

Consolidated Financial Statements of

**PROVINCE OF NOVA SCOTIA
SYDNEY STEEL CORPORATION SUPERANNUATION FUND**

March 31, 2012 and March 31, 2011

Independent auditor's report

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To the Minister of Finance, Province of Nova Scotia

We have audited the accompanying consolidated financial statements of Sydney Steel Corporation Superannuation Fund (the "Fund"), which comprise the consolidated statements of financial position as at March 31, 2012, March 31, 2011 and April 1, 2010, and the consolidated statement of changes in net assets available for benefits and statement of changes in pension obligations for the years ended March 31, 2012 and March 31, 2011, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Part IV of the CICA Handbook, Accounting Standards for Pension Plans, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Fund as at March 31, 2012, March 31, 2011, and April 1, 2010, and its statement of changes in net assets available for benefits and statement of changes in pension obligation for the years ended March 31, 2012 and March 31, 2011 in accordance with International Financial Reporting Standards.

Halifax, Canada
July 5, 2012

Grant Thornton LLP

Chartered accountants

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Consolidated Statement of Financial Position
 Years ended March 31, 2012 and 2011, and April 1, 2010

	March 31, 2012	March 31, 2011	April 1, 2010
Net Assets Available for Benefits			
Assets			
Cash	\$ 16,449	\$ 20,997	\$ 33,018
Total assets	16,449	20,997	33,018
Liabilities			
Accounts payable and accrued liabilities	4,761	14,416	13,251
Total liabilities	4,761	14,416	13,251
Net assets available for benefits	\$ 11,688	\$ 6,581	\$ 19,767
Accrued Pension Obligation and Deficit			
Accrued pension obligation (note 6)	\$ 178,330,200	\$ 189,997,700	\$ 200,890,700
Deficit (note 6)	(178,318,512)	(189,991,119)	(200,870,933)
Accrued pension obligation and deficit	\$ 11,688	\$ 6,581	\$ 19,767

The accompanying notes are an integral part of these consolidated financial statements.

On behalf of:

original signed by Maureen MacDonald

Minister of Finance

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Consolidated Statement of Changes in Net Assets Available for Benefits
 Years ended March 31, 2012 and 2011

	March 31, 2012	March 31, 2011
Increase in Assets		
Contributions	\$ 19,236,582	\$ 20,127,502
Investments income	300	1,375
Total increase in assets	19,236,882	20,128,877
Decrease in Assets		
Benefits paid (note 7)	19,078,219	19,964,570
Administration expenses (note 8)	153,556	177,493
Total decrease in assets	19,231,775	20,142,063
Increase (decrease) in net assets available for benefits	5,107	(13,186)
Net assets available for benefits, beginning of year	6,581	19,767
Net assets available for benefits, end of year	\$ 11,688	\$ 6,581

The accompanying notes are an integral part of these consolidated financial statements.

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Consolidated Statement of Changes in Pension Obligation and Deficit
 Years ended March 31, 2012 and 2011

	March 31, 2012	March 31, 2011
Accrued pension obligation, beginning of year	\$ 189,997,700	\$ 200,890,700
Increase in accrued pension benefits:		
Interest on accrued pension obligation	8,574,400	9,072,300
	8,574,400	9,072,300
Decrease in accrued pension benefits:		
Benefits paid	(19,078,219)	(19,964,570)
Difference in estimated benefits paid used in actuarial valuation versus actual benefits paid	(243,781)	(174,530)
Adjustment to accrued pension obligation, beginning of year due to estimated interest and benefits paid	178,700	173,800
Net experience (gains) losses	(1,098,600)	-
	(20,241,900)	(19,965,300)
Net decrease in accrued pension benefits	(11,667,500)	(10,893,000)
Accrued pension obligation, end of year	\$ 178,330,200	\$ 189,997,700

Statement of Changes in Deficit

Years ended March 31, 2012 and 2011

	March 31, 2012	March 31, 2011
Deficit, beginning of year	\$ (189,991,119)	\$ (200,870,933)
Net increase (decrease) in net assets available for benefits	5,107	(13,186)
Net decrease in accrued pension obligation	11,667,500	10,893,000
Deficit, end of year	\$ (178,318,512)	\$ (189,991,119)

See accompanying notes to consolidated financial statements.

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Notes to Consolidated Financial Statements
Years ended March 31, 2012 and 2011

1. Authority and description of Plans:

The Sydney Steel Corporation Superannuation Fund (the "Fund") was established under Section 7 of the Sydney Steel Corporation Sale Act (the "Act"), which was proclaimed on February 9, 2001. Order in Council No. 2001-98 designated February 28, 2001 as the effective date on which the assets and obligations of the Sydney Steel Corporation pension plans were transferred to the Fund. The Minister of Finance of the Province of Nova Scotia is responsible for the Fund.

Under subsection 7(9) of the Act, the Minister of Finance assumed responsibility to fund any shortfalls arising under the Fund.

a) United Steel Workers of America Pension Plan:

The Plan is a defined benefit pension plan covering former employees of the Sydney Steel Corporation who were members of Locals 1064, 6537 and 6516 of the United Steelworkers of America.

A service pension is available based on \$30.00 per month per year of service, effective January 1, 1995 (previously \$16.50 per month), to a maximum of 35 years plus the amount of pension benefit as established under the provisions of the 1955 Pension Plan.

Death benefits are available if certain criteria are met.

b) Salaried Pension Plan:

The Plan is a defined benefit pension plan covering former salaried employees of the Sydney Steel Corporation.

A service pension is available based on \$30.00 per month per year of service, effective January 1, 1995 (previously \$16.50 per month), to a maximum of 35 years plus certain percentages of required contributions made after May 1, 1955.

Senior management employees receive, for each year of senior management service, a pension based on 2% of the highest average salary of their best 5 years.

Death benefits are available if certain criteria are met.

c) Canadian Union of Public Employees' Pension Plan:

The Plan is a defined benefit pension plan covering former employees of the Sydney Steel Corporation who were members of Locals 1675 of the Canadian Union of Public Employees.

A service pension is available based on \$35.00 per month per year of service, effective January 1, 1995 (previously \$16.50 per month), to a maximum of 35 years plus the amount of

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Notes to Consolidated Financial Statements
Years ended March 31, 2012 and 2011

1. Authority and description of Plans (continued):

pension benefit as established under the provisions of the 1955 Pension Plan.

Death benefits are available if certain criteria are met.

2. Basis of preparation:

a) Basis of presentation:

The Fund adopted Canadian accounting standards for pension plans in Part IV of the Canadian Institute of Chartered Accountants Handbook ("CICA"), Section 4600 – Pension Plans ("Section 4600"), on April 1, 2011 with a transition date of April 1, 2010. Section 4600 provides specific accounting guidance on investments and pension obligations. For accounting policies that do not relate to either investments or pension obligations, the Fund must consistently comply with either International Financial Reporting Standards ("IFRS") in Part I of the CICA Handbook or Accounting Standards for Private Enterprises ("ASPE") in Part II of the CICA Handbook. The Fund has elected to comply on a consistent basis with IFRS in Part I of the CICA Handbook. To the extent that IFRS in Part I is inconsistent with Section 4600, Section 4600 takes precedence.

The adoption of Section 4600 had no impact on the Fund's net assets available for benefits, the accrued pension obligations and deficits or total investment income.

These consolidated financial statements are prepared on a going concern basis and present the aggregate financial position of the Fund as a separate reporting entity.

Certain comparative figures have been reclassified to adopt the changes to Section 4600.

b) Transition to CICA Section 4600 and IFRS:

These consolidated financial statements are the Fund's first in compliance with Section 4600 and IFRS. The comparatives as at April 1, 2010 and for the year ended March 31, 2011 have been restated accordingly. Prior to 2011, the financial statements were prepared in accordance with CICA Handbook Section 4100 - Pension Plans and Part V of the CICA Handbook.

The Fund has elected to early adopt IFRS 13, Fair Value Measurement, on a prospective basis, commencing April 1, 2010. The mandatory application date of IFRS 13 is for fiscal years beginning January 1, 2013. The Accounting Standards Board ("AcSB") has allowed early adoption for fiscal years beginning January 1, 2011, which is also the effective date for Section 4600. The measurement requirements under IFRS 13 were applied consistently to the fair value of all investment assets and investment-related liabilities in the periods presented in the financial statements. The definition of fair value has been amended to

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Years ended March 31, 2012 and 2011

2. Basis of preparation (continued):

comply with IFRS 13. There is no impact on the values of either investment assets or investment-related liabilities. As per Section 4600, the Fund is not required to comply with the disclosure requirements prescribed in IFRS 13.

These consolidated financial statements were authorized for issue by the Minister of Finance on July 5, 2012

In preparing the first consolidated financial statements in accordance with Section 4600, the Fund has adjusted amounts that were previously reported in accordance with CICA Handbook Section 4100 - Pension Plans.

An explanation of how the transition has affected the Plan's consolidated financial position is set out in the following table:

March 31, 2011	As previously reported	Revised per CICA Section 4600
Net Assets Available for Benefits		
Assets		
Cash	\$ 20,997	\$ 20,997
Total assets	20,997	20,997
Liabilities		
Accounts payable and accrued liabilities	14,416	14,416
Total liabilities	14,416	14,416
Net assets available for benefits	\$ 6,581	\$ 6,581

April 1, 2010	As previously reported	Revised per CICA Section 4600
Net Assets Available for Benefits		
Assets		
Cash	\$ 33,018	\$ 33,018
Total assets	33,018	33,018
Liabilities		
Accounts payable and accrued liabilities	13,251	13,251
Total liabilities	13,251	13,251
Net assets available for benefits	\$ 19,767	\$ 19,767

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Years ended March 31, 2012 and 2011

2. Basis of preparation (continued):

(c) Basis of measurement:

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value through the statement of changes in net assets available for benefits.

(d) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Fund's functional currency.

(e) Use of estimates and judgments:

The preparation of the consolidated financial statements in conformity with Section 4600 and IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the statement of financial position, the reported amounts of changes in net assets available for benefits and accrued pension benefits during the year. Actual results may differ from those estimates. Significant estimates included in the financial statements relate to the determination of the accrued pension obligation.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

3. Significant accounting policies:

a) Basis of consolidation:

These consolidated financial statements include the accounts of the following pension plans:

- United Steel Workers of America Pension Plan
- Salaried Pension Plan
- Canadian Union of Public Employees' Pension Plan

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3. Significant accounting policies (continued):

b) Fair value measurement:

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

The Fund does not hold any investment assets.

c) Non-investment assets and liabilities:

The fair value of non-investment assets and liabilities are equal to their amortized cost value and are adjusted for foreign exchange where applicable.

d) Accrued pension obligation:

The value of the accrued pension obligation of the Fund is based on a going concern method actuarial valuation prepared by an independent firm of actuaries using the projected unit credit method. The accrued pension obligation is measured in accordance with accepted actuarial methods using actuarial assumptions and methods adopted by the Fund for the purpose of establishing the long-term funding requirements of the Plans. The actuarial valuation included in the financial statements is consistent with the valuation for funding purposes.

e) Contributions:

There are no active pension plan members. All benefit payments and administration expenses are funded by the Minister of Finance through payments to the Fund from the Province's General Revenue Fund.

f) Benefits:

Benefit payments to retired members and survivors, and commuted value payments are recorded in the period in which they are paid. Accrued benefits are recorded as part of accrued actuarial liabilities.

g) Administrative expenses:

Administrative expenses are recorded on an accrual basis and include expenses incurred to provide direct services to the plan members, and for actuarial, audit and professional services.

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3. Significant accounting policies (continued):

h) Income taxes:

The Fund is the funding vehicle for registered pension plans, as defined by the Income Tax Act (Canada) and, accordingly is not subject to income taxes.

i) Future changes in accounting policies:

The International Accounting Standards Board has issued a number of new and amended standards that are not yet effective as at March 31, 2012. The relevant new guidance not yet adopted by the Fund includes:

- IFRS 9, Financial Instruments. The new standards will replace IAS 39, Financial Instruments: Recognition and Measurement and includes guidance on recognition and derecognition of financial assets and financial liabilities. The new standard is effective for annual periods beginning on or after January 1, 2015 and early application is permitted.

Management does not expect any significant impact on either the Fund's financial position or performance when adopting these new standards.

4. Contributions:

There are no active pension plan members. All benefit payments and administration expenses are funded by the Minister of Finance through payments to the Fund from the Province's General Revenue Fund.

5. Investments:

The Fund's invested assets were depleted in October 2007. Pension payments are now funded completely by the Minister of Finance. Investment income is from interest on cash balances and from recoveries from previously owned investments.

6. Accrued pension obligation:

The actuarial present value of the accrued pension obligation is an estimate of the value of pension obligations of the Fund in respect of benefits accrued to date for all deferred pensioners, pensioners and survivors. As the experience of the Plans unfolds, and as underlying conditions change over time, the actual value of accrued benefits payable in the future could be materially different from the actuarial present value.

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6. Accrued pension obligation (continued):

Actuarial valuations of the Plans are performed every three years, and provide an estimate of the accrued pension obligation (Fund liabilities) calculated using various economic and demographic assumptions, based on membership data as at the valuation date. The Fund's consulting actuaries, Mercer (September 30, 2008 – Morneau Sobeco), performed valuations as at September 30, 2011 and issued their reports in April 2012. The reports indicated that the Fund had an unfunded liability of \$184,724,700 (September 30, 2008 - \$212,068,300).

The major economic and demographic assumptions used in the September 30, 2011 valuations remained unchanged from those used in the September 30, 2008 valuations, with the exception of the discount rate, which changed from 4.95% to 4.75%, and the mortality table, which changed from UP94 projected to 2015 using Scale AA to UP94 generational with mortality improvements projected using Scale AA.

	Extrapolation March 31, 2012	Valuation September 30, 2011	Extrapolation March 31, 2011
Inflation (only applies to the Salaried Plan)	2.50% per annum	2.50% per annum	2.50% per annum
Average salary increase	Not applicable	Not applicable	Not applicable
Interest (discount) rate	4.75% per annum	4.75% per annum	4.75% per annum
Retirement age	Earliest unreduced retirement date	Earliest unreduced retirement date	Earliest unreduced retirement date
Mortality	UP-94 generational with mortality improvements projected using scale AA	UP-94 generational with mortality improvements projected using scale AA	UP-94 generational with mortality improvements projected using scale AA

7. Benefits:

	March 31, 2012	March 31, 2011
Benefits paid to pensioners	\$ 18,315,439	\$ 19,160,655
Benefits paid to survivors	761,180	750,759
Refunds paid to terminated members	1,600	53,156
	\$ 19,078,219	\$ 19,964,570

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8. Administrative expenses:

The Fund is charged with administrative and other expenses, certain of which are incurred on behalf of the Fund by the Nova Scotia Pension Agency. The following is a summary of these expenses.

	March 31, 2012	March 31, 2011
Salaries	\$ 70,720	\$ 91,858
Administration and custody	49,003	42,147
Travel, supplies and other	17,539	25,878
Actuarial	6,000	-
Audit	5,500	5,500
Professional services	4,794	12,110
	<u>\$ 153,556</u>	<u>\$ 177,493</u>

9. Capital management:

The Minister of Finance (see note 1) manages the benefits as required by the Sydney Steel Corporation Sale Act. The Minister of Finance approves and incurs expenses to administer the commerce of the Fund as required under the Act.

Benefit payments are funded by the General Revenue Fund of the Province of Nova Scotia. The Fund exercises due diligence and has established written policies, procedures, and approval processes. Operating budgets, audited financial statements, actuarial valuations and reports, and as required, the retention of supplementary professional, technical and other advisors, are part of the Fund's governance structure.

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Schedule A – Statement of Financial Position
 March 31, 2012 and 2011, and April 1, 2011

March 31, 2012	United Steel Workers of America (Locals 1064, 6537 and 6516) Pension Plan	Salaried Pension Plan	Canadian Union of Public Employees (Local 1675) Pension Plan	Total
Net Assets Available for Benefits				
Assets				
Cash	\$ 8,169	\$ 7,183	\$ 1,097	\$ 16,449
Total assets	8,169	7,183	1,097	16,449
Liabilities				
Accounts payable and accrued liabilities	3,484	1,240	37	4,761
Total liabilities	3,484	1,240	37	4,761
Net assets available for benefits	\$ 4,685	\$ 5,943	\$ 1,060	\$ 11,688
Accrued Pension Obligation and Deficit				
Accrued pension obligation	\$ 129,292,100	\$ 47,043,800	\$ 1,994,300	\$ 178,330,200
Deficit	(129,287,415)	(47,037,857)	(1,993,240)	(178,318,512)
Accrued pension obligation and deficit	\$ 4,685	\$ 5,943	\$ 1,060	\$ 11,688

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March 31, 2011	United Steel Workers of America (Locals 1064, 6537 and 6516) Pension Plan	Salaried Pension Plan	Canadian Union of Public Employees (Local 1675) Pension Plan	Total
Net Assets Available for Benefits				
Assets				
Cash	\$ 10,966	\$ 8,558	\$ 1,473	\$ 20,997
Total assets	10,966	8,558	1,473	20,997
Liabilities				
Accounts payable and accrued liabilities	9,315	4,224	877	14,416
Total liabilities	9,315	4,224	877	14,416
Net assets available for benefits	\$ 1,651	\$ 4,334	\$ 596	\$ 6,581
Accrued Pension Obligation and Deficit				
Accrued pension obligation	\$ 138,945,900	\$ 48,740,500	\$ 2,311,300	\$ 189,997,700
Deficit	(138,944,249)	(48,736,166)	(2,310,704)	(189,991,119)
Accrued pension obligation and deficit	\$ 1,651	\$ 4,334	\$ 596	\$ 6,581

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Schedule A – Statement of Financial Position
 March 31, 2012 and 2011, and April 1, 2011

April 1, 2010	United Steel Workers of America (Locals 1064, 6537 and 6516) Pension Plan	Salaried Pension Plan	Canadian Union of Public Employees (Local 1675) Pension Plan	Total
Net Assets Available for Benefits				
Assets				
Cash	\$ 16,238	\$ 14,302	\$ 2,478	\$ 33,018
Total assets	16,238	14,302	2,478	33,018
Liabilities				
Accounts payable and accrued liabilities	10,710	2,266	275	13,251
Total liabilities	10,710	2,266	275	13,251
Net assets available for benefits	\$ 5,528	\$ 12,036	\$ 2,203	\$ 19,767
Accrued Pension Obligation and Deficit				
Accrued pension obligation	\$ 147,658,600	\$ 50,832,300	\$ 2,399,800	\$ 200,890,700
Deficit	(147,653,072)	(50,820,264)	(2,397,597)	(200,870,933)
Accrued pension obligation and deficit	\$ 5,528	\$ 12,036	\$ 2,203	\$ 19,767

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Schedule B – Statement of Changes in Net Assets Available for Benefits
 March 31, 2012 and 2011

March 31, 2012	United Steel Workers of America (Locals 1064, 6537 and 6516) Pension Plan	Salaried Pension Plan	Canadian Union of Public Employees (Local 1675) Pension Plan	Total
Increase in Assets				
Contributions	\$ 14,798,235	\$ 4,245,438	\$ 192,909	\$ 19,236,582
Investments income	-	300	-	300
Total increase in assets	14,798,235	4,245,738	192,909	19,236,882
Decrease in Assets				
Benefits paid	14,670,457	4,218,503	189,259	19,078,219
Administration expenses	124,744	25,626	3,186	153,556
Total decrease in assets	14,795,201	4,244,129	192,445	19,231,775
Increase in net assets available for benefits	3,034	1,609	464	5,107
Net assets available for benefits, beginning of year	1,651	4,334	596	6,581
Net assets available for benefits, end of year	\$ 4,685	\$ 5,943	\$ 1,060	\$ 11,688

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Schedule B – Statement of Changes in Net Assets Available for Benefits
 March 31, 2012 and 2011

March 31, 2011	United Steel Workers of America (Locals 1064, 6537 and 6516) Pension Plan	Salaried Pension Plan	Canadian Union of Public Employees (Local 1675) Pension Plan	Total
Increase in Assets				
Contributions	\$ 15,528,382	\$ 4,395,672	\$ 203,448	\$ 20,127,502
Investments income	-	1,375	-	1,375
Total increase in assets	15,528,382	4,397,047	203,448	20,128,877
Decrease in Assets				
Benefits paid	15,393,317	4,370,536	200,717	19,964,570
Administration expenses	138,942	34,213	4,338	177,493
Total decrease in assets	15,532,259	4,404,749	205,055	20,142,063
Decrease in net assets available for benefits	(3,877)	(7,702)	(1,607)	(13,186)
Net assets available for benefits, beginning of year	5,528	12,036	2,203	19,767
Net assets available for benefits, end of year	\$ 1,651	\$ 4,334	\$ 596	\$ 6,581

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Schedule C – Statement of Changes in Pension Obligation and Deficit
 March 31, 2012 and 2011

March 31, 2012	United Steel Workers of America (Locals 1064, 6537 and 6516) Pension Plan	Salaried Pension Plan	Canadian Union of Public Employees (Local 1675) Pension Plan	Total
Accrued pension obligation, beginning of year	\$ 138,945,900	\$ 48,740,500	\$ 2,311,300	\$ 189,997,700
Increase in accrued pension benefits:				
Interest on accrued pension obligation	6,253,000	2,216,400	105,000	8,574,400
Contributions	-	-	-	-
Changes in actuarial assumptions	-	-	-	-
	6,253,000	2,216,400	105,000	8,574,400
Decrease in accrued pension benefits:				
Benefits paid	(14,670,457)	(4,218,503)	(189,259)	(19,078,219)
Difference in estimated benefits paid used in actuarial valuation versus actual benefits paid	(189,543)	(41,497)	(12,741)	(243,781)
Adjustment to accrued pension obligation, beginning of year due to estimated interest and benefits paid	126,400	51,500	800	178,700
Net experience (gains) losses	(1,173,200)	295,400	(220,800)	(1,098,600)
	(15,906,800)	(3,913,100)	(422,000)	(20,241,900)
Net decrease in accrued pension benefits	(9,653,800)	(1,696,700)	(317,000)	(11,667,500)
Accrued pension obligation, end of period	\$ 129,292,100	\$ 47,043,800	\$ 1,994,300	\$ 178,330,200

Statement of Changes in Deficit

Year ended March 31, 2012

Deficit, beginning of year	\$ (138,944,249)	\$ (48,736,166)	\$ (2,310,704)	\$ (189,991,119)
Net increase in net assets available for benefits	3,034	1,609	464	5,107
Net decrease in accrued pension obligation	9,653,800	1,696,700	317,000	11,667,500
Deficit, end of year	\$ (129,287,415)	\$ (47,037,857)	\$ (1,993,240)	\$ (178,318,512)

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Schedule C – Statement of Changes in Pension Obligation and Deficit
 March 31, 2012 and 2011

March 31, 2011	United Steel Workers of America (Locals 1064, 6537 and 6516) Pension Plan	Salaried Pension Plan	Canadian Union of Public Employees (Local 1675) Pension Plan	Total
Accrued pension obligation, beginning of year	\$ 147,658,600	\$ 50,832,300	\$ 2,399,800	\$ 200,890,700
Increase in accrued pension benefits:				
Interest on accrued pension obligation	6,652,500	2,310,400	109,400	9,072,300
Contributions	-	-	-	-
Changes in actuarial assumptions	-	-	-	-
	6,652,500	2,310,400	109,400	9,072,300
Decrease in accrued pension benefits:				
Benefits paid	(15,393,317)	(4,370,536)	(200,717)	(19,964,570)
Difference in estimated benefits paid used in actuarial valuation versus actual benefits paid	(128,283)	(44,162)	(2,085)	(174,530)
Adjustment to accrued pension obligation, beginning of year due to estimated interest and benefits paid	156,400	12,498	4,902	173,800
Net experience (gains) losses	-	-	-	-
	(15,365,200)	(4,402,200)	(197,900)	(19,965,300)
Net decrease in accrued pension benefits	(8,712,700)	(2,091,800)	(88,500)	(10,893,000)
Accrued pension obligation, end of period	\$ 138,945,900	\$ 48,740,500	\$ 2,311,300	\$ 189,997,700

Statement of Changes in Deficit

Year ended March 31, 2011

Deficit, beginning of year	\$ (147,653,072)	\$ (50,820,264)	\$ (2,397,597)	\$ (200,870,933)
Net decrease in net assets available for benefits	(3,877)	(7,702)	(1,607)	(13,186)
Net decrease in accrued pension obligation	8,712,700	2,091,800	88,500	10,893,000
Deficit, end of year	\$ (138,944,249)	\$ (48,736,166)	\$ (2,310,704)	\$ (189,991,119)