ALGOMA CENTRAL CORPORATION
MANAGEMENT'S DISCUSSION & ANALYSIS

For the Three Months and Six Ended June 30, 2022 and 2021

Your Marine Carrier of Choice™

TABLE OF CONTENTS

General

This Management's Discussion and Analysis ("MD&A") of the Company should be read in conjunction with its Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2022, and 2021 and related notes thereto and has been prepared as at August 5, 2022.

This 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 2021 Annual Information Form, is available on SEDAR's website at *www.sedar.com* or on the Company's website at *www.algonet.com*.

Business Profile

Algoma Central Corporation owns and operates the largest fleet of dry and liquid bulk carriers operating on the Great Lakes - St. Lawrence Waterway, including self-unloading dry-bulk carriers, gearless dry-bulk carriers and product tankers. Algoma also owns ocean-going self-unloading dry-bulk vessels operating in international markets and a 50% interest in global joint ventures, which own a diversified portfolio of dry-bulk fleets operating internationally. In addition to its owned vessels, the Company provides operational management for four vessels; one owned by G3 Canada Limited and three by NovaAlgoma Cement Carriers ("NACC"), a related party.

The Company reports the results of its operations for six business units or segments. The largest is the Domestic Dry-Bulk segment, which includes the Company's 18 Canadian dry-bulk carriers. This segment serves a wide variety of major industrial sectors, including iron and steel producers, aggregate producers, cement and building material producers, salt producers and agricultural product distributors.

The Product Tanker fleet provides safe and reliable transportation of liquid petroleum products throughout the Great Lakes, St. Lawrence Seaway and Atlantic Canada regions. This business unit consists of seven double-hull product tankers employed in Canadian flag service. Domestic customers include major oil refiners, leading wholesale distributors, and large consumers of petroleum products.

The Company's international Ocean Self-Unloaders segment consists of eight ocean-going self-unloading vessels and a 50% interest in a ninth self-unloader. The eight self-unloaders are part of the world's largest pool of ocean-going self-unloaders, which at the end of June 30, 2022 totalled 18 vessels.

The Global Short Sea Shipping segment, which consists of the Company's NovaAlgoma joint ventures, focuses on niche marine transportation markets featuring specialized equipment or services. The cement carrier fleet comprises pneumatic cement carriers servicing large global cement manufacturers that support infrastructure projects. The short sea mini-bulker fleet comprises owned ships, chartered vessels, and vessels operated under third party management contracts. The fleet supports the agricultural, cement, construction, energy and steel industries worldwide. The handy-size fleet is an opportunistic sales and purchase vessel platform.

The Investment Properties segment consisted of a shopping centre located in Sault Ste. Marie, Ontario. The shopping centre was sold on June 30, 2022.

The Corporate segment consists of the Company's head office expenditures, third party management services and other administrative functions of the Company.

Impact of Seasonality on the Company

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.

Important Information About This MD&A

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.

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 2022 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:

- the impact of climate change on markets served by our customers, including the impact of drought conditions on agricultural outputs and the impact of winter conditions on production and/or sale of certain commodities;
- the economic impact of global pandemics in Canada, the U.S., and other global markets;
- general economic and market conditions in the countries in which we operate;

- our success in maintaining and securing our information technology systems, including communications and data processing from accidental and malicious threats
- our success in securing contract renewals and maintaining existing freight rates with existing customers;
- our success in securing contracts with new customers at acceptable freight rates;
- evolving regulations focused on carbon emissions and ballast water treatment that could require capital investments and increase costs that may not be recoverable from revenues;
- our ability to attract and retain qualified employees;
- 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, including on-going maintenance and operational reliability of the St. Lawrence Seaway and Welland Canal;
- on-time and on-budget delivery of new ships from shipbuilders;
- 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;
- general weather conditions or natural disasters;
- the seasonal nature of our business; and
- risks associated with the lease and ownership of real estate.

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.

For more information, please see the discussion of risks in the Company’s Annual Information Form for the year ended December 31, 2021, 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's website at www.sedar.com.

Ocean Self-Unloaders

Algoma participates in the world's largest pool of ocean-going self-unloaders (the "Pool"). The Pool’s commercial results reflect a pro-rata share of Pool revenue and voyage costs (in operating expenses) for the Company's eight 100% owned ships. The costs incurred to operate these ships are recorded in operating expenses. Earnings from the partially owned ship operating in this sector 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.

Global Short Sea Shipping

Revenue from the Global Short Sea segment, in which we participate via joint ventures, is not included in the consolidated revenue figure. 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 consolidated earnings.

Non-GAAP Measures

This MD&A uses several financial measures to assess its performance including earnings before interest, income taxes, depreciation, and amortization (EBITDA), free cash flow, return on equity, and adjusted performance measures. Some of these measures are not calculated in accordance with Generally Accepted Accounting Principles (GAAP), which are based on International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), are not defined by GAAP, and do not have standardized meanings that would ensure consistency and comparability among companies using these measures. From Management’s perspective, these non-GAAP measures are useful measures of performance as they provide readers with a better understanding of how management assesses performance. The non-GAAP measures that are used throughout this report are defined below and can also be referred to in the sections entitled *EBITDA*, *Free Cash Flow*, *Select Financial and Operational Performance* and *Adjusted Performance Measures*.

EBITDA

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. Management considers EBITDA to be a meaningful measure to assess its operating performance in addition to other IFRS measures. It is included because Management believes it can be useful in measuring its ability to service debt, fund capital expenditures, expand its business and a metric that it is based on is used by credit providers in the financial covenants of the Company's senior secured long-term debt.

Free Cash Flow

Management believes that free cash flow is a useful measure of liquidity as it demonstrates the Company's ability to generate cash for debt obligations and for discretionary uses such as payments of dividends, investing activities and additions of property, plant, and equipment. The Company defines its free cash flow as cash from operating activities less debt service and capital required for maintenance of existing assets.

Adjusted Performance 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 measures. Items of note include certain items of significance that arise from time-to-time which Management believes are not reflective of underlying business performance. Management believes that adjusted measures provide the reader with a better understanding of how we assess underlying business performance and facilitate a more informed analysis of trends.

Select Financial and Operational Highlights

Financial Highlights

For the periods ended June 30	Three Months Ended 2022	Three Months Ended 2021	Six Months Ended 2022	Six Months Ended 2021	Favourable/(Unfavourable) Three Months	Favourable/(Unfavourable) Six Months
Reported revenue	**$ 183,463**	$ 167,687	**$ 268,566**	$ 245,286	$ 15,776	$ 23,280
Freight revenues[(1)]	**217,235**	198,807	**330,278**	303,944	18,428	26,334
Operating earnings	**32,081**	39,295	**5,470**	9,902	(7,214)	(4,432)
Net earnings	**47,045**	32,315	**27,474**	9,899	14,730	17,575
Basic earnings per share	**1.24**	0.85	**0.73**	0.26	0.39	0.47
Diluted earnings per share	**1.12**	0.78	**0.69**	0.26	0.34	0.43
EBITDA[(2)]	**61,412**	61,860	**59,292**	55,208	(448)	4,084
Free Cash Flow[(3)]	**5,489**	8,921	**(10,458)**	7,628	(3,432)	(18,086)

As at	June 30 2022	December 31 2021	2022 vs. 2021
Common shares outstanding	**37,805,027**	37,800,943	4,084
Total assets	**$ 1,226,453**	$ 1,200,083	$ 26,370
Total long-term financial liabilities	**$ 395,659**	$ 391,682	$ 3,977

(1) Freight revenues includes our 50% share of freight revenue from the Global Short Sea Shipping segment and excludes revenues from non-marine activities of the Company.

(2) See the section entitled Important Information About This MD&A - EBITDA for an explanation of this non-GAAP measure.

(3) See the section entitled Important Information About This MD&A - Free Cash Flow for an explanation of this non-GAAP measure.

Revenues

For the periods ended June 30	Three Months Ended 2022	Three Months Ended 2021	Six Months Ended 2022	Six Months Ended 2021	Favourable/(Unfavourable) Three Months	Favourable/(Unfavourable) Six Months
Reported Revenue	**$ 183,463**	$ 167,687	**$ 268,566**	$ 245,286	$ 15,776	$ 23,280
Freight revenues[(1)]						
Domestic Dry-Bulk	**$ 99,289**	$ 96,844	**$ 123,874**	$ 121,397	$ 2,445	$ 2,477
Product Tankers	**31,923**	28,688	**49,959**	46,905	3,235	3,054
Ocean Self-Unloaders	**50,292**	40,006	**90,613**	72,501	10,286	18,112
Global Short Sea Shipping[(1)]	**35,731**	33,269	**65,832**	63,141	2,462	2,691
Total freight revenues	**$ 217,235**	$ 198,807	**$ 330,278**	$ 303,944	$ 18,428	$ 26,334

(1) Freight revenues include our 50% share of freight revenue from the Global Short Sea Shipping segment. The Investment Properties and Corporate segments do not generate freight revenue.

Financial Results
Second quarter and first half of 2022 compared to the same periods in 2021

- Base freight rates in the Domestic Dry-Bulk segment have modestly improved across several sectors and fuel prices are remaining high driving increased fuel cost recoveries during the first half of 2022. During the 2022 second quarter, these increases were offset by an 11% decrease in overall volumes which drove a 9% reduction in revenue days.
- Higher fuel costs recoveries continues to increase revenues in the Product Tanker segment for both periods, partially offset by unplanned outages on two vessels.
- Strong Pool results reflecting higher rates and higher fuel cost recoveries drove higher revenues in the Ocean Self-Unloader segment during the first half of 2022. During the second quarter, these increases were partially offset by more off-hire days due to the departure of the Honourable Henry Jackman for dry-dock at the beginning of June.
- Steady rate improvement and improved demand in the cement fleet continues to drive the increased earnings in the Global Short Sea Shipping segment. In addition, strong re-sale market conditions enabled us to generate gains from the sale of two vessels.
- The Sault Ste. Marie shopping centre that was held for sale within the Investment Properties segment sold at the end of June and a pre-tax gain of $14,372 was recorded in the quarter.

Operational Highlights

The following table lists key measures of the Company's operating performance, for the purpose of measuring the efficiency and effectiveness of our operations. The operational highlights below relate only to our Domestic Dry-Bulk, Product Tanker and Ocean Self-Unloader segments.

	Three Months Ended		Six Months Ended	
For the periods ended June 30	**2022**	2021	**2022**	2021
Total cargo carried (metric tonne)[1]	**9,061**	9,318	**13,535**	13,954
Tonne-kilometre travelled[2]	**12,721,531,335**	12,268,816,802	**19,028,066,818**	17,793,021,264
Vessel utilization[3]				
Domestic Dry-Bulk	**76 %**	92 %	**78 %**	91 %
Product Tankers	**100 %**	94 %	**88 %**	82 %
Ocean Self-Unloaders	**100 %**	100 %	**100 %**	100 %

(1) Total quantity of cargo in metric tonnes transported during the period.

(2) Total cargo tonne-kilometres travelled in the period. Calculated as cargo quantity multiplied by the distance in kilometres that the cargo quantity was transported.

(3) Total number of days that vessels operated expressed as a percentage of the total number of days that were available for vessels to operate based on a standard operating season. The standard season for Domestic Dry-Bulk excludes days on which the Welland Canal and St. Lawrence Seaway is closed.

EBITDA

The Company uses EBITDA as a measure of the cash generating capacity of its businesses. The following table provides a reconciliation of net earnings in accordance with GAAP, to the non-GAAP EBITDA measure for the three and six months ended June 30, 2022, and 2021 and presented herein:

	Three Months Ended		Six Months Ended		Favourable/(Unfavourable)	
For the periods ended June 30	**2022**	2021	**2022**	2021	Three Months	Six Months
Net earnings	**$ 47,045**	$ 32,315	**$ 27,474**	$ 9,899	$ 14,730	$ 17,575
Adjustments to net earnings:						
Depreciation and amortization	**17,000**	16,992	**33,745**	34,485	8	(740)
Other operating items	**—**	(2,730)	**—**	(3,031)	2,730	3,031
Interest expense, net	**5,020**	4,916	**9,994**	10,206	104	(212)
Gain on sale of property	**(14,372)**	(1,586)	**(14,372)**	(1,586)	(12,786)	(12,786)
Foreign currency gain	**(2,097)**	(527)	**(1,490)**	(580)	(1,570)	(910)
Income tax expense (recovery)	**8,947**	8,752	**(1,210)**	(1,990)	195	780
Joint ventures						
Interest expense	**890**	546	**1,268**	1,136	344	132
Foreign exchange loss (gain)	**282**	(80)	**197**	(237)	362	434
Depreciation and amortization	**5,993**	4,126	**10,803**	7,903	1,867	2,900
Impairment reversal	**(2,783)**	—	**(2,783)**	—	(2,783)	(2,783)
Income tax expense (recovery)	**269**	275	**446**	350	(6)	96
Gain on disposal of vessels	**(4,782)**	(1,139)	**(4,780)**	(1,347)	(3,643)	(3,433)
EBITDA[1]	**$ 61,412**	$ 61,860	**$ 59,292**	$ 55,208	$ (448)	$ 4,084

(1) Please refer to the section entitled Important Information About This MD&A for an explanation of this non-GAAP measure.

Adjusted Performance 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 measures 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 provide the reader with a better understanding of how management assesses underlying business performance and facilitates a more informed analysis of trends. Adjusted net earnings below is net of income tax. These measures do not have any standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other companies.

The following table provides a reconciliation of net earnings and basic and diluted earnings per share in accordance with GAAP, as reported for the three and six months ended June 30, 2022 and 2021, to the adjusted non-GAAP performance measures presented herein:

	Three Months Ended		Six Months Ended	
For the periods ended June 30	**2022**	2021	**2022**	2021
Net earnings	**$ 47,045**	$ 32,315	**$ 27,474**	$ 9,899
Adjustments:				
Impairment	**—**	4,320	**—**	4,320
Gain on sale of investment property	**(10,563)**	—	**(10,563)**	—
Adjusted net earnings	**$ 36,482**	$ 36,635	**$ 16,911**	$ 14,219
Basic earnings per share	**$ 1.24**	$ 0.85	**$ 0.73**	$ 0.26
Impact of adjustments per share	**(0.28)**	0.11	**(0.28)**	0.11
Adjusted basic earnings per share	**$ 0.96**	$ 0.96	**$ 0.45**	$ 0.37
Diluted earnings per share	**$ 1.12**	$ 0.78	**$ 0.69**	$ 0.26
Impact of adjustments per share	**(0.25)**	0.10	**(0.25)**	0.10
Adjusted diluted earnings per share	**$ 0.87**	$ 0.88	**$ 0.44**	$ 0.36

- In the second quarter of 2021, the Company recognized an impairment reversal on a vessel that was damaged and subsequently sold for scrap for an amount in excess of its carrying value.
- In the second quarter of 2022, a shopping centre in Sault Ste. Marie, Ontario was sold.

Domestic Dry-Bulk Segment

Financial Performance

For the periods ended June 30	Three Months Ended 2022	2021	Six Months Ended 2022	2021	Favourable/(Unfavourable) Three Months	Six Months
Revenue	$ **99,288**	$ 96,855	$ **123,876**	$ 121,408	$ 2,433	$ 2,468
Operating expenses	**(68,375)**	(56,411)	**(110,613)**	(101,320)	(11,964)	(9,293)
Selling, general and administrative	**(2,932)**	(3,101)	**(5,926)**	(6,045)	169	119
Other operating items	**—**	2,730	**—**	3,031	(2,730)	(3,031)
Depreciation and amortization	**(6,477)**	(6,519)	**(13,052)**	(13,203)	42	151
Operating earnings (loss)	**21,504**	33,554	**(5,715)**	3,871	(12,050)	(9,586)
Gain on sale of property	**—**	1,586	**—**	1,586	(1,586)	(1,586)
Income tax (expense) recovery	**(5,852)**	(9,218)	**1,380**	(1,340)	3,366	2,720
Net earnings (loss)	$ **15,652**	$ 25,922	$ **(4,335)**	$ 4,117	$ (10,270)	$ (8,452)

Operational Performance

For the periods ended June 30	Three Months Ended 2022	2021	Six Months Ended 2022	2021	Favourable/(Unfavourable) Three Months	Six Months
Volumes (metric tonnes)						
Iron and steel	**2,343**	2,423	**3,016**	3,185	(80)	(169)
Construction	**959**	1,190	**969**	1,230	(231)	(261)
Agriculture	**870**	866	**961**	1,036	4	(75)
Salt	**1,436**	1,849	**2,054**	2,610	(413)	(556)
Total volumes	**5,608**	6,328	**7,000**	8,061	(720)	(1,061)
Revenue Days	**1,276**	1,404	**1,662**	1,803	(128)	(141)
Operating Days	**1,325**	1,451	**1,690**	1,566	(126)	124

EBITDA

The following table provides a reconciliation of net earnings (loss) in accordance with GAAP to the non-GAAP EBITDA measure, as reported for the three and six months ended June 30, 2022 and 2021 and presented herein:

For the periods ended June 30	Three Months Ended 2022	2021	Six Months Ended 2022	2021	Favourable/(Unfavourable) Three Months	Six Months
Net earnings (loss)	$ **15,652**	$ 25,922	$ **(4,335)**	$ 4,117	$ (10,270)	$ (8,452)
Adjustments to net earnings (loss):						
Depreciation and amortization	**6,477**	6,519	**13,052**	13,203	(42)	(151)
Income tax expense (recovery)	**5,852**	9,218	**(1,380)**	1,340	(3,366)	(2,720)
Other operating items	**—**	(2,730)	**—**	(3,031)	2,730	3,031
Gain on sale of property	**—**	(1,586)	**—**	(1,586)	1,586	1,586
EBITDA(1)	$ **27,981**	$ 37,343	$ **7,337**	$ 14,043	$ (9,362)	$ (6,706)

(1) Please refer to the section entitled Important Information About This MD&A for an explanation of this non-GAAP measure.

2022 Second Quarter Compared to Corresponding Period in 2021

The increase in revenue in the Domestic Dry-Bulk segment was primarily driven by increased fuel recoveries reflecting higher global oil prices and modestly improved base freight rates across several sectors. These increases were partially offset by 11% lower overall volumes which drove a 9% reduction in revenue days. The increase in fuel prices also affects operating costs; however, fuel costs are passed on to customers through the fuel component of freight rates.

Despite expectations of significantly lower grain volumes due to the drought in 2021, the impact of the war in Ukraine has shifted global grain trade patterns, resulting in more demand in Canada for grain to be shipped east through the Great Lakes to the Mediterranean. As a result of this shift, grain volumes were roughly the same in the second quarter compared to the prior year period. The decrease in overall volumes was mainly driven by lower volumes in the salt and construction sectors. The timing of shipments and cargo availability was a key factor in the lower construction volumes this quarter as cement producers have been challenged to procure raw materials and volumes are returning to more normal levels in the salt sector this year compared to experiencing record mining volumes in 2021.

Substantially higher fuel prices and the timing of spending on winter lay-up and maintenance in 2022 compared to 2021 led to a significant increase in operating expenses for the current year. Operating days for the fleet were lower in 2022 as initial uncertainty about grain volumes in the opening months of the season led us to defer the fit-out of less profitable ships to match expected customer demand. Operating cost savings associated with the reduction in operating days were largely offset by the impact of inflation on crew costs, supplies and repairs in the second quarter.

2022 Outlook

Cargo volumes for the second half of the year are expected to be strong across all commodities, driving increased fleet utilization through the remainder of the year. The war in Ukraine will likely continue to impact grain trading patterns and the current outlook for the Western Canadian grain crop in the fall is for a return to normal volumes.

Product Tankers Segment

Financial Performance

	Three Months Ended		Six Months Ended		Favourable/(Unfavourable)	
For the periods ended June 30	**2022**	2021	**2022**	2021	Three Months	Six Months
Revenue	**$ 31,923**	$ 28,688	**$ 49,959**	$ 46,905	$ 3,235	$ 3,054
Operating expenses	**(23,590)**	(19,276)	**(38,706)**	(32,728)	(4,314)	(5,978)
Selling, general and administrative	**(1,120)**	(1,081)	**(2,373)**	(2,128)	(39)	(245)
Depreciation and amortization	**(3,530)**	(3,510)	**(6,755)**	(7,005)	(20)	250
Operating earnings	**3,683**	4,821	**2,125**	5,044	(1,138)	(2,919)
Income tax expense	**(1,204)**	(1,618)	**(792)**	(1,678)	414	886
Net earnings	**$ 2,479**	$ 3,203	**$ 1,333**	$ 3,366	$ (724)	$ (2,033)

Operational Performance

	Three Months Ended		Six Months Ended		Favourable/(Unfavourable)	
For the periods ended June 30	**2022**	2021	**2022**	2021	Three Months	Six Months
Volume (metric tonnes)						
Petroleum products	**658**	603	**1,072**	954	55	118
Total volumes	**658**	603	**1,072**	954	55	118
Revenue days (owned fleet)	**567**	589	**946**	1,000	(22)	(54)
Operating days (owned fleet)	**594**	602	**1,004**	1,070	(8)	(66)
Outside charter days	**6**	—	**—**	—	6	—

EBITDA

The following table provides a reconciliation of net earnings in accordance with GAAP to the non-GAAP EBITDA measure, as reported for the three and six months ended June 30, 2022 and 2021 and presented herein:

	Three Months Ended		Six Months Ended		Favourable/(Unfavourable)	
For the periods ended June 30	**2022**	2021	**2022**	2021	Three Months	Six Months
Net earnings	**$ 2,479**	$ 3,203	**$ 1,333**	$ 3,366	$ (724)	$ (2,033)
Adjustments to net earnings:						
Depreciation and amortization	**3,530**	3,510	**6,755**	7,005	20	(250)
Income tax expense	**1,204**	1,618	**792**	1,678	(414)	(886)
EBITDA[(1)]	**$ 7,213**	$ 8,331	**$ 8,880**	$ 12,049	$ (1,118)	$ (3,169)

(1) Please refer to the section entitled Important Information About This MD&A for an explanation of this non-GAAP measure.

2022 Second Quarter Compared to Corresponding Period in 2021

Revenue was higher in the second quarter primarily as a result of increased fuel cost recoveries due to higher global fuel prices. The increase was partially offset by 4% fewer revenue days primarily driven by unplanned outages on two vessels. Fuel prices also affects operating costs; however, fuel costs are passed on to customers through the fuel component of freight rates.

Despite a 1% decrease in operating days and lower lay-up expenditures, operating expenses were higher during the quarter as a result of increased fuel costs and the general impact inflation is having on crew, supply and repair costs.

Outlook

Demand is recovering and we expect the fleet to be reasonably well utilized for the balance of the year.

Ocean Self-Unloaders Segment

Financial Performance

For the periods ended June 30	Three Months Ended 2022	Three Months Ended 2021	Six Months Ended 2022	Six Months Ended 2021	Favourable/(Unfavourable) Three Months	Favourable/(Unfavourable) Six Months
Foreign exchange rate average	**1.2765**	1.2280	**1.2714**	1.2473	0.0485	0.0241
Revenue	**$ 50,292**	$ 40,006	**$ 90,613**	$ 72,501	$ 10,286	$ 18,112
Operating expenses	**(32,207)**	(24,133)	**(59,535)**	(45,551)	(8,074)	(13,984)
Selling, general and administrative	**(342)**	(299)	**(677)**	(605)	(43)	(72)
Other operating items	**—**	(5,513)	**—**	(5,513)	5,513	5,513
Depreciation and amortization	**(6,604)**	(6,196)	**(13,155)**	(12,599)	(408)	(556)
Operating earnings	**11,139**	3,865	**17,246**	8,233	7,274	9,013
Net earnings from investments in joint ventures	**3,008**	31	**2,971**	59	2,977	2,912
Net earnings	**$ 14,147**	$ 3,896	**$ 20,217**	$ 8,292	$ 10,251	$ 11,925

Operational Performance

For the periods ended June 30	Three Months Ended 2022	Three Months Ended 2021	Six Months Ended 2022	Six Months Ended 2021	Favourable/(Unfavourable) Three Months	Favourable/(Unfavourable) Six Months
Pool Volumes (metric tonnes)[(1)]						
Gypsum	**990**	945	**1,817**	1,809	45	8
Aggregates	**2,469**	2,399	**4,652**	4,717	70	(65)
Coal	**2,056**	1,756	**3,737**	3,554	300	183
Other	**224**	282	**439**	429	(58)	10
Total volumes	**5,739**	5,382	**10,645**	10,509	357	136
Revenue days	**698**	706	**1,402**	1,326	(8)	76
Operating days	**700**	714	**1,420**	1,342	(14)	78
Off-hire days for dry-docking	**28**	17	**28**	106	(11)	78

(1) Pool volumes exclude volumes carried on vessels that were under time charter arrangements in the periods.

EBITDA

The following table provides a reconciliation of net earnings in accordance with GAAP to the non-GAAP EBITDA measure, as reported for the three and six months ended June 30, 2022 and 2021 and presented herein:

For the periods ended June 30	Three Months Ended 2022	Three Months Ended 2021	Six Months Ended 2022	Six Months Ended 2021	Favourable/(Unfavourable) Three Months	Favourable/(Unfavourable) Six Months
Net earnings	**$ 14,147**	$ 3,896	**$ 20,217**	$ 8,292	$ 10,251	$ 11,925
Adjustments to net earnings:						
Depreciation and amortization	**6,604**	6,196	**13,155**	12,599	408	556
Joint Venture:						
Depreciation and amortization	**44**	174	**222**	354	(130)	(132)
Impairment reversal	**(2,783)**	—	**(2,783)**	—	(2,783)	(2,783)
Foreign exchange loss (gain)	**1**	(1)	**1**	(2)	2	3
EBITDA[(1)]	**18,013**	10,265	**$ 30,812**	$ 21,243	$ 7,748	9,569

(1) Please refer to the section entitled Important Information About This MD&A for an explanation of this non-GAAP measure.

2022 Second Quarter Compared to Corresponding Period in 2021

Revenue was higher during the 2022 second quarter as a result of increased Pool earnings driven by higher rates and higher fuel cost recoveries. Additionally, pool volumes increased 7% during the quarter, mainly due to higher coal volumes. The increase in revenue was partially offset by a 1% decrease in revenue days compared to 2021 as the Honourable Henry Jackman departed for dry-dock at the beginning of June.

Operating expenses were higher in the second quarter, driven by higher fuel costs and by the impact inflation is having on crew, supply and repair costs. This was partially offset by a 2% decrease in operating days compared to the prior year period driven mostly by the additional dry-docking days for 2022.

A vessel constructively owned by Marbulk Shipping Inc. was sold during the second quarter, resulting in the reversal of an impairment provision previously recorded against the value of the vessel. This reversal gain of $2,783 is included in net earnings from investments in joint ventures and is the main reason for the increase in those earnings compared to the prior year.
Other items relates to a one-time compensation payment of $5,513 related to the retirement of two older vessels by our Pool partner.

Outlook

Vessel supply at the Pool level is fairly well balanced for the remainder of the year. We are expecting costs to continue to be impacted by inflation and global fuel prices will likely remain higher than normal during the second half of 2022. The third quarter will also be impacted by the dry-docking, as the vessel is not expected to return to the Pool until late in the quarter.

Global Short Sea Shipping Segment

Financial Results Overview

	Three Months Ended		Six Months Ended		Favourable/(Unfavourable)	
For the periods ended June 30	**2022**	2021	**2022**	2021	Three Months	Six Months
Foreign exchange rate average	**1.2765**	1.2280	**1.2714**	1.2473	0.0485	0.0241
Revenue	**$ 71,461**	$ 66,537	**$ 131,663**	$ 126,281	$ 4,924	$ 5,382
Operating expenses	**(42,733)**	(49,941)	**(86,595)**	(97,282)	7,208	10,687
Selling, general and administrative	**(1,604)**	(1,864)	**(2,962)**	(3,700)	260	738
Depreciation and amortization	**(11,598)**	(7,618)	**(20,565)**	(14,513)	(3,980)	(6,052)
Operating earnings	**15,526**	7,114	**21,541**	10,786	8,412	10,755
Gain on disposal of vessels	**9,564**	2,278	**9,560**	2,693	7,286	6,867
Interest expense	**(1,779)**	(1,092)	**(2,536)**	(2,271)	(687)	(265)
Foreign exchange (loss) gain	**(561)**	158	**(392)**	470	(719)	(862)
Earnings before undernoted	**22,750**	8,458	**28,173**	11,678	14,292	16,495
Income tax expense	**(538)**	(549)	**(891)**	(699)	11	(192)
Net earnings of joint ventures	**1,026**	1,073	**2,233**	1,340	(47)	893
Net (earnings) loss attributable to non-controlling interest	**(4,030)**	392	**(5,011)**	241	(4,422)	(5,252)
Net earnings	**$ 19,208**	$ 9,374	**$ 24,504**	$ 12,560	$ 9,834	$ 11,944
Company share of net earnings above	**$ 9,604**	$ 4,687	**$ 12,252**	$ 6,280	$ 4,917	$ 5,972
Amortization of vessel purchase price allocation and intangibles	**(150)**	(143)	**(298)**	(292)	(7)	(6)
Company share included in net earnings from investments in joint ventures	**$ 9,454**	$ 4,544	**$ 11,954**	$ 5,988	$ 4,910	$ 5,966

EBITDA

The following table provides a reconciliation of net earnings in accordance with GAAP to the non-GAAP EBITDA measure, as reported for the three and six months ended June 30, 2022 and 2021 and presented herein:

	Three Months Ended		Six Months Ended		Favourable/(Unfavourable)	
For the periods ended June 30	**2022**	2021	**2022**	2021	Three Months	Six Months
Company share of net earnings from investments in joint ventures	**$ 9,454**	$ 4,544	**$ 11,955**	$ 5,988	$ 4,910	$ 5,967
Adjustments to net earnings:						
Depreciation and amortization	**5,949**	3,952	**10,581**	7,549	1,997	3,032
Interest expense	**890**	546	**1,268**	1,136	344	132
Income tax expense	**269**	275	**446**	350	(6)	96
Foreign currency loss (gain)	**281**	(79)	**196**	(235)	360	431
Gain on disposal of vessels	**(4,782)**	(1,139)	**(4,780)**	(1,347)	(3,643)	(3,433)
Company share of EBITDA[(1)]	**$ 12,061**	$ 8,099	**$ 19,666**	$ 13,441	$ 3,962	$ 6,225

(1) Please refer to the section entitled Important Information About This MD&A for an explanation of this non-GAAP measure.

2022 Second Quarter Compared to Corresponding Period in 2021

Revenue was higher during the 2022 second quarter primarily driven by a 28% increase in revenue in the cement fleet, partially offset by lower revenue in the mini-bulker fleet. The spring fit-out of the Canadian cement fleet, the addition of three newly acquired vessels and continual rate improvement were all drivers in the revenue increase in the cement fleet. Additionally, revenues in the handy-size fleet were slightly higher during the quarter. Lower revenue in the mini-bulker fleet is mainly due to the reduced fleet size this year compared to the prior year period.

The decrease in operating costs reflects reduction of the number of owned vessels in the mini-bulker fleet and the smaller handy-size fleet this year. Offsetting the decrease were higher global fuel prices and a 12% increase in operating costs in the cement fleet as a result of higher dry-dock spending, particularly in our domestic cement fleet, higher repair costs and the addition of three vessels to the fleet.

The increase to deprecation this quarter was a result of the addition of the three cement vessels.

The $9,564 gain on the sale of vessels includes the sale of one cement vessel and one mini-bulker.

Outlook

We are anticipating the continuation of the solid charter rates earned by the mini-bulker fleet over the first half of 2022 with the potential for a gradual normalization in rates during the second half of the year. This outlook could change if global markets slow appreciably. The cement sector is expected to remain steady throughout the 2022 season and the two additional handy-size bulk carriers, which entered the handy-size fleet in May 2022, are expected to make strong contributions for the remainder of the year.

Investment Properties Segment

	Three Months Ended		Six Months Ended		Favourable/(Unfavourable)	
For the periods ended June 30	**2022**	2021	**2022**	2021	Three Months	Six Months
Revenue	**$ 1,307**	$ 1,407	**$ 2,842**	$ 3,000	$ (100)	$ (158)
Operating expenses	**(1,205)**	(1,262)	**(2,803)**	(2,510)	57	(293)
Depreciation	**—**	(435)	**—**	(1,078)	435	1,078
Operating gain (loss)	**102**	(290)	**39**	(588)	392	627
Gain on sale of investment property	**14,372**	—	**14,372**	—	14,372	14,372
Income tax (expense) recovery	**(3,917)**	194	**(3,901)**	562	(4,111)	(4,463)
Net earnings (loss)	**$ 10,557**	$ (96)	**$ 10,510**	$ (26)	$ 10,653	$ 10,536

On June 30, 2022, the Company finalized the sale of a shopping centre located in Sault Ste. Marie, Ontario. Since the Company began to divest its commercial real estate in 2015, 15 properties have been sold in Sault Ste. Marie, Waterloo and St. Catharines Ontario. The shopping centre was the last of the Company's real estate holdings in Sault Ste. Marie.

Corporate Segment

	Three Months Ended		Six Months Ended		Favourable/(Unfavourable)	
For the periods ended June 30	**2022**	2021	**2022**	2021	Three Months	Six Months
Revenue	**$ 653**	$ 731	**$ 1,276**	$ 1,472	$ (78)	$ (196)
Operating expenses	**(238)**	(229)	**(516)**	(492)	(9)	(24)
Selling, general and administrative	**(4,373)**	(2,825)	**(8,202)**	(7,038)	(1,548)	(1,164)
Depreciation	**(389)**	(332)	**(783)**	(600)	(57)	(183)
Operating loss	**(4,347)**	(2,655)	**(8,225)**	(6,658)	(1,692)	(1,567)
Foreign currency gain	**2,097**	527	**1,490**	580	1,570	910
Interest expense, net	**(5,020)**	(4,916)	**(9,994)**	(10,206)	(104)	212
Income tax recovery	**2,026**	1,890	**4,523**	4,446	136	77
Net loss	**$ (5,244)**	$ (5,154)	**$ (12,206)**	$ (11,838)	$ (90)	$ (368)

The Corporate segment consists of revenue from management services provided 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.

Consolidated

Interest Expense

For the periods ended June 30	Three Months Ended 2022	Three Months Ended 2021	Six Months Ended 2022	Six Months Ended 2021	Favourable/(Unfavourable) Three Months	Favourable/(Unfavourable) Six Months
Interest expense on borrowings	**$ 4,509**	$ 4,691	**$ 8,950**	$ 9,530	$ 182	$ 580
Amortization of financing costs	**402**	423	**804**	808	21	4
Interest on employee future benefits, net	**213**	367	**427**	730	154	303
Interest capitalized on vessels under construction	**(76)**	(550)	**(148)**	(820)	(474)	(672)
	$ 5,048	$ 4,931	**$ 10,033**	$ 10,248	$ (117)	$ 215

Foreign Currency Gain

For the periods ended June 30	Three Months Ended 2022	Three Months Ended 2021	Six Months Ended 2022	Six Months Ended 2021	Favourable/(Unfavourable) Three Months	Favourable/(Unfavourable) Six Months
Gain on foreign denominated cash	**$ 2,097**	$ 196	**$ 1,490**	$ 197	$ 1,901	$ 1,293
Gain on return of capital from foreign subsidiary	**—**	331	**—**	331	(331)	(331)
Gain on foreign exchange forward contracts	**—**	—	**—**	52	—	(52)
	$ 2,097	$ 527	**$ 1,490**	$ 580	$ 1,570	$ 910

Income Taxes

For the periods ended June 30	Three Months Ended 2022	Three Months Ended 2021	Six Months Ended 2022	Six Months Ended 2021	Favourable/(Unfavourable) Three Months	Favourable/(Unfavourable) Six Months
Combined federal and provincial statutory income tax rate	**26.5 %**	26.5 %	**26.5 %**	26.5 %	— %	— %
Net earnings before income tax and net earnings from investments in joint ventures	**$ 43,530**	$ 36,492	**$ 11,338**	$ 1,862	$ 7,038	$ 9,476
Expected income tax expense	**$ (11,535)**	$ (9,670)	**$ (3,005)**	$ (493)	$ (1,865)	$ (2,512)
(Increase) decrease in expense resulting from:						
Foreign tax rates different from Canadian statutory rate	**2,919**	936	**4,536**	2,088	1,983	2,448
Effect of items that are non deductible	**—**	183	**—**	192	(183)	(192)
Adjustments to prior period provision	**(298)**	(148)	**(298)**	262	(150)	(560)
Other	**(33)**	(53)	**(23)**	(59)	20	36
Actual tax (expense) recovery	**$ (8,947)**	$ (8,752)	**$ 1,210**	$ 1,990	$ (195)	$ (780)

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 2022 and 2021 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.

Contingencies

For information on contingencies, please refer to Note 28 of the Consolidated Financial Statements for the years ending December 31, 2021 and 2020. There have been no significant changes in the items presented since December 31, 2021.

Capital Resources

The Company has cash on hand of $96,035 at June 30, 2022. Available credit facilities along with projected cash from operations for 2022 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 December 10, 2023 and comprises a $75 million Canadian dollar and a $75 million U.S. dollar senior secured revolving bank credit facility provided by a syndicate of four banks. The Facility bears interest at rates that are based on the Company's ratio of net senior debt, as defined, to earnings before interest, taxes, depreciation and amortization and ranges from 185 to 315 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 the majority of its wholly owned vessels. The Company's real estate assets and certain vessels, including ones that are not wholly owned, are not directly encumbered under this Facility.

The Company is subject to certain covenants under the terms of the Bank Facility and the Notes, including ones with respect to maintaining defined financial ratios and other conditions. As at June 30, 2022, the Company was in compliance with all of its covenants.

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 and six months ended June 30, 2022.

Financial Condition, Liquidity and Capital Resources

Cash Flows

	Three Months Ended		Six Months Ended		Favourable/(Unfavourable)	
For the periods ended June 30	**2022**	2021	**2022**	2021	Three Months	Six Months
Net cash generated from operating activities	**$ 17,711**	$ 18,414	**$ 9,002**	$ 22,205	$ (703)	$ (13,203)
Net cash generated from (used in) investing activities	**7,408**	(13,684)	**(2,320)**	(20,559)	21,092	18,239
Net cash used in financing activities	**(14,634)**	(14,944)	**(21,204)**	(61,112)	310	39,908
Net change in cash	**10,485**	(10,214)	**(14,522)**	(59,466)	20,699	44,944
Effects of exchange rate changes on cash held in foreign currencies	**2,394**	130	**1,615**	(1,452)	2,264	3,067
Cash, beginning of period	**83,156**	53,076	**108,942**	103,910	30,080	5,032
Cash, end of period	**$ 96,035**	$ 42,992	**$ 96,035**	$ 42,992	$ 53,043	$ 53,043

Investing Activities

The Company generated net cash from investing activities during the second quarter of 2022 primarily as a result of the sale of a shopping centre within the investment properties segment. In 2021, final delivery payment was made on one vessel and an instalment payment was made on another vessel currently under construction.

Financing Activities

The substantial net cash used in financing activities in the six months ended June 30, 2021 was a result of the special dividend of $97,679 paid in January 2021.

Free Cash Flow

The following table provides a reconciliation of net cash generated from operating activities in accordance with GAAP to the non-GAAP free cash flow, as reported for the three and six months ended June 30, 2022 and 2021 and presented herein:

	Three Months Ended		Six Months Ended		Favourable/(Unfavourable)	
For the periods ended June 30	**2022**	2021	**2022**	2021	Three Months	Six Months
Net cash generated from operating activities	**$ 17,711**	$ 18,414	**$ 9,002**	$ 22,205	$ (703)	$ (13,203)
Net debt service repayments	**(8,396)**	(8,691)	**(8,711)**	(9,441)	295	730
Capital required for maintenance of existing assets	**(3,826)**	(802)	**(10,749)**	(5,136)	(3,024)	(5,613)
Free cash flow[(1)]	**$ 5,489**	$ 8,921	**$ (10,458)**	$ 7,628	$ (3,432)	$ (18,086)

(1) Please refer to the section entitled Important Information About This MD&A - Free Cash Flow for an explanation of this non-GAAP measure.

- During the three and six months ended June 30, 2022, the Company made significant environmental investments in fleet upgrades such as carbon reducing fuel efficiency technology, ballast water treatment system installations and scrubber upgrades.

Normal Course Issuer Bid

Effective March 21, 2022, the Company renewed its normal course issuer bid (the "2022 NCIB") with the intention to purchase, through the facilities of the TSX, up to 1,890,047 of its Common Shares ("Shares") representing approximately 5% of the 37,800,943 Shares which were issued and outstanding as at the close of business on March 9, 2022 (the "NCIB").

Subject to prescribed exceptions, the Company is allowed to purchase up to 1,517 Common Shares on the TSX during any trading day, representing approximately 25% of the average daily trading volume of the shares on the TSX for the previous six calendar months, being 6,070 Shares. Any Shares purchased under the 2021 NCIB are cancelled. The Company did not purchase Shares under the 2021 NCIB.

In conjunction with the renewal of the NCIB, Algoma entered into a new automatic share purchase plan (the "ASPP") with a designated broker to allow for the purchase of its Shares under the NCIB at times when Algoma normally would not be active in the market due to applicable regulatory restrictions or internal trading black-out periods. Before the commencement of any particular internal trading black-out period, Algoma may, but is not required to, instruct its designated broker to make purchases of Shares under the NCIB during the ensuing black-out period in accordance with the terms of the ASPP. Such purchases will be determined by the broker in its sole discretion based on parameters established by Algoma prior to commencement of the applicable black-out period in accordance with the terms of the ASPP and applicable TSX rules. Outside of these black-out periods, Shares will continue to be purchasable by Algoma at its discretion under its NCIB.

The ASPP will commence on the Company's behalf during any quarterly blackout period of the Company and will terminate on the earliest of the date on which: (a) the maximum annual purchase limit under the NCIB has been reached; (b) Algoma terminates the ASPP in accordance with its terms; or (c) the NCIB expires. The ASPP constitutes an "automatic securities purchase plan" under applicable Canadian securities laws.

Commitments

The table below provides aggregate information about the Company's contractual obligations as at June 30, 2022 that affect the Company's liquidity and capital resource needs.

	2022	2023	2024	2025	2026	2027 and Beyond	Total
Long-term debt	$ 75	$ 5,198	$ 81,328	$ —	$ —	$ 317,423	$ 404,024
Capital asset commitments	6,530	53,571	5,283	—	—	—	65,384
Interest payments on long-term debt	8,321	16,455	14,231	12,067	12,067	92,938	156,079
Employee future benefit special payments	55	781	781	781	781	—	3,179
Leases	71	116	120	125	74	—	506
	$ 15,052	$ 76,121	$ 101,743	$ 12,973	$ 12,922	$ 410,361	$ 629,172

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 June 30, 2022. 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 June 30, 2022.

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 June 30, 2022.

Changes in Internal Controls over Financial Reporting

During the period ended June 30, 2022, 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.

Your Marine Carrier of Choice™

2022

ALGOMA CENTRAL CORPORATION
63 Church Street, Suite 600, St. Catharines, Ontario L2R 3C4
(905) 687-7888
www.algonet.com