carriers to support infrastructure projects worldwide, a 50% interest in NovaAlgoma Short-Sea Holdings Ltd. ("NASH"), which owns and manages short sea dry-bulk vessels in global markets, and a 50% interest in NovaAlgoma Bulk Holdings Ltd. ("NABH"), which owns and operates a small fleet of deep sea vessels.

Operating results of the Company's joint ventures are as follows:

For the three months ended March 31 (unaudited, in thousands of dollars)	2019		2018	
	Ocean Self-Unloaders	**Global Short Sea Shipping**	Ocean Self-Unloaders	Global Short Sea Shipping
Revenue	**$ 2,530**	**$ 61,682**	$ 2,264	$ 64,648
Operating expenses	**(1,740)**	**(52,609)**	(1,478)	(55,487)
Gain on sale of vessels	**—**	**1,174**	—	—
General and administrative	**(114)**	**(2,316)**	(233)	(1,097)
Depreciation and amortization	**(1,036)**	**(6,493)**	(917)	(2,709)
Interest expense	**(346)**	**(2,981)**	(350)	(1,019)
Foreign exchange (loss) gain	**(602)**	**89**	782	(256)
(Loss) earnings before undernoted	**(1,308)**	**(1,454)**	68	4,080
Net earnings of joint ventures	**—**	**459**	—	427
Net earnings attributable to non-controlling interest	**—**	**354**	—	—
Income tax (expense) recovery	**(150)**	**(55)**	(74)	(207)
Net (loss) earnings	**$ (1,458)**	**$ (696)**	$ (6)	$ 4,300
Company share of net (loss) earnings	**$ (729)**	**$ (348)**	$ (3)	$ 2,150
Amortization of vessel purchase price allocation and intangibles	**—**	**(125)**	—	(269)
Company share included in net (loss) earnings of joint ventures	**$ (729)**	**$ (473)**	$ (3)	$ 1,881

The Company's total share of net (loss) earnings of the jointly controlled operations by segment are as follows:

For the three months ended March 31 (unaudited, in thousands of dollars)	2019	2018
Ocean Self-Unloaders	**$ (729)**	$ (3)
Global Short Sea Shipping	**(473)**	1,881
	$ (1,202)	$ 1,878

The assets and liabilities of the joint ventures by segment are as follows:

As at (unaudited, in thousands of dollars)	March 31 2019		December 31 2018	
	Ocean Self-Unloaders	**Global Short Sea Shipping**	Ocean Self-Unloaders	Global Short Sea Shipping
Cash	**$ 5,442**	**$ 8,713**	$ 6,472	$ 18,171
Other current assets	**1,298**	**44,760**	1,518	53,524
Income taxes recoverable	**50**	**24**	52	25
Property, plant, and equipment	**31,050**	**416,650**	32,666	439,741
Investment in joint ventures	**—**	**18,100**	—	17,974
Intangible assets	**514**	**80**	624	61
Other assets	**—**	**29,098**	—	18,046
Current liabilities	**(2,570)**	**(55,625)**	(2,410)	(57,851)
Due to owners	**(29,074)**	**—**	(30,588)	—
Long-term debt	**—**	**(198,759)**	—	(226,061)
Other long-term liabilities	**—**	**(20,333)**	—	(11,141)
Deferred income taxes	**—**	**(615)**	—	(598)
Non-controlling interest	**—**	**(1,941)**	—	(2,345)
Net assets of jointly controlled operations	**$ 6,710**	**$ 240,152**	$ 8,334	$ 249,546
Company share of net assets	**$ 3,309**	**$ 120,076**	$ 4,167	$ 124,773
Goodwill and other purchase price adjustments	**—**	**24,224**	—	24,349
Company share of joint venture	**$ 3,309**	**$ 144,300**	$ 4,167	$ 149,122

The Company's net investment in the jointly controlled operations by segment are as follows:

As at (unaudited, in thousands of dollars)	March 31 2019	December 31 2018
Ocean Self-Unloaders	**$ 3,309**	$ 4,167
Global Short Sea Shipping	**144,300**	149,122
	$ 147,609	$ 153,289

The Company's cash flows from joint ventures by segment are as follows:

For the three months ended March 31 (unaudited, in thousands of dollars)	2019		2018	
	Distributions received	**Investment in joint ventures**	Distributions received	Investment in joint ventures
Ocean Self-Unloaders	**$ —**	**$ —**	$ 1,290	$ (5)
Global Short Sea Shipping	**2,078**	**(794)**	5,158	(22,279)
	$ 2,078	**$ (794)**	$ 6,448	$ (22,284)

7. INTEREST EXPENSE

The components of interest expense are as follows:

For the periods ended March 31 (unaudited, in thousands of dollars)	2019	2018
Interest expense on borrowings	**$ 3,728**	$ 4,291
Amortization of financing costs	**281**	286
Interest on employee future benefits, net	**195**	72
Interest capitalized on vessels under construction	**(479)**	(2,968)
	$ 3,725	$ 1,681

8. FOREIGN CURRENCY (LOSS) GAIN

The components of net (loss) gain on foreign currency are as follows:

For the periods ended March 31 (unaudited, in thousands of dollars)	2019	2018
(Loss) gain on foreign denominated cash	$ (363)	$ 3,707
Foreign exchange loss on contract cancellation receivable	(1,775)	—
Unrealized gain on foreign exchange forward contracts	—	4,585
	$ (2,138)	$ 8,292

9. INCOME TAXES

A reconciliation comparing income taxes calculated at the Canadian statutory rate to the amount provided in the interim condensed consolidated financial statements is as follows:

For the periods ended March 31 (unaudited, in thousands of dollars)	2019	2018
Combined federal and provincial statutory income tax rate	26.5%	26.5%
Net loss before income tax and earnings of joint ventures	$ (32,031)	$ (14,543)
Expected income tax recovery	$ 8,488	$ 3,854
(Increase) decrease in expense resulting from:		
Effect of items that are not (deductible) taxable	231	432
Foreign tax rates different from Canadian statutory rate	381	237
Adjustments to prior period provision	1,419	(554)
Other	(86)	(446)
	$ 10,433	$ 3,523

10. OTHER CURRENT ASSETS

The components of other current assets are as follows:

As at (unaudited, in thousands of dollars)	March 31 2019	December 31 2018
Materials and supplies	$ 8,175	$ 8,187
Prepaid expenses	9,342	4,401
Loan interest receivable	180	709
Right-of-use assets (Note 3)	61	—
Derivative asset	—	1,571
Contract cancellation receivable	—	68,040
	$ 17,758	$ 82,908

11. PROPERTY, PLANT, AND EQUIPMENT

Details of property, plant, and equipment are as follows:

Cost (unaudited, in thousands of dollars)	Corporate	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Investment Properties	Total
Balance at December 31, 2018	$ 17,716	$ 634,248	$ 217,597	$ 260,707	$ 57,833	$ 1,188,101
Additions	33	38,528	23,956	14,913	24	77,454
Effect of foreign currency exchange differences	(1)	—	—	(5,168)	—	(5,169)
Balance at March 31, 2019	**$ 17,748**	**$ 672,776**	**$ 241,553**	**$ 270,452**	**$ 57,857**	**$ 1,260,386**

Accumulated depreciation (unaudited, in thousands of dollars)	Corporate	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Investment Properties	Total
Balance at December 31, 2018	$ 10,856	$ 219,231	$ 107,512	$ 85,883	$ 38,368	$ 461,850
Depreciation expense	229	5,481	3,140	4,261	676	13,787
Effect of foreign currency exchange differences	—	—	—	(1,786)	—	(1,786)
Balance at March 31, 2019	**$ 11,085**	**$ 224,712**	**$ 110,652**	**$ 88,358**	**$ 39,044**	**$ 473,851**

Net Book Value (unaudited, in thousands of dollars)	Corporate	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Investment Properties	Total
March 31, 2019						
Cost	$ 17,748	$ 672,776	$ 241,553	$ 270,452	$ 57,857	$ 1,260,386
Accumulated depreciation	11,085	224,712	110,652	88,358	39,044	473,851
	$ 6,663	**$ 448,064**	**$ 130,901**	**$ 182,094**	**$ 18,813**	**$ 786,535**
December 31, 2018						
Cost	$ 17,716	$ 634,248	$ 217,597	$ 260,707	$ 57,833	$ 1,188,101
Accumulated depreciation	10,856	219,231	107,512	85,883	38,368	461,850
	$ 6,860	$ 415,017	$ 110,085	$ 174,824	$ 19,465	$ 726,251

12. GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangible assets consist of the following:

(unaudited, in thousands of dollars)	Goodwill	Intangible Assets	Total
Balance at January 1, 2018	$ 7,910	$ 7,921	$ 15,831
Additions	—	2,414	2,414
Amortization	—	(3,186)	(3,186)
Effect of foreign currency exchange differences	—	594	594
Balance at December 31, 2018	$ 7,910	$ 7,743	$ 15,653
Amortization	—	(1,102)	(1,102)
Effect of foreign currency exchange differences	—	(168)	(168)
Balance at March 31, 2019	**$ 7,910**	**$ 6,473**	**$ 14,383**

Goodwill

As part of a business acquisition in 2011, the Company recognized goodwill of $7,910 on the allocation of the purchase price, determined as the excess over the fair values of the net tangible and identifiable intangible assets acquired.

Intangible Assets

The Company owns vessels that participate in a self-unloader ocean-going Pool with unrelated parties. In April 2016, January 2017 and December 2018, other Pool members withdrew certain vessels due to market overcapacity. These vessel owners were compensated for their loss of future earnings resulting from the withdrawal of the vessels. The Company's interest in the Pool increased as a result and its value, which initially was equal to the Company's share of the compensation payable to the other owners, has been recorded as an intangible asset and is being amortized over two to four years.

13. OTHER ASSETS

Other assets consist of the following:

As at (unaudited, in thousands of dollars)	**March 31 2019**	December 31 2018
Loan receivable from joint venture, interest at 4.98%	**$ 14,244**	$ 14,244
Right-of-use assets (Note 3)	**345**	—
Other	**17**	17
	$ 14,606	$ 14,261

14. OTHER CURRENT LIABILITIES

The components of other current liabilities are as follows:

As at (unaudited, in thousands of dollars)	March 31 2019	December 31 2018
Dividends payable	**$ 762**	$ 668
Lease obligations (Note 3)	**48**	—
Compensation payable to Pool members	**126**	128
	$ 936	$ 796

15. OTHER LONG-TERM LIABILITIES

Other long-term liabilities consist of the following:

As at (unaudited, in thousands of dollars)	March 31 2019	December 31 2018
Compensation payable to Pool members	**$ 584**	$ 3,296
Lease obligations (Note 3)	**353**	—
	$ 937	$ 3,296

A portion of the compensation paid to other Pool members for the retirement of five vessels is payable in annual instalments in future years and has been recorded as an Other Long-Term Liability. The Company's share of the liability related to this compensation is payable in equal annual instalments that commenced April 1, 2017 over a period of two to four years.

16. LONG-TERM DEBT

As at (unaudited, in thousands of dollars)	March 31 2019	December 31 2018
Convertible unsecured subordinated debentures, due June 30, 2024, interest at 5.25%	**$ 79,853**	$ 79,749
Senior Secured Notes, due July 19, 2021		
U.S. $75,000, interest fixed at 5.11%	**100,223**	102,315
Canadian $75,000, interest fixed at 5.52%	**75,000**	75,000
Bank Facility, due July 15, 2020		
Prime rate loan, interest at 4.70%, payable on demand	**15,000**	—
Mortgage payable, due March 8, 2023, interest at 4.73%	**5,724**	5,756
	275,800	262,820
Less: unamortized financing expenses	**3,953**	4,232
	271,847	258,588
Less: current portion of long-term debt	**15,131**	130
	$ 256,716	$ 258,458

The Company is subject to certain covenants including ones with respect to maintaining defined financial ratios and other conditions under the terms of the Bank Facility and the Senior Secured Notes.

As at March 31, 2019 and December 31, 2018 the Company was in compliance with all of its covenants.

17. SHARE CAPITAL

Share capital

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

The Company has 38,406,215 common shares outstanding as at March 31, 2019 (December 31, 2018 - 38,421,615).

At March 31, 2019 and December 31, 2018 there were no preferred shares issued and outstanding.

The Company's Board of Directors on May 3, 2019 authorized payment of a quarterly dividend to shareholders of $0.10 per common share. In addition to the quarterly dividend, the Company's Board of Directors authorized payment of a special dividend of $0.75 per common share. The dividends are payable on June 3, 2019 to shareholders of record on May 17, 2019.

The basic and diluted net loss per share are computed as follows:

For the periods ended March 31 (unaudited, in thousands of dollars)	2019	2018
		(Note 4)
Net loss	$ (22,800)	$ (9,142)
Interest expense on debentures, net of tax	975	971
Net loss for diluted earnings per share	$ (21,825)	$ (8,171)
Basic weighted average common shares	38,411,882	38,550,115
Shares due to dilutive effect of debentures	3,900,709	3,900,709
Diluted weighted average common shares	42,312,591	42,450,824
Basic loss per common share	$ (0.59)	$ (0.23)
Diluted loss per common share	$ (0.59)	$ (0.23)

Normal Course Issuer Bid

On March 15, 2019, the Toronto Stock Exchange accepted Algoma's notice of intention to renew its normal course issuer bid ("NCIB") to purchase up to 1,920,735 of its common shares, representing approximately 5% of the common shares issued and outstanding as of the close of business on March 7, 2019.

Under the NCIB, the Company may purchase up to 1,000 common shares per day, representing 25% of the average daily trading volume for the previous six months. The Company may buy back common shares anytime during the twelve-month period beginning on March 19, 2019 and ending on March 18, 2020. The stated capital of the common shares of $0.21 per share on the balance sheet equals the approximate paid-up capital amount of the common shares for purposes of the Income Tax Act. The purchase results in a reduction to share capital and a reduction to contributed surplus for the balance of the purchase price and expenses. Both items have been identified separately on the Interim Condensed Consolidated Statement of Changes in Equity.

The Company's previous NCIB, which began on January 29, 2018 and concluded on January 28, 2019, resulted in the repurchase and cancellation of 137,600 common shares.

18. ACCUMULATED OTHER COMPREHENSIVE LOSS

	Hedges			
(unaudited, in thousands of dollars)	Net investment	Purchase commitment	Foreign exchange translation	Total
Balance at December 31, 2017	$ (13,179)	$ 665	$ (10,993)	$ (23,507)
(Loss) gain	(11,677)	1,914	26,865	17,102
Reclassified to earnings	—	(3,284)	—	(3,284)
Reclassified to property, plant, and equipment	—	(72)	—	(72)
Income tax (expense) recovery	(1,861)	777	—	(1,084)
Net (loss) gain	(13,538)	(665)	26,865	12,662
Balance at December 31, 2018	$ (26,717)	$ —	$ 15,872	$ (10,845)
Gain (loss)	2,093	—	(7,291)	(5,198)
Income tax expense	(277)	—	—	(277)
Net gain (loss)	1,816	—	(7,291)	(5,475)
Balance at March 31, 2019	**$ (24,901)**	**$ —**	**$ 8,581**	**$ (16,320)**

19. SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION

The change in additions to property, plant and equipment is as follows:

For the three months ended March 31 (unaudited, in thousands of dollars)	Notes	2019	2018
Additions to Property, Plant, and Equipment	11	$ 77,454	$ 28,909
Capitalized interest	7	(479)	(2,968)
Amounts included in working capital		(2,234)	(3,523)
		$ 74,741	$ 22,418

20. COMMITMENTS

The Company has remaining commitments to acquire the interest held by Oldendorff Carriers GMBH & Co. in the CLSI Pool and, through its interest in a joint venture, six bulk carriers. The payment of $120,868 ($90,450 US) will take place in May 2019 for the Pool interest. The Company's share of payments for the bulk carriers are $7,176 ($5,370 US) in 2019 and $18,842 ($14,100 US) in 2020.

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Instruments

The Company's financial instruments that are included in the consolidated balance sheets comprise cash and cash equivalents, accounts receivable, derivative assets, accounts payable and accrued charges, derivative liabilities, dividends payable and long-term debt.

Financial instruments that are measured at fair value are classified into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 and that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers into or out of Level 1, 2 or 3 during the periods.

Fair Value

The carrying value and fair value of financial assets and financial liabilities are as follows:

As at (unaudited, in thousands of dollars)		**March 31 2019**		December 31 2018
Financial assets carrying and fair value:				
Cash and cash equivalents	**$**	**35,447**	$	25,539
Accounts receivable	**$**	**44,418**	$	72,714
Derivative asset	**$**	**—**	$	1,571
Contract cancellation receivable	**$**	**—**	$	68,040
Loan interest receivable	**$**	**180**	$	709
Other assets	**$**	**14,261**	$	14,261
Financial liabilities carrying and fair value:				
Accounts payable and accrued charges	**$**	**69,195**	$	67,032
Dividends payable	**$**	**762**	$	668
Compensation payable to Pool members	**$**	**710**	$	3,296
Carrying value of long-term debt	**$**	**275,800**	$	262,820
Fair value of long-term debt	**$**	**282,360**	$	267,287

Risk Management and Financial Instruments

The Company is exposed to various risks arising from financial instruments. The following analysis provides a measurement of those risks.

Liquidity risk

The contractual maturities of non-derivative financial liabilities are as follows:

(in thousands of dollars)		2019		2020		2021		2022		2023 and Beyond		Total
Long-term debt including equity component	$	15,097	$	136	$	175,366	$	150	$	87,698	$	278,447
Capital asset commitments		128,044		18,842		—		—		—		146,886
Interest payments on long-term debt		9,164		13,856		9,638		4,581		6,558		43,797
	$	152,305	$	32,834	$	185,004	$	4,731	$	94,256	$	469,130

Foreign currency exchange risk

At March 31, 2019 and December 31, 2018, approximately 38% and 38% respectively of the Company's total assets were denominated in U.S. dollars, including U.S. cash of $16,376 and $10,676 at March 31, 2019 and December 31, 2018, respectively.

The Company has significant commitments due for payment in U.S. dollars. For payments due in U.S. dollars, the Company mitigates the risk principally through U.S. dollar cash inflows and foreign-denominated debt.

As of March 31, 2019 the Company had U.S. dollar denominated foreign exchange forward contracts outstanding with a notional principal of $nil (December 31, 2018 - $14,000) and fair value gain of $nil (December 31, 2018 - gain of $1,571).

22. SEGMENT DISCLOSURES

The Company operates through six segments; Domestic Dry-Bulk, Product Tankers, Ocean Self-Unloaders, Global Short Sea Shipping, Investment Properties and Corporate. The segment operating results include fully consolidated subsidiaries and interests in jointly controlled entities. Segment disclosures are based on how the Chief Executive Officer views operating results and how decisions are made about resources to be allocated to operating segments.

The following presents the Company's results by reportable segment.

	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Corporate	Investment Properties	Global Short Sea Shipping	Total
For the three months ended March 31, 2019 (unaudited, in thousands of dollars)							
Revenue	$ 17,853	$ 27,071	$ 23,439	$ 836	$ 2,654	$ —	$ 71,853
Operating expenses	(35,070)	(21,227)	(16,130)	(237)	(1,946)	—	(74,610)
Selling, general and administrative	(2,905)	(1,056)	(459)	(4,449)	—	—	(8,869)
	(20,122)	4,788	6,850	(3,850)	708	—	(11,626)
Depreciation and amortization	(5,486)	(3,141)	(5,422)	(239)	(676)	—	(14,964)
Interest, net	—	—	—	(3,303)	—	—	(3,303)
Foreign currency loss	—	—	—	(2,138)	—	—	(2,138)
	(25,608)	1,647	1,428	(9,530)	32	—	(32,031)
Income Tax Recovery	6,881	(437)	2	3,995	(8)	—	10,433
Net Loss of Joint Ventures	—	—	(729)	—	—	(473)	(1,202)
Net Loss	$ (18,727)	$ 1,210	$ 701	$ (5,535)	$ 24	$ (473)	$ (22,800)
As at March 31, 2019 (unaudited, in thousands of dollars)							
Assets							
Current assets	$ 35,304	$ 3,847	$ 14,602	$ 59,257	$ 7,854	$ —	$ 120,864
Property, Plant, and Equipment	448,064	130,901	182,094	6,663	18,813	—	786,535
Goodwill and Intangible Assets	7,910	—	6,473	—	—	—	14,383
Investment in Joint Ventures	—	—	3,309	—	—	144,300	147,609
Other Assets	10	—	5	14,591	—	—	14,606
	$ 491,288	$ 134,748	$ 206,483	$ 80,511	$ 26,667	$ 144,300	$ 1,083,997
Liabilities							
Current liabilities	$ 31,873	$ 13,460	$ 11,842	$ 12,433	$ 907	$ —	$ 70,515
Current portion of long-term debt	—	—	—	15,131	—	—	15,131
Long-Term Liabilities	34,433	15,411	659	20,516	3,057	—	74,076
Long-Term Debt	—	—	—	256,716	—	—	256,716
	66,306	28,871	12,501	304,796	3,964	—	416,438
Shareholders' Equity	424,982	105,877	193,982	(224,285)	22,703	144,300	667,559
	$ 491,288	$ 134,748	$ 206,483	$ 80,511	$ 26,667	$ 144,300	$ 1,083,997

	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Corporate	Investment Properties	Global Short Sea Shipping	Total
For the three months ended March 31, 2018 (unaudited, in thousands of dollars)							
Revenue	$ 18,201	$ 19,335	$ 18,904	$ 745	$ 3,303	$ —	$ 60,488
Operating expenses	(32,584)	(15,208)	(12,175)	(127)	(1,962)	—	(62,056)
Selling, general and administrative	(2,804)	(737)	(734)	(2,877)	—	—	(7,152)
	(17,187)	3,390	5,995	(2,259)	1,341	—	(8,720)
Depreciation and amortization	(4,671)	(2,463)	(4,525)	(260)	(796)	—	(12,715)
Interest, net	—	—	—	(1,400)	—	—	(1,400)
Foreign currency gain	3,977	—	—	4,315	—	—	8,292
	(17,881)	927	1,470	396	545	—	(14,543)
Income Tax Recovery (Expense)	5,185	(246)	(1)	(1,271)	(144)	—	3,523
Net Earnings of Joint Ventures	—	—	(3)	—	—	1,881	1,878
Net Loss	$ (12,696)	$ 681	$ 1,466	$ (875)	$ 401	$ 1,881	$ (9,142)
As at December 31, 2018 (unaudited, in thousands of dollars)							
Assets							
Current assets	$ 57,247	$ 8,224	$ 15,599	$ 111,622	$ 7,295	$ —	$ 199,987
Property, Plant, and Equipment	415,017	110,085	174,824	6,860	19,465	—	726,251
Goodwill and Intangible Assets	7,910	—	7,743	—	—	—	15,653
Investment in Joint Ventures	—	—	4,167	—	—	149,122	153,289
Other Assets	—	—	6	16,707	—	—	16,713
	$ 480,174	$ 118,309	$ 202,339	$ 135,189	$ 26,760	$ 149,122	$ 1,111,893
Liabilities							
Current liabilities	$ 36,756	$ 12,412	$ 9,717	$ 15,171	$ 1,115	$ —	$ 75,171
Current portion of long-term debt	—	—	—	130	—	—	130
Long-Term Liabilities	33,441	15,722	3,715	19,644	3,057	—	75,579
Long-Term Debt	—	—	—	258,458	—	—	258,458
	70,197	28,134	13,432	293,403	4,172	—	409,338
Shareholders' Equity	409,977	90,175	188,907	(158,214)	22,588	149,122	702,555
	$ 480,174	$ 118,309	$ 202,339	$ 135,189	$ 26,760	$ 149,122	$ 1,111,893

Certain comparative figures have been reclassified to conform to the current year presentation which reflects the measures reviewed by the chief operating decision maker.

23. SHARE-BASED COMPENSATION

The Company maintains a stock option program for certain key employees. Options on common shares are periodically granted to eligible employees under the plan for terms of 5 years and cliff vest on the third anniversary of the grant date. These options provide holders with the right to purchase common shares of the Company at a fixed price equal to the closing market price of the shares on the day prior to the date the options were issued. Under this plan, 1,920,736 common shares have been reserved for future issuance. The outstanding options expire on various dates to March 1, 2024. The following table summarizes the Company's stock option activity and related information for the period ended March 31, 2019 and year ended December 31, 2018.

As at (unaudited, in thousands of dollars, except per share data and number of shares)	**March 31 2019**		December 31 2018	
Stock Option Activity	**Number of shares**	**Weighted average exercise price**	Number of shares	Weighted average exercise price
Number outstanding, beginning of period	**250,000**	**$ 15.06**	—	$ —
Granted	**130,000**	**13.15**	250,000	15.06
Forfeited/cancelled	**(150,000)**	**15.06**	—	—
Number outstanding, end of period	**230,000**	**$ 13.98**	250,000	$ 15.06

The following table summarizes information relating to stock options outstanding as at March 31, 2019.

(unaudited, amounts not stated in thousands)	Options outstanding	
Exercise price per share	Number of shares	Remaining contractual life (years)
$13.15	130,000	4.92
$15.06	100,000	4.11

For the period ended March 31, 2019, the Company recognized compensation expense for stock option awards of $301 (December 31, 2018 - $110). For the period ended March 31, 2019, 130,000 (December 31, 2018 - 250,000) options were granted by the Company at a weighted average fair value of $1.99 per option (December 31, 2018 - $1.98).

24. SUBSEQUENT EVENT

Subsequent to the 2019 first quarter, the Company exercised an option to build a new Equinox Class seawaymax gearless bulker at the Jangzijiang Shipyard in China for $50.8 million (US$38 million).

ALGOMA CENTRAL CORPORATION

2019

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