MAGELLAN AEROSPACE CORPORATION

ANNUAL INFORMATION FORM

March 31, 2001

THE CORPORATION

General

Magellan Aerospace Corporation ("Magellan" or the "Corporation") was incorporated on February 15, 1996 under the name 1169525 Ontario Inc. under the *Business Corporations Act* (Ontario). On April 3, 1996, as part of a statutory arrangement (the "Arrangement"), 1169525 Ontario Inc. changed its name to Fleet Aerospace Corporation. On October 17, 1996 the Corporation changed its name to Magellan Aerospace Corporation.

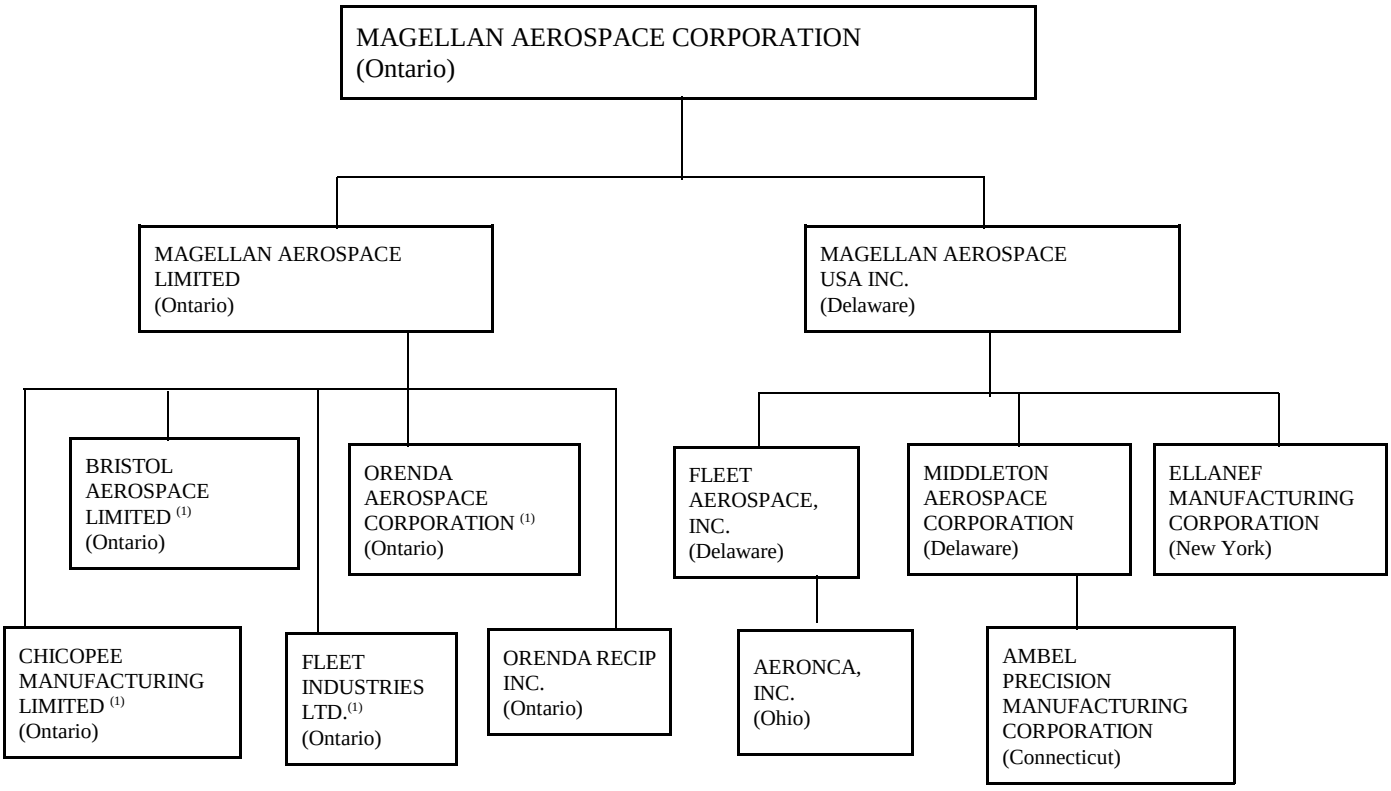
On the effective date of the Arrangement, Fleet Industries Ltd. (until that time the public company known as Fleet Aerospace Corporation) became a wholly-owned subsidiary of the Corporation (formerly a subsidiary of Fleet Industries Ltd. known as 1169525 Ontario Inc.) and holders of ordinary shares of Fleet Industries Ltd. became holders of Common Shares of the Corporation. On October 17, 1996 the Common Shares of the Corporation were consolidated on a one-for-five basis.

In Canada, the Corporation owns its aerospace businesses through its wholly-owned subsidiary, Magellan Aerospace Limited, which operates such businesses through its direct agent subsidiaries, Bristol Aerospace Limited, Orenda Aerospace Corporation, Fleet Industries Ltd. and Chicopee Manufacturing Limited, and also owns and operates a portion of such business through its indirect subsidiary, Orenda Recip Inc. In the United States, the Corporation owns and operates its aerospace business through its indirect subsidiaries, Fleet Aerospace, Inc., Aeronca, Inc., Ellanef Manufacturing Corporation, Middleton Aerospace Corporation and AMBEL Precision Manufacturing Corporation, all of which are direct or indirect subsidiaries of Magellan Aerospace USA, Inc. which is in turn a wholly-owned subsidiary of the Corporation. It is expected that any new businesses acquired by the Corporation will be operated as subsidiaries.

The Corporation’s principal office is located at 3160 Derry Road East, Mississauga, Ontario, L4T 1A9.

Subsidiaries

The following chart shows Magellan’s material active subsidiaries, all wholly-owned, directly or indirectly, and the respective jurisdiction of incorporation of each corporation, as at December 31, 2000.



(1) These corporations operate businesses owned by, and as agent on behalf of, Magellan Aerospace Limited.

BUSINESS AND PROPERTY OF MAGELLAN

General

Magellan, through its wholly-owned subsidiaries: Bristol Aerospace Limited ("Bristol"), located in Winnipeg and Rockwood, Manitoba; Orenda Aerospace Corporation ("Orenda"), located in Mississauga, Ontario; Orenda Recip Inc. ("Orenda Recip"), located in Debert (Truro), Nova Scotia; Fleet Industries Ltd. ("Fleet Industries"), located in Fort Erie, Ontario; Chicopee Manufacturing Limited, located in Kitchener, Ontario; Ellanef Manufacturing Corporation ("Ellanef") located in Corona and Bohemia, New York; Middleton Aerospace Corporation ("Middleton"), located in Middleton and Peabody, Massachusetts; Aeronca, Inc. ("Aeronca"), located in Middletown, Ohio; AMBEL Precision Manufacturing Corporation ("AMBEL") located in Bethel, Connecticut and Fleet Aerospace, Inc. ("Langley"), located in Lemon Grove, California, is involved in the engineering, manufacture and repair and overhaul of sophisticated equipment and components for the aerospace industry, modernizing, repairing and overhauling defence aircraft and helicopters and the manufacture of unguided rocket systems, unmanned vehicle and target systems and the Black Brant, a solid propellent high altitude research rocket.

The business carried on by the Corporation involves repair and overhaul services, and the engineering, manufacture and supply of aerospace components, equipment and systems pursuant to programs extending over a number of years. These programs involve firm contracts generally having terms of one to five years. The order backlog generated by these programs contributes to the long-term stability of the Corporation's operations. As component products and systems supplied are related to end-product sales by the

Corporation's customers, these programs, in accordance with industry practice, are generally subject to termination, modification or reduction at the option of the Corporation's customers. However, if a program is so terminated, the terms of the underlying contracts generally provide that the Corporation will be reimbursed for its allowable costs to the date of termination plus any proportionate amount of profits attributable to the work actually performed.

The total revenue, the number of principal customers accounting for more than 10% of the consolidated revenues in each of the last two completed financial years, and the percentage of total revenue in each of Canada and the United States from the operations of the Corporation's business are set forth in the following table:

	Year ended Dec. 31 **2000**	Year ended Dec. 31 **1999**
Canadian operations		
Total revenue*	$406,445	$351,353
Number of principal customers	2	2
Percentage of total revenue from principal customers	34%	37%
U.S. operations		
Total revenue*	$218,948	$210,476
Number of principal customers	3	3
Percentage of total revenue from principal customers	69%	63%

*thousands of dollars

Development of Magellan's Business

On May 7, 1996, the Corporation acquired the aerospace business carried on by Hawker Siddeley Canada Inc. ("Hawker Canada") through its Orenda division, located in Mississauga, Ontario and Richmond, British Columbia, respectively, and its wholly-owned subsidiary, Middleton Aerospace Corporation, located in Middleton, Massachusetts (collectively, the "Hawker Siddeley Acquisition"). The businesses purchased from Hawker Canada are being operated through Orenda Aerospace Corporation and Middleton Aerospace Corporation, both indirectly wholly-owned subsidiaries of the Corporation. The final purchase price for the Hawker Siddeley Acquisition, after adjustments, was $28,007,000, and the assumption of $2,000,000 in debt. The acquisition was funded, as to $13,007,000, by the sale of special warrants for aggregate gross proceeds of $18,750,000 (exercised on July 17, 1996 for 5,000,000 Common Shares) and, as to $15,000,000, by a term loan provided by the Bank.

During 1996, the Corporation offered to purchase all of the outstanding 682,835 shares of preferred stock of Fleet Aerospace, Inc. ("FAI") for a purchase price of U.S. $2.09 per share and the 682,835 publicly held shares of common stock of FAI at a price of U.S. $0.20 per share. FAI's common stock was 88.3% owned by the Corporation. On December 23, 1996 the Corporation acquired the remaining shares of FAI not

taken up pursuant to the offer through the compulsory acquisition provisions of the applicable corporate statute.

On December 19, 1996, the Corporation completed a refinancing transaction with respect to a portion of its current and long-term bank indebtedness. Under the terms of the refinancing, the Corporation issued promissory notes in the principal amount of $9,000,000 at an interest rate of 10% and issued an aggregate of 4,600,000 warrants having an exercise price of $3.00 per Common Share. The Corporation obtained a new promissory note from the Bank in the amount of $4,000,000, at an interest rate of prime plus 1%. A portion of these funds, $10,184,000, (including costs associated with this transaction), plus 1,000,000 of the 4,600,000 warrants were used to purchase $20,855,000 of the Corporation's current bank indebtedness and $7,490,000 of its long-term bank loans. In addition, $1,800,000 of its current bank indebtedness was forgiven.

On July 14, 1997, the Corporation acquired the aerospace business carried on by Rolls-Royce Industries Canada Inc. ("RR") through its Bristol division located in Winnipeg, Manitoba and Rockwood, Manitoba (the "Bristol Acquisition"). The final purchase price for the Bristol Acquisition, after adjustments, was $70,353,000, and the assumption of $3,744,000 in debt. On July 14, 1997, the Corporation issued 11,000,000 Common Shares at a price of $5.00 per Common Share for total gross proceeds of $55,000,000. The acquisition was funded, as to $34,200,000, by the sale of Common Shares, as to $30,000,000, by a term loan provided by the Bank and as to $6,153,000, by an operating loan provided by the Bank.

On May 13, 1998, the Corporation acquired all of the shares of Chicopee Manufacturing Limited ("Chicopee") for $21.5 million and on June 4, 1998 the Corporation acquired all of the shares of AMBEL Precision Manufacturing Corporation ("AMBEL") for U.S. $5.0 million.

On June 11, 1999 the Corporation acquired all of the shares of Ellanef Manufacturing Corporation ("Ellanef") for $88 million.

On February 15, 2000, the Corporation announced that it was awarded a Long-Term Contract with Boeing Commercial Airplanes Group, Seattle, Washington, to produce components and assemblies for the Next-Generation 737, 747, 757, 767 and 777 airplanes. The contract is effective for five years, through 2004, and is expected to generate revenue of $600 million (Cdn). The work will be delivered from Magellan facilities in Ontario, Manitoba, Ohio and New York.

Bristol Aerospace Limited

Bristol owns its main facility, comprised of a 65,000 square metre (700,000 sq. ft.) plant located in Winnipeg, Manitoba. Bristol also owns and operates a solid fuel rocket propellant manufacturing and test facility on a 2,400 hectare (6,000 acre) site, 30 kilometers north of Winnipeg at Rockwood, Manitoba. Bristol currently has over 1,100 employees in western Canada, approximately 725 of which are unionized. In addition to an experienced manufacturing and technical workforce, Bristol has strong engineering, marketing and administrative organizations. The Corporation believes that the available capacity at this facility is sufficient to meet its current and anticipated manufacturing requirements as indicated by current growth trends in the industry.

Bristol's aerospace group specializes in precision manufacturing of structures and engine components for the commercial and military aircraft industry. The products are supplied to the prime aircraft and aircraft engine manufacturers throughout the world. Commercial aerospace customers include The Boeing Company, Bombardier Inc., General Electric Company, Pratt & Whitney Inc. and RR. Defence customers include Northrop Grumman Corporation, the United States Air Force, NATO, and a number of Middle Eastern and Asian countries.

In 1999, Bristol opened a new composite manufacturing centre for the production of Boeing 737NG wing components. Based on the backlog of sales for this successful narrow-body jet, the program is expected to contribute to Bristol's revenue into the future.

In addition, Bristol is in the business of modernizing, repairing and overhauling defence aircraft and helicopters. Bristol has recently applied this capability to the upgrade of Canada's F-5 aircraft. One of the unique products developed by Bristol is the Wire Strike Protection. This system provides a measure of protection for a helicopter in the inadvertent flight into horizontally strung cables. To date 15,000 units of this proprietary product have been produced for more than 50 military and commercial helicopter models worldwide and is offered as standard equipment for most new helicopter models.

The defence group manufactures unguided rocket systems, unmanned vehicle and target systems and the Black Brant, a solid propellant high altitude research rocket. The unguided rocket system and unmanned vehicle and target systems are sold to the Canadian Armed Forces, NATO, Association of South-East Asian Nations as well as Australia and New Zealand. The major customer of the Black Brant is NASA, which uses the Black Brant in its suborbital Space Science Program.

On February 5, 1999 Magellan announced that Bristol was awarded a contract by General Electric Aircraft Engines to supply turbine frames for the GE F414 engine. The F414 jet engine is the powerplant for the US Navy's newest tactical fighter, the F/A 18E/F Super Hornet, and is a strong contender for other emerging aircraft and defence organizations. The initial contract revenue is estimated at $17 million over a three-year period beginning in 2000.

Chicopee Manufacturing Limited

Chicopee produces precision machined medium and large components and sub-assemblies from high-strength steels, titaniums and a variety of aluminum alloys. Major aerospace customers include Boeing Canada, Boeing Seattle, Boeing Wichita, Boeing North America, Menasco Aerospace, Bombardier (deHavilland), BF Goodrich Aerospace and General Motors and recent orders have been received for power generation gas turbines and telecommunication industries.

Chicopee operates from a company owned modern one-storey, 8,000 square meter (80,000 square foot) industrial building situated on 8.5 acres of land in Kitchener, Ontario and employs approximately 185 people.

On September 25, 2000, Magellan reached an agreement with the power generation division of Siemens Westinghouse Corporation to supply isolation ring segments to Siemens. The work will be carried out in 2000-2002 at Magellan's Chicopee facility in Kitchener, Ontario, for estimated revenue of $12 million.

Orenda Aerospace Corporation

Orenda conducts its activities in an owned 70,000 square meter (750,000 square foot) facility in Mississauga, Ontario near Toronto's Lester B. Pearson International Airport. Approximately 470 people are employed at the Mississauga facility. The Corporation believes that the available capacity at its Orenda facility is sufficient to meet its current and anticipated manufacturing requirements as indicated by current growth trends in the industry. Orenda's customers include aerospace original equipment manufacturers, gas turbine manufacturers, and commercial users of industrial gas turbine engines, as well as the Canadian Department of National Defence and U.S. Department of Defense.

Orenda is a precision manufacturer of high quality components for commercial, regional and military jet engines. The growth in component parts production continued to escalate during 1998 and into early 1999 with the recently announced partnering agreement with AlliedSignal Engines of Phoenix, Arizona. Under the terms of the partnership Orenda will work with AlliedSignal on the research and development phase and will manufacture a variety of parts within the high pressure turbine, compressor and combustor modules for the AS907 family of turbofan engines. The AS907 engine is destined for the business and regional jet markets including the new Bombardier Continental Business Jet and the British Aerospace Avro RJX aircraft.

Orenda also provides complete repair and overhaul facilities for the GE J85 (used in CF-5 and CT-114 aircraft) and F404 (used in CF-18 aircraft) engines for the Canadian Armed Forces and overhaul of exhaust frames for F404 engines used in the U.S. Navy F-18 fighter aircraft. The majority of repair and overhaul work is performed under fixed hourly rate contracts.

Orenda's Advanced Materials and Energy Systems group continues to develop proprietary processes that allow re-manufacture of commercial gas turbine components with quality and performance equal to or exceeding that of original factory components. In addition, this group is researching the adaptation of turbine engines to burn bio-fuel.

On April 27, 2000, the Corporation also announced Technology Partnerships Canada investments totalling $7.2 million in development projects at Orenda Aerospace to assist with the development of technology for new business aircraft engines and to develop new repair and overhaul techniques on existing aircraft and engines.

Fleet Industries Ltd.

Fleet Industries manufactures products for commercial and military aircraft, and specializes in metal-to-metal bonding and high-performance composite bonded components. Fleet Industries owns a 501,000 square foot (46,500 square meter) manufacturing facility located on a 152 acre (62 hectare) site in Fort Erie, Ontario.

Fleet Industries employs approximately 640 people. Its facility is presently operating at less than its potential capacity. The Corporation believes that the capacity is sufficient to meet its current and anticipated manufacturing requirements.

Fleet Industries manufactures components for such major aerospace programs as the Bombardier/deHavilland Dash 8, the Boeing 717, MD-80 and MD-11 commercial aircraft, the Bell Helicopter M430 commercial helicopter and the McDonnell Douglas F-18 military aircraft.

On January 9, 2001 Magellan announced an agreement for estimated revenues of up to $400 million to deliver aircraft structural assemblies for the Boeing B17-200 aircraft. The agreement with Boeing Commercial Airplanes Group, Long Beach CA, includes additions to an existing contract, payment of agreed additional development costs, and the release of additional orders. The work package, which includes flaps, vanes, ailerons, wing-to-body fairings and formers, will continue to be performed in two of Magellan's principal aerostructures facilities, Fleet Industries in Fort Erie, Ontario and Bristol Aerospace in Winnipeg, Manitoba.

Orenda Recip Inc.

In 1994, Orenda acquired proprietary technology for the design and production of a series of high performance reciprocating aero engines capable of producing between 500 hp and 750 hp at a cost well below that of small turbine engines.

During 1997, Orenda established a development and manufacturing centre for its 600 hp reciprocating aero-engine, plus an aircraft re-manufacturing plant in Debert (Truro), Nova Scotia through Orenda Recip Inc. The Nova Scotia Economic Development and Tourism department is providing $9.3 million in funds repayable from royalties on sales, while the Federal Department of Industry, under its Technology Partnership Canada program, is supplying $8.4 million, also in royalty-repayable funds. The new facility will be the first private aerospace industry located at Debert Airport, a former Canadian Forces base near Truro.

On March 23, 1998, the Corporation announced that Orenda Recip was awarded Type Certification from Transport Canada for its Orenda OE-600, the first high-output reciprocating aero-engine developed in over 40 years. Equivalent status from the US FAA followed shortly thereafter. Orenda Recip will manufacture and assemble its 600 horsepower aluminum-block, liquid-cooled V-8 engines for a worldwide market estimated to exceed 2,000 units, and will also install the powerplants on candidate airframes which will undergo a market-driven re-manufacturing process at the Debert plant. Other engine variants include 500 hp and 750 hp models. Initial time between overhauls is targeted at 1,500 operating hours, increasing to 3,000 operating hours as fleet experience grows.

Orders for 152 engines and installation kits, representing $20 million in sales, have been received from Stevens Air of Greenville, South Carolina, for retrofit installation on Beechcraft King Air 90 business aircraft and from Dakota Commander of Bismarck, North Dakota on the Commander aircraft. Orenda Recip has commenced hiring aerospace workers, building from 26 in 1999 to approximately 110 in year five.

On January 6, 1999 Magellan announced that Orenda Recip won a contract from Turkish Aerospace Industries for the development and production of a prototype powerplant for an aircraft currently being developed in Turkey. The agreement is expected to result in the supply of up to 300 powerplant packages, use OE-600 V-8 piston engines, over the life of the aircraft program. The potential revenue to be generated from this contract is $70 million over a three year period beginning in 2000.

The world's first certified Orenda powered aircraft entered into commercial service on March 17, 2000.

Ellanef Manufacturing Corporation

Ellanef is a leading speciality contract engineering and manufacturing company which engineers, manufactures and assembles complex components and sub-assemblies for original equipment manufacturers of commercial and military aircraft. Ellanef's core competency is the manufacture of close-tolerance machined components and assemblies using high heat treat and speciality metals such as aluminum, titanium and inconel. Parts and sub-assemblies manufactured by Ellanef comprise five primary aerospace product categories: mechanical and electromechanical assemblies, structural parts and assemblies, hydraulics, landing gear components and gearboxes. This range of components and sub-assemblies differentiates Ellanef from other aerospace component suppliers.

Ellanef's major customers include Boeing Company (Commercial and Military), Northrop Grumman, BF Goodrich, IAI, Wyman Gordon and Menasco. A significant portion of Ellanef's revenue for the Boeing Commercial Aircraft is parts and sub-assemblies for the successful Boeing 737 Next Generation aircraft.

Ellanef currently employs approximately 400 people. Ellanef operates from two company-owned premises in New York. Machining and assembly operations are performed at the Corona (Queens) location which consists of six buildings totaling approximately 15,000 square meters (156,000 square feet). Ellanef's large scale machining operations occur at the Bohemia facility, which is approximately 13,000 square meters (142,000 square feet) in size. The Corporation believes that the available capacity at these facilities is sufficient to meet its current and anticipated manufacturing requirements as indicated by current growth trends in the industry.

On November 2, 1999, the Corporation announced Ellanef reached agreement with Northrop Grumman, Los Angeles, to supply key structural components for the full rate production phase of the F/A-18E/F Super Hornet strike fighter. Revenue under this agreement is estimated at $60-65 million (Cdn.) Under the terms of the agreement, Ellanef will deliver machined titanium bulkheads and engine mounts, aluminum formers, and Aermet 100 horizontal stabilizer spindle assemblies, with first deliveries beginning early in 2000. The agreement contains a base workload plus four option quantities, extending to 2004.

Middleton Aerospace Corporation

Middleton conducts its business in two leased facilities. One facility of approximately 4,300 square meters (46,000 square feet) is located in Middleton, Massachusetts, just north of Boston and an additional 2,000 square meters (22,000 square feet) of manufacturing space is located in nearby Peabody, Massachusetts. Middleton's 125 employees are skilled in sophisticated machining and measurement techniques.

In order to address the increasing customer demands in the growing aerospace industry, Middleton leased the Peabody facility and installed US $2.6 million of new equipment during 1997. This new flexible manufacturing cell opened in mid-1997 and is dedicated to producing turbine engine shafts up to sixty inches in length and fourteen inches in diameter. The new equipment enables Middleton to bring in house, processes previously secured outside, thus significantly reducing both cycle times and cost, and solidifying its position as a world class supplier of shafting. The new processes consist of deep hole drilling to very close tolerances, five-axis gear hobbing, contour boring and balancing.

Middleton manufactures critical rotating and non-rotating parts for major engine builders and the U.S. Department of Defense. Middleton utilizes the latest computer assisted technology and has the required quality approvals. It has long-term agreements in place with General Electric and Allison Engine Company ("Allison"), part of the Rolls-Royce Aerospace Group and the U.S. Department of Defense.

Middleton manufactures both prototype and production parts using numerically controlled machines, and can turn, mill and grind parts as large as 60 inches in diameter. In addition, Middleton is using its five-axis machining capability to develop high value-added components for the medical equipment industry.

On February 5, 1999, the Corporation announced that Middleton received a new contract from AlliedSignal Aerospace for manufacture of aeroengine turbine shafts. The total estimated revenues from the contract is estimated to be in excess of $23 million over a five-year period beginning in 1999. Under the terms of the contract Middleton will be the sole manufacturer of engine shafts for the AlliedSignal LP 507 engine. The LP 507 engine is currently in service with the BAE 146 Regional Jet.

Aeronca, Inc.

Aeronca is a subcontractor for conventional and composite aircraft structures, engine and nacelle components as well as missile and space shuttle structures.

Aeronca's principal facility is located in Middletown, Ohio occupying a 350,000 square foot (32,500 square meter) building on a 40 acre (16 hectare) site which is owned by Aeronca. Aeronca employs approximately 225 people. The facility is presently operating at less than 50% of its potential capacity. The Corporation believes that the facility is sufficient to meet its current and anticipated manufacturing requirements as indicated by current growth trends in the industry. As the Corporation attracts new programs, retooling of existing equipment and the purchase of additional specialized equipment may be required for such programs.

Through Aeronca, the Corporation manufactures airframe structures and jet engine components primarily for the commercial aerospace and defence industries. Aeronca has developed significant manufacturing expertise in brazed structures, bonded and advanced composite structures and conventional sheet metal structures which enables it to produce a wide variety of light-weight, high-strength products, including variable exhaust nozzles for jet engines, fairings for engines and wings, speed brakes and wing components. These products are used in major aerospace programs, including the Boeing 737, 747, 757 and 767 commercial aircraft, the Airbus 300 series of commercial aircraft, the McDonnell Douglas MD-80 and MD-11 series of commercial aircraft, Pratt & Whitney jet engine nacelles and the Textron Marine air--cushioned landing craft.

Aeronca manufactures its products to meet demanding performance and environmental product specifications. These specifications include high strength, the capability to absorb high levels of energy and the ability to withstand extreme temperatures, shocks and vibrations. Aeronca's expertise in designing and manufacturing brazed structures allows it to address these product specifications because brazed structures are generally lighter, more temperature resistant and stronger than bonded or riveted structures. In addition. Aeronca uses its sophisticated bonding and composite capabilities to produce structures requiring complex shapes as well as high strength.

As a result of a strategic decision to diversify its product base to include proprietary products, Aeronca focused on the design and development of the Boeing 737 fan cowl door project. The manufacturing tools, equipment and type certificates for this program will remain the property of Aeronca. Certification of the doors was received in March 1998 and deliveries on an initial order from Southwest Airlines have now commenced. Aeronca is pursuing marketing opportunities for these replacement doors with other airlines.

In December, 1998 Aircelle, a limited partnership of Airbus Industrie and Hispano-Suiza, located in Harfleur, France awarded the exhaust nozzle and plug for the Airbus A340-500/600 to Aeronca and Magellan. This program is expected to provide in excess of $30 million in annual revenue at full production rate.

On May 9, 2000 Magellan announced plans for the expansion of its Aeronca, Inc. Division Manufacturing Facility located in Middletown, Ohio. The expansion consists of approximately 60,000 square feet of office and manufacturing space. The total project cost is in excess of $3 million. In addition, Magellan is investing over $7 million for the engineering and development of the new exhaust system for the A340 Aircraft.

On September 19, 2000 Magellan announced the award of a contract to provide acoustic nozzle assemblies for the new Airbus A318 aircraft. The work will be performed at Magellan's Middletown, Ohio

facility in conjunction with Hispano-Suiza Aerostructures, LeHavre, France. The contract has estimated revenues of over $29 million (Cdn) over a five year period.

On October 10, 2000 Magellan announced the award of a $35 million Cdn. follow-on contract to provide exhaust systems for Boeing 747 and 767 aircraft powered by General Electric CF6-80C2 engines. Commencing January 2001, the five-year contract will be carried out at Magellan's Aeronca facility in Middletown, Ohio for Boeing's Commercial Airplane Group in Seattle, Washington.

AMBEL Precision Manufacturing Corporation

Initially when acquired, AMBEL was conducting its business in leased space of approximately 2,000 square meters (22,000 square feet). Shortly after completion of the acquisition, a 1,100 square meter (12,000 square foot) expansion of the facility was undertaken in order to accommodate growing customer requirements. AMBEL employs approximately 115 people.

AMBEL is a precision machining company that has been supplying high quality jet engine components for both military and commercial aircraft since 1969. Its primary customers include Pratt & Whitney Canada and the United States Department of Defense . In addition to aerospace, AMBEL provides a number of small assemblies to the medical industry.

Fleet Aerospace, Inc.

Fleet Aerospace, Inc. ("Langley") has been a significant participant in United States space missions for many years. Langley manufactures engine thrust gimbals which are part of the steering mechanism for each of the three main engines of the space shuttle. A variety of cryogenic seals are produced each year for use in manned and unmanned space missions.

The customers of Langley include Lockheed Martin, the Rocketdyne division of the Boeing Company and the United Space Alliance. Recently, Lockheed Martin awarded Langley a new contract to manufacture seals for external tanks for use in future space missions.

AEROSPACE INDUSTRY

Overview

The aerospace manufacturing industry differs from traditional manufacturing industries in a number of material respects. An aerospace manufacturer develops very small quantities of highly specialized products on a contract basis. Accordingly, an aerospace manufacturer is more like a contractor, hired to complete a very customized and specialized project to the specifications of a customer. The up-front costs in developing such products that are incurred prior to the completion of the first production unit are significant. Up-front costs generally include engineering, design and manufacture of tooling, test units required for certification and learning curve hours (first units have much higher production hours due to employee training and modification of tools and fixtures).

In the case of defence programs, progress payments are normally made as costs are incurred; accordingly, to a large extent, defence programs are self-funding. In the case of commercial programs, the up-front costs of developing products are borne by the manufacturer, not the customer, and are only recovered when the project reaches the production phase and then usually on an amortization basis over the projected program life.

Trends

In the past, the Corporation has relied on a business mix of commercial and defence aerospace programs. Over the past few years, defence spending has been substantially reduced and the Corporation has been forced to rely on commercial programs to increase and maintain its business base. This reliance has increased the financing cost of programs, given the necessity of the Corporation to fund the up-front capital investment necessary to develop commercial programs. The financial burden is further increased because the pre-production phase of a typical aerospace product is about two years. The projected program life of such products is, typically, from five to ten years. These changes are necessitating that suppliers be of a larger size and have a stronger capital base in order to continue to participate in this industry. The growth of the Corporation over the last number of years has better positioned Magellan for these challenges.

Due to the cyclical nature of the industry, aerospace manufacturers experience fluctuations in cash flow. Profit is recovered after a product is developed and sold. Recovery is generally based on a per unit sale price over the number of units sold. Slowdowns in production scheduling and program terminations (which have increasingly become the norm in today's market) can result in substantial delays in recovering costs since they result in the projected sales on which cost recovery is based not being met.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following table sets out a consolidated summary of financial information relating to the Corporation for the periods indicated.

	Years Ended December 31		
	2000	1999[(1)]	1998[(2)]
	(in thousands of dollars, except per share amounts)		
		(restated)	(restated)
Operating Results			
Revenues	$625,393	$561,829	$426,942
Income (Loss)	37,913	30,829	20,277
Per Share Data[(1)]			
Income (Loss) for the year			
Basic	0.59	0.49	0.34
Diluted	0.59	0.49	0.33
Year-end Financial Position			
Total assets	694,351	660,532	432,602
Working capital	156,673	157,172	105,319
Long-term debt (excluding current portion)	140,595	171,267	87,163
Shareholder's Equity	272,260	228,536	185,128

Notes:

(1) On June 11, 1999, the Corporation acquired the shares of Ellanef. See "Business and Property of Magellan - Ellanef Manufacturing Corporation".

(2) On May 13, 1998, the Corporation acquired the shares of Chicopee. See "Business and Property of Magellan - Chicopee Manufacturing Limited". On June 4, 1998, the Corporation acquired the shares of AMBEL. See "Business and Property of Magellan - AMBEL Precision Manufacturing Corporation".

(3) The Corporation has not declared any dividends during any of the reported financial periods.

The Corporation does not anticipate declaring dividends on its Common Shares in the foreseeable future.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Reference is made to the commentary under the caption "Management's Discussion and Analysis" on pages 18 and 19 of the 2000 Annual Report to shareholders, which is incorporated herein by reference.

Quarterly Summary (unaudited)	Revenues	Income	Income per Share Basic	Income per Share Diluted
	(in thousands of dollars)			
December 31, 2000 Financial Year				
December 31	161,561	11,725	0.18	0.18
September 30	150,872	9,627	0.15	0.15
June 30	162,630	9,117	0.14	0.14
March 31	150,330	7,444	0.12	0.12
Total	625,393	37,913	0.59	0.59
December 31, 1999 Financial Year (restated)				
December 31	$159,940	$11,708	$ 0.18	$ 0.18
September 30	133,556	6,426	0.10	0.10
June 30	154,023	6,997	0.11	0.11
March 31	114,310	5,748	0.10	0.10
Total	$561,329	$30,879	$ 0.49	$ 0.48

In the interest of providing Magellan's shareholders and potential investors with information regarding the Corporation, including management's assessment of the Corporation's future plans and operations, this Annual Information Form contains forward-looking information that represents the Corporation's internal projections, expectations or beliefs concerning, among other things, future operating results and various components thereof or the Corporation's future economic performance. The projections, estimates and beliefs contained in such forward-looking statements necessarily involve known and unknown risks and uncertainties which may cause the Corporation's actual performance and financial results in future periods to differ materially from any estimates or projections of future performance of results expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things, such risk and uncertainties described in this Annual Information Form and the Corporation's other reports and filings with the Canadian securities authorities. Accordingly, shareholders and potential investors are cautioned that events or circumstances could cause actual results to differ materially from those predicted.

MARKET FOR SECURITIES

The Corporation's Common Shares are listed and posted for trading on The Toronto Stock Exchange under the symbol "MAL".

DIRECTORS AND OFFICERS

The names and municipalities of residence of the directors and officers of the Corporation, the offices held by them in the Corporation, their principal occupations and the year each director first became a director are set out below. Each of the directors, except for Larry G. Moeller who was not a director for the period from August 14, 1999 to March 3, 2000, has served continuously as a director since the date he was first elected or appointed. The present term of each director will expire immediately prior to the election of directors at the next annual meeting of shareholders, which is scheduled for May 17, 2001.

Name and Municipality of Residence	**Office Held**	**Principal Occupation**
N. MURRAY EDWARDS Calgary, Alberta (1995)	Chairman of the Board, Chief Executive Officer and Director	Chairman and Chief Executive Officer of Magellan Aerospace Corporation since 1995 and President, Edco Financial Holdings Ltd. (private investment company)
RICHARD A. NEILL Oakville, Ontario (1996)	President, Chief Operating Officer and Director	President and Chief Operating Officer, Magellan Aerospace Corporation
HON. WILLIAM G. DAVIS Brampton, Ontario (1989)	Director	Counsel, TORYS (law firm)
WILLIAM A. DIMMA Toronto, Ontario (1989)	Director	Corporate Director
BRUCE W. GOWAN Huntsville, Ontario (1990)	Director	Corporate Director
DONALD C. LOWE Toronto, Ontario (1992)	Director	Corporate Director
LARRY G. MOELLER Calgary, Alberta (1995)	Director	Vice-President, Finance, Edco Financial Holdings Ltd. (private investment company)
JAMES S. PALMER Calgary, Alberta (1995)	Director	Chairman, Burnet, Duckworth & Palmer LLP (law firm)
HON. M. DOUGLAS YOUNG Gloucester, Ontario (1999)	Director	Chairman, Summa Strategies Canada Inc. (strategic counselling firm)
JO-ANN C. BALL Oakville, Ontario	Vice President, Human Resources	Vice President, Human Resources Magellan Aerospace Corporation
BORYS CHARTCHENKO Toronto, Ontario	Corporate Controller	Corporate Controller Magellan Aerospace Corporation
JOHN B. DEKKER Burlington, Ontario	Vice President, Finance and Corporate Secretary	Vice President, Finance and Corporate Secretary Magellan Aerospace Corporation
STEVEN P. GROOT Burlington, Ontario	Treasurer	Treasurer Magellan Aerospace Corporation

Name and Municipality of Residence	Office Held	Principal Occupation
WILLIAM A. MATTHEWS Mississauga, Ontario	Vice President, Marketing	Vice President, Marketing Magellan Aerospace Corporation

During the past five years, all of the directors and officers of the Corporation have been engaged in their principal occupations or in other executive capacities with the corporations or firms with which they currently hold positions, with the exception of Mr. Neill who prior to May 7, 1996 was President, Orenda division of Hawker Canada, Mr. Gowan, who prior to February 28, 1999, served as Chief Financial Officer and Corporate Secretary of Magellan Aerospace Corporation, Mr. Young, who prior to 1997, served as Canada's Minister of Transport, Minister of Human Resources Development and Minister of National Defence, Ms. Ball, who prior to 2000 served as Director, Human Resources for Orenda Aerospace Corporation, Mr. Groot, who served as Controller for Canada Brick Limited from 1998 to 1999 and as Controller for Austin Powder Ltd. from 1995 to 1998, and Mr. Matthews, who served as Vice President, Marketing and Contracts for Bristol Aerospace Limited prior to July, 1999.

Messrs. Edwards, Neill, Davis and Dimma are members of the Executive Committee of the Board of Directors. Messrs. Davis, Dimma, Gowan and Palmer are members of the Audit Committee. Messrs. Edwards, Davis and Dimma are members of the Human Resources and Nominating Committee of the Board of Directors. Messrs. Lowe and Moeller are members of the Environment and Safety Committee of the Board of Directors.

As at March 31, 2001, the directors and senior officers of the Corporation, as a group, beneficially own, directly or indirectly, or exercise control or direction over 20,017,138 common shares representing approximately 30.4% of the outstanding Common Shares of the Corporation.

ADDITIONAL INFORMATION

Additional information relating to directors' and officers' remuneration and indebtedness, principal holders of the Corporation's voting shares and options to purchase the Corporation's shares is contained in the Corporation's Management Information Circular dated March 31, 2001 prepared in connection with the annual meeting of shareholders of the Corporation to be held on May 17, 2001. Additional financial information is provided in the Corporation's comparative financial statements for its financial years ended December 31, 2000 and 1999 which are contained in the Corporation's 2000 Annual Report.

Copies of the Information Circular, the financial statements, including any interim financial statements, Management's Discussion and Analysis, additional copies of this Annual Information Form, and if the Corporation is in the course of a distribution pursuant to a short-form prospectus or a preliminary short-form prospectus, any other documents incorporated therein by reference may be obtained upon request from the Secretary of the Corporation at the head office of Magellan, 3160 Derry Road East, Mississauga, Ontario, L4T 1A9. Telephone: (905) 677-1889; Facsimile: (905) 677-5658.