

Tri-White Corporation

Press Release

September 14, 2000

TRI-WHITE CORPORATION - RESULTS OF OPERATIONS FOR THE FORTH QUARTER ENDED JUNE 30, 2000.

Tri-White Corporation (TSE, WSE: TWH) today announced the financial results for the 4th Quarter and the year ended June 30, 2000.

Net earnings in the 4th quarter from continuing operations were \$2,271,000, or \$0.05 per share, on revenue of \$12,800,000. Net income from discontinued operations contributed a further \$828,000 or \$0.01 per share.

This compares to net earnings from continuing operations of \$1,921,000, or \$0.04 per share on revenue of \$11,214,000. Discontinued operations contributed a further \$1,345,000, or \$0.02 per share for the same quarter in 1999.

Year to date net earnings from continuing operations were \$7,509,000, or \$0.15 per share on revenue of \$32,344,000. Net income from discontinued operations was \$4,401,000 or \$0.09 per share.

Comparable year to date results for the previous year were net earnings from continuing operations of \$7,780,000, or \$0.15 per share on revenue of \$30,358,000. Discontinued operations contributed a further \$4,288,000, or \$0.08 per share.

Shareholders' equity increased to \$95,633,000 as at June 30, 2000 or \$1.95 per share.

On July 18, 2000, the Corporation completed the sale of its Trucking Group to TCT Logistics Inc. for total proceeds of \$44,000,000. The purchase price was satisfied by a payment of \$36,000,000 in cash, a subordinate debenture of \$7,000,000 due within one year and a one-year holdback of \$1,000,000, to be recorded in the 1st Quarter of the 2001 fiscal year.

In light of this transaction, the results of the Trucking Group have been reported as Discontinued Operations for the current year and the financial results for the past year have been restated for comparative purposes.

K. (Rai) Sahi, Chairman and Chief Executive Officer was quoted as saying:

"We are pleased with the results for the year and the completion of the sale of the Trucking Group. The lengthy process took a significant amount of management time and attention but was concluded to the satisfaction of all parties.

The White Pass & Yukon Route continues to produce stellar results, although the changing fortunes of the Canadian Dollar during the current year had some negative impact on the operating results.

The operating results for White Pass were most gratifying, with another strong start to the 2000 tourist season. The season is expected to close with almost 300,000 passengers being accommodated. This compares with 274,000 in the 1999 season.

The addition of the locomotives purchased earlier has built some spare capacity into the operation, allowing larger passenger complements to be handled on the busy days.

The dock expansion completed prior to the start of the season has performed as expected and the cruise lines are pleased with the improvement in docking this enhancement allows.

Today our Board of Directors reviewed our dividend policy, and I am delighted to announce the introduction of an annual dividend of \$0.10 per common share, payable semi-annually, with our first payment of \$0.05 per share to be made on October 31st to the shareholders of record as of October 10, 2000."

On July 29, 2000, The White Pass and Yukon Route celebrated the centennial of the completion of the rail link between Skagway, Alaska and Whitehorse, Yukon Territories with a re-enactment of the original ceremony at Carcross in the Yukon Territories where the construction crews from both points of origin met. A golden spike was driven by the great-grandnephew of Michael J. Heney, who built the railroad. This historic event continues the magnificent achievement accomplished so many years ago, providing the discerning traveller with a unique experience in the Yukon and Alaska.

During the current quarter the Company purchased 168,700 shares under the Normal Course Issuer Bid for cancellation at an average purchase price of \$2.07 per share. Year to date purchases under this program totalled 1,973,100 shares for an average price of \$2.08. There are currently 49,036,764 shares outstanding.

Tri-White Corporation owns The White Pass & Yukon Route, which operates a tourist train operation on the historic Klondike Gold Rush rail system between Skagway, Alaska and Whitehorse, Yukon Territory.

CONSOLIDATED STATEMENTS OF OPERATIONS

Unaudited (\$'000's omitted)

(except for share data)

	Quarter to June 30, 2000	Year to Date June 30, 2000	Quarter to June 30, 1999	Year to Date June 30, 1999
Revenue	12,804	32,344	11,214	30,358
Cost of sales, selling and administrative expenses	7,842	17,666	7,622	15,786
Depreciation and amortization	1,264	2,459	–	2,357
	9106	20,125	7,622	18,143
Net income before interest and income taxes	3,698	12,219	3,592	12,215
Other				
Interest expense	102	108	92	233
Gain on sale of capital assets	(11)	(188)	–	(928)
	91	(80)	92	(695)
Earnings before income taxes	3,607	12,299	3,500	12,910
Income taxes	1,336	4,790	1,579	5,130
Net income from continuing operations	2,271	7,509	1,921	7,780
Net earnings from discontinued operations	828	4,401	1,345	4,288
Extraordinary after tax gain	–	–	–	–
Net earnings for the period	3,099	11,910	3,266	12,068
Average # of shares outstanding	49,145,417	49,988,475	51,009,864	51,009,864
Earnings per share, basic	\$ 0.06	\$ 0.24	\$ 0.06	\$ 0.24
Earnings per share, fully diluted	\$ 0.06	\$ 0.23	\$ 0.06	\$ 0.23
Book value per share	\$ 1.95	\$ 1.95	\$ 1.72	\$ 1.72

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

Unaudited (\$'000's omitted)

	Quarter to June 30, 2000	Year to Date June 30, 2000	Quarter to June 30, 1999	Year to Date June 30, 1999
Balance, beginning of period	23,734	16,325	13,059	4,257
Net earnings	3,099	11,910	3,266	12,068
Excess of repurchase price of Common Shares over average carrying values	(127)	(1,529)	—	—
Balance, end of period	26,706	26,706	16,325	16,325

Certain of the comparative figures have been restated to record the net income of discontinued operations.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited (\$'000's omitted)

	Quarter to June 30, 2000	Year to Date June 30, 2000	Quarter to June 30, 1999	Year to Date June 30, 1999
CASH FLOWS FROM OPERATING ACTIVITIES				
Net earnings	2,271	7,509	1,921	7,780
Items not requiring (providing) cash				
Depreciation and amortization	1,264	2,459	1,191	2,357
Gain on sale of capital assets	(11)	(188)	(60)	(928)
Future income taxes	1,216	2,123	(154)	4,399
	4,740	11,903	2,898	13,608
Changes in non-cash working capital items	(5,109)	(2,650)	(4,614)	(4,809)
	(369)	9,253	(1,716)	8,799
CASH FLOW FROM DISCONTINUED OPERATIONS				
	1,183	6,259	466	7,267
CASH FLOW FROM FINANCING ACTIVITIES				
Cumulative translation adjustment	631	370	2,092	2,219
Cash used in financing activities	631	370	2,092	2,219

CASH FLOW FROM INVESTING ACTIVITIES

Acquisition of capital assets	(4,100)	(15,215)	(4,402)	(10,857)
Exchange gain on capital assets	–	–	117	–
Proceeds on sale of capital assets	(55)	890	61	1,466
Shares purchased for cancellation	(350)	(4,141)	–	–
Provision for site restoration	(748)	(2,535)	1,547	(5,317)
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Cash used in investing activities	(5,253)	(21,001)	(2,677)	(14,708)
INCREASE (DECREASE) IN CASH	(3,808)	(5,119)	(1,835)	3,577
Cash Resources, beginning of period	876	2,187	4,022	(1,390)
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CASH RESOURCES, END OF PERIOD	(2,932)	(2,932)	2,187	2,187
Cash resources consist of:				
Cash	6,063	6,063	3,615	3,615
Bank indebtedness	(8,995)	(8,995)	(1,428)	(1,428)
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	(2,932)	(2,932)	2,187	2,187

Certain of the comparative figures have been restated to record the net income of discontinued operations.

CONSOLIDATED BALANCE SHEETS AS AT June 30, 2000

Unaudited (\$'000's omitted)

	June 30, 2000	June 30, 1999
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ASSETS		
CURRENT ASSETS		
	6,063	3,615
Accounts receivable	27,887	25,057
Income taxes recoverable	2,067	–
Inventories	5,767	2,983
Prepaid expenses and other assets	1,040	2,826
	42,824	34,481
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CAPITAL ASSETS		
Land, buildings and equipment	123,885	111,065
Accumulated depreciation	30,250	27,963
	93,635	83,102
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	136,459	117,583

LIABILITIES AND SHAREHOLDERS' EQUITY**CURRENT LIABILITIES**

Bank Indebtedness	8,995	1,428
Accounts payable and accrued liabilities	17,955	16,080
Current portion of site restoration	2,199	1,646
Income taxes payable	1,831	461

	30,980	19,615
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FUTURE INCOME TAXES	8,322	5,861
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PROVISION FOR SITE RESTORATION	1,524	4,612
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SHAREHOLDERS' EQUITY

Capital stock	64,934	67,547
49,036,764 common shares		
Retained earnings	26,706	16,325
Cumulative translation adjustment	3,993	3,623

	95,633	87,495
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	136,459	117,583
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