ALGOMA CENTRAL CORPORATION

Material Change Report

Section 75(2) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Ontario Act")
Section 85(1) of the *Securities Act*, R.S.B.C. 1996, c. 418, as amended (the "BC Act")
Section 146(1) of the *Securities Act*, R.S.A. 2000, c. S-4, as amended (the "Alberta Act")
Section 84(1) of *The Securities Act, 1988*, S.S. 1988, c. S-42.2, as amended (the "Saskatchewan Act")

ITEM 1 **REPORTING ISSUER**

Algoma Central Corporation
63 Church Street
Suite 600
St. Catharines, Ontario
L2R 3C4

Telephone: 905.687.7888

ITEM 2 **DATE OF MATERIAL CHANGE**

December 3, 2003

ITEM 3 **PRESS RELEASE**

A press release was issued through **Canada NewsWire Ltd.** on December 3, 2003 and provided to Canadian stock exchanges, securities regulators and the financial news media. A copy of the press release is attached as Appendix A.

ITEM 4 **SUMMARY OF MATERIAL CHANGE**

As a result of the Government of Ontario's intention to increase the provincial corporate income tax rate from 12% to 14% effective January 1, 2004 and to defer future corporate tax rate decreases that were previously announced by the former Ontario government, and to be in conformity with the rules for accounting for income taxes, future income tax liabilities of Algoma Central Limited ("Algoma") have been recalculated. The Algoma 2003 financial results will include a one-time negative adjustment to income tax expenses of approximately $6,252,000 or $1.61 per common share. The foregoing adjustment largely reverses the amounts included in Algoma's results in 2001 and in 2002 that reflected the announcements by the former Ontario government 's plan to reduce corporate income tax rates.

ITEM 5 **FULL DESCRIPTION OF MATERIAL CHANGE**

Refer to the press release attached as Appendix A.

ITEM 6 **RELIANCE ON SUBSECTION 75(3) OF THE ONTARIO ACT**
SUBSECTION 85(2) OF THE BC ACT
SUBSECTION 146(2) OF THE ALBERTA ACT
SUBSECTION 84(2) OF THE SASKATCHEWAN ACT

No.

ITEM 7 **OMITTED INFORMATION**

None.

ITEM 8 **SENIOR OFFICER**

William Stearns Vaughan
Corporate Secretary
416.865.7174

ITEM 9 **STATEMENT OF SENIOR OFFICER**

The foregoing accurately discloses the material change referred to herein.

Date: December 10, 2003

Place: Toronto, Ontario

ALGOMA CENTRAL CORPORATION

William Stearns Vaughan
Name: William Stearns Vaughan
Office: Corporate Secretary

Appendix A

FOR IMMEDIATE RELEASE **ALC-T**

<u>December 3, 2003</u>

ALGOMA CENTRAL CORPORATION

The Government of Ontario has recently introduced legislation to increase the provincial corporate income tax rate from 12.5% to 14% effective January 1, 2004. It also intends to defer future corporate tax rate decreases that were previously announced by the former Ontario government.

As a result of these changes in the provincial corporate tax rate, and to be in conformity with the rules for accounting for income taxes, future income tax liabilities have been recalculated. The 2003 financial results will include a one-time negative adjustment to income tax expense of approximately $6,252,000 or $1.61 per common share.

The above adjustment largely reverses the amounts we included in our results in 2001 and in 2002 that reflected the announcements by the former Ontario government's plan to reduce corporate income tax rates.

Algoma Central Corporation, based in Sault Ste. Marie and St. Catharines (Ontario), is a publicly listed (Toronto Stock Exchange; ALC) company involved in water transportation and real estate. The Corporation was founded in 1899 and operates a fleet of self-unloaders, dry bulk vessels and petroleum-product tankers trading on the Great Lakes, the St. Lawrence Seaway and in Eastern Canada. The Corporation has 50-percent interest in Marbulk Canada Inc., which operates a fleet of ocean-going self-unloading vessels that trade worldwide. The Corporation also owns and manages real estate complexes in Sault Ste. Marie and St. Catharines (Ontario),

Tim S. Dool
President & Chief Executive Officer
St. Catharines, Ontario, Canada
December 3, 2003