

Tri-White Corporation

Press Release

May 6, 1999

TRI-WHITE CORPORATION - RESULTS OF OPERATIONS FOR THE THIRD QUARTER ENDED MARCH 31, 1999

TORONTO, ONTARIO - Tri-White Corporation (TSE, WSE: TWH) today announced the financial results for its third quarter ended March 31, 1999.

The quarter generated net earnings of \$763,000, or \$0.015 per share, on revenue of \$32,275,000. This compares to net earnings and revenue for the 3rd quarter ended March 31, 1998 of \$63,000 (loss) and \$29,744,000 respectively.

Shareholders' equity increased to \$83,373,000 at the end of the quarter or \$1.63 per share.

Year to date earnings were \$8,802,000, or \$0.173 per share on consolidated revenue of \$116,850,000. Comparable year to date results for the initial period commencing December 1, 1997 to March 31, 1998 were net earnings and revenue of \$45,000 and \$39,448,000 respectively.

John Lokker, Vice President was quoted as saying:

"The White Pass & Yukon Route has again reported minimal net earnings and revenue for the current quarter as the operation was still closed during the period.

Preparations for the 1999 tourist season were completed in the past month and the operation commenced carrying passengers in April.

During the off season, White Pass was successful in acquiring narrow gauge locomotive power units from a South American source and these units will be placed into service during June 1999 providing the operation with much needed capacity during the peak tourist months of July and August.

In addition, an expansion to one of the Skagway docks will be placed out to tender in the upcoming months. This expansion will allow White Pass to offer additional docking facilities to the cruise ships that visit Skagway. Construction is expected to commence after the current season concludes and will be completed prior to the commencement of the 2000 tourist season.

After the traditional slowdown in the trucking industry following the December holiday season, the Tri-Line trucking operation generated solid results during the current quarter. Both the HighTech and Logistics divisions again posting gains as activity in their market segment increased. The full load division performed as expected in the quarter, despite some concerns about the strength of the economy.

Consolidated trucking revenue at \$32,275,000 for the current quarter compares with \$29,343,000 for the same period in 1997. Year to date revenue was \$97,706,000 as compared with \$89,451,000 for the same period in 1997.

We expect continuing growth within the Tri-Line trucking group and, with indications of strong bookings by the cruise lines, we anticipate another successful tourist season from the White Pass & Yukon Route.

Tri-White and its subsidiaries have addressed the Year 2000 matter and are almost complete with the entire project. All programs have been rewritten or updated by third party providers and testing thereof is expected to be completed prior to the fiscal year end of June 30, 1999."

The Tri-White group is comprised of:

Tri-Line Expressways with almost 500 power units servicing the Canadian, US and Mexican truck load market, and the High-Tech and Logistics divisions, and The White Pass & Yukon Route, which operates a tourist train operation on the historic Klondike Gold Rush rail system between Skagway, Alaska and the Yukon Territory.

CONSOLIDATED STATEMENTS OF OPERATIONS

Unaudited (\$'000's omitted)
(except for share data)

	Quarter to March 31, 1999	Year to Date March 31, 1998
Revenue	32,275	29,744
Cost of sales, selling and administrative expenses	30,436	28,946
Depreciation and amortization	529	1,009
	30,965	29,955
Net income before interest and income taxes	1,310	(211)
Other income		
Interest income	69	6
Gain on sale of capital assets	63	80
	132	86
Earnings before income taxes	1,442	(125)
Income taxes	679	(62)
Net earnings for the period	763	(63)

Note: The comparative results covers the period from December 1, 1997 to March 31, 1998, the initial reporting period of the Company since incorporation and listing.

Earnings per share, basic	\$ 0.01	\$ (0.00)
Earnings per share, fully diluted	\$ 0.01	\$ (0.00)
Book value per share	\$ 1.63	\$ 1.31

	Year to Date March 31, 1999	Year to Date March 31, 1998
Revenue	116,850	39,448
Cost of sales, selling and administrative expenses	100,588	38,269
Depreciation and amortization	2,714	1,230
	103,302	39,499
Net income before interest and income taxes	13,548	(51)
Other income		
Interest income	160	(5)
Gain on sale of capital assets	1,160	115
	1,320	110
Earnings before income taxes	14,868	59
Income taxes	6,066	14
Net earnings for the period	8,802	45

Note: The comparative results covers the period from December 1, 1997 to March 31, 1998, the initial reporting period of the Company since incorporation and listing.

Earnings per share, basic	\$ 0.17	\$ 0.00
Earnings per share, fully diluted	\$ 0.17	\$ 0.00
Book value per share	\$ 1.63	\$ 1.31

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

Unaudited (\$'000's omitted)

	Quarter to March 31, 1999	Year to Date March 31, 1998
Balance, beginning of period	12,296	108
Net earnings	763	(63)
Balance, end of period	13,059	45

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

Unaudited (\$'000's omitted)

	Year to Date March 31, 1999	Year to Date March 31, 1998
Balance, beginning of period	4,257	—
Net earnings	8,802	45
Balance, end of period	13,059	45

Note: The comparative results covers the period from December 1, 1997 to March 31, 1998, the initial reporting period of the Company since incorporation and listing.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited (\$'000's omitted)

	Quarter to March 31, 1999	Year to Date March 31, 1998
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Earnings	763	(63)
Items not requiring (providing) cash		
Depreciation and amortization	529	1,009
Gain on sale of capital assets	(63)	(80)
Differed income taxes	(85)	(62)
	1,144	804
Changes in non-cash working capital items	(2,817)	16
	(1,673)	820
CASH FLOW FROM FINANCIAL ACTIVITIES		
Differed income taxes	—	617
Cumulative translation adjustment	214	(584)
Cash used in financing activities	214	33
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of capital assets	(622)	(376)
Proceeds on sale of capital assets	76	118
Provisions for site restoration	(551)	303
Cash used in investing activities	(1,097)	45
INCREASE (DECREASE) IN CASH	(2,556)	898
Cash Resources, beginning of period	6,578	(228)

CASH RESOURCES, END OF PERIOD	4,022	670
Cash resources consist of:		
Cash	7,344	670
Bank indebtedness	(3,322)	–
	4,022	670

Note: The comparative results covers the period from December 1, 1997 to March 31, 1998, the initial reporting period of the Company since incorporation and listing.

	Year to Date March 31, 1999	Year to Date March 31, 1998
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Earnings	8,802	45
Items not requiring (providing) cash		
Depreciation and amortization	2,714	1,230
Gain on sale of capital assets	(1,160)	(115)
Differed income taxes	4,590	14
	14,946	1,174
Changes in non-cash working capital items	2,156	(484)
	17,102	690
CASH FLOW FROM FINANCIAL ACTIVITIES		
Differed income taxes	–	778
Cumulative translation adjustment	10	(519)
Cash used in financing activities	10	259
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of capital assets	(6,149)	(377)
Proceeds on sale of capital assets	1,313	154
Provisions for site restoration	(6,863)	252
Cash used in investing activities	(11,699)	29
INCREASE (DECREASE) IN CASH	5,413	978
Cash Resources, beginning of period	(1,391)	(308)

CASH RESOURCES, END OF PERIOD	4,022	670
Cash resources consist of:		
Cash	7,344	670
Bank indebtedness	(3,322)	–
	4,022	670

Note: The comparative results covers the period from December 1, 1997 to March 31, 1998, the initial reporting period of the Company since incorporation and listing.

CONSOLIDATED BALANCE SHEETS AS AT March 31, 1999

Unaudited (\$'000's omitted)

	March 31, 1999	March 31, 1998
ASSETS		
CURRENT ASSETS		
Cash on hand and short term investments	7,344	670
Accounts receivable	20,036	18,657
Inventories	2,720	2,355
Prepaid expenses and other assets	2,584	2,121
	32,684	23,803
DEFERRED INCOME TAXES	–	4,059
CAPITAL ASSETS		
Land, buildings and equipment	109,757	99,687
Accumulated depreciation	28,090	26,031
	81,667	73,656
	114,351	101,518
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Bank Indebtedness	3,322	–
Accounts payable and accrued liabilities	13,542	12,206
Current portion of site restoration	2,431	5,697
Income taxes payable	24	4,715
	19,319	22,618

PROVISION FOR DEFERRED TAXES	4,038	–
PROVISION FOR SITE RESTORATION	7,621	11,827
SHAREHOLDERS' EQUITY		
Capital stock		
51,009,864 common shares	67,547	67,547
Retained earnings	13,059	45
Cumulative translation adjustment	2,767	(519)
	83,373	67,073
	114,351	101,518

Note: The comparative results covers the period from December 1, 1997 to March 31, 1998, the initial reporting period of the Company since incorporation and listing.

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