

# **STELCO INC.**

## **ANNUAL INFORMATION FORM**

For fiscal year ended December 31, 1999

April 28, 2000

## Table of Contents

|                                                     |    |
|-----------------------------------------------------|----|
| 1. INCORPORATION AND RELATED INFORMATION .....      | 1  |
| 1.1 Corporate Profile .....                         | 1  |
| 1.2 Incorporation .....                             | 1  |
| 1.3 The Stelco Group of Businesses.....             | 2  |
| 2. GENERAL DEVELOPMENT OF THE BUSINESS.....         | 3  |
| 2.1 Five-year Overview.....                         | 3  |
| 2.2 Major Events – 1995 through 1999 .....          | 3  |
| 3. DESCRIPTION OF THE BUSINESS .....                | 9  |
| 3.1 Market Overview.....                            | 9  |
| 3.2 Products and Markets.....                       | 11 |
| 3.3 Business Strategy.....                          | 12 |
| 3.4 Business Units.....                             | 12 |
| 3.5 Rolled Steel Products Segment.....              | 14 |
| 3.5.1 Hilton Works .....                            | 14 |
| 3.5.2 Lake Erie Steel Company .....                 | 16 |
| 3.5.3 Stelco-McMaster Ltée .....                    | 17 |
| 3.5.4 AltaSteel Ltd. ....                           | 17 |
| 3.5.5 Steel Processing.....                         | 18 |
| 3.5.6 Raw Materials.....                            | 19 |
| 3.6 Manufactured Products Segment.....              | 20 |
| 3.6.1 Wire Businesses .....                         | 20 |
| 3.6.2 Pipe and Tubular Businesses.....              | 22 |
| 3.6.3 Other .....                                   | 23 |
| 3.7 Employees .....                                 | 24 |
| 3.8 Health, Safety & Environment .....              | 25 |
| 3.9 Research and Development .....                  | 26 |
| 3.10 Patents and Trademarks .....                   | 28 |
| 3.11 Foreign Operations.....                        | 28 |
| 3.12 Litigation .....                               | 28 |
| 3.13 Accounting Policy Changes .....                | 29 |
| 4. SELECTED CONSOLIDATED FINANCIAL INFORMATION..... | 30 |
| 4.1 Five Year .....                                 | 30 |
| 4.2 Quarterly .....                                 | 31 |
| 5. MANAGEMENT'S DISCUSSION AND ANALYSIS .....       | 31 |
| 6. MARKET FOR SECURITIES.....                       | 31 |
| 7. DIRECTORS AND OFFICERS.....                      | 32 |
| 7.1 Directors.....                                  | 32 |
| 7.2 Officers .....                                  | 33 |
| 8. ADDITIONAL INFORMATION .....                     | 34 |

## **ANNUAL INFORMATION FORM DATED APRIL 28, 2000**

### **STELCO INC.**

#### **1. INCORPORATION AND RELATED INFORMATION**

##### **1.1 Corporate Profile**

Stelco Inc. ("Stelco" or the "Corporation"), through its business units (two Divisions and nine wholly owned subsidiaries) and jointly owned corporate entities, is in the business of producing and marketing rolled and fabricated steel products. Stelco is Canada's largest steel producer. Stelco operates four steel-producing business units: Hilton Works in Hamilton, Ontario; Lake Erie Steel Company in Nanticoke, Ontario; Stelco-McMaster Ltée in Contrecoeur, Quebec; and AltaSteel Ltd. in Edmonton, Alberta. Stelco also operates a number of steel-fabricating businesses. Steel products supplied by Stelco businesses to the North American market include hot rolled, cold rolled and coated sheet, plate, bars and wire rod, and manufactured products, such as wire and wire products, and pipe and tubular products.

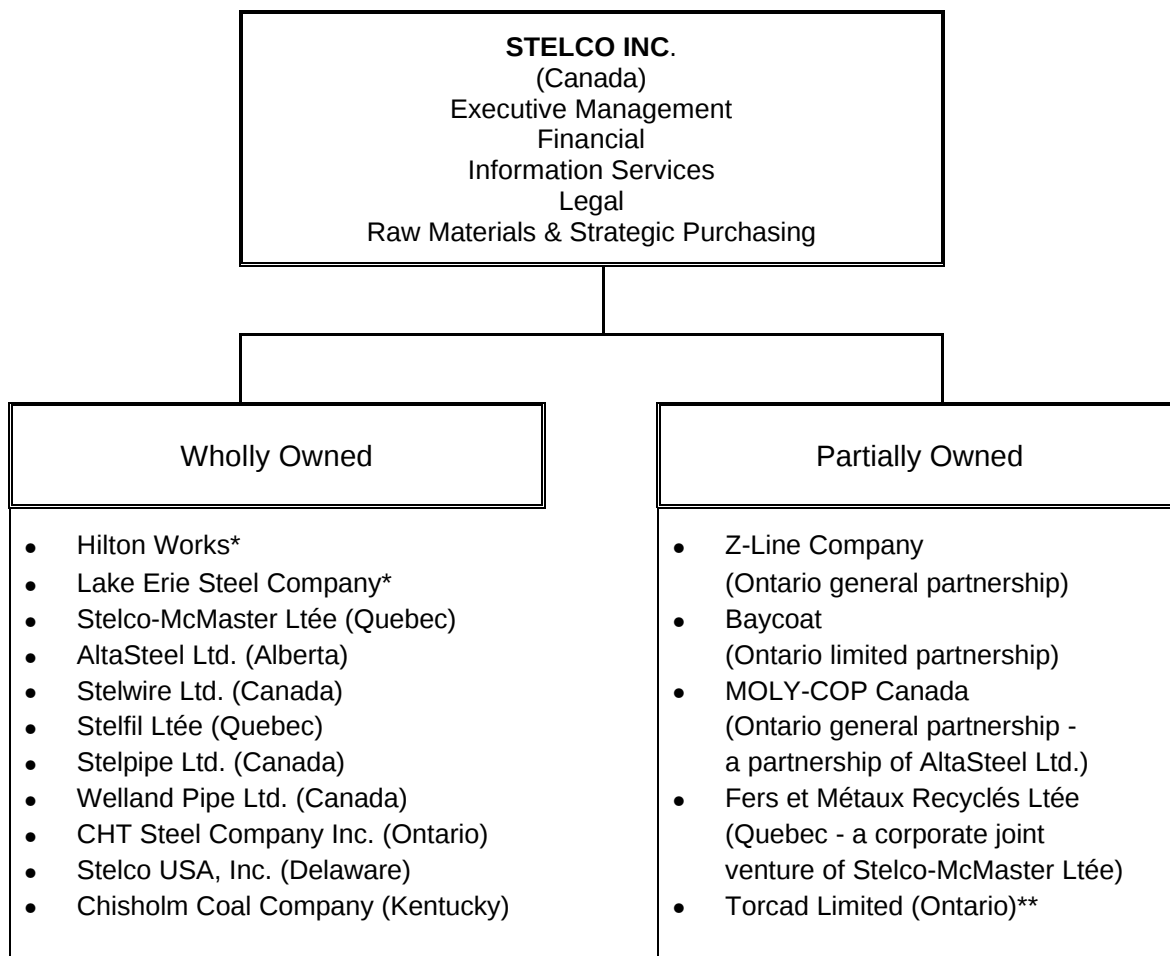
In 1999, the Stelco Group of Businesses produced 5.2 million tons of steel and shipped 4.9 million tons of steel products valued at \$3.1 billion. Annual steelmaking capability is 5.8 million tons.

##### **1.2 Incorporation**

Stelco is a corporation amalgamated under and governed by the Canada Business Corporations Act. Its registered and principal office is located at 100 King Street West, Hamilton, Ontario, Canada. The Corporation's roots date back to 1910. At that time, The Steel Company of Canada, Limited, one of Stelco's predecessor corporations, was incorporated to consolidate the operations of several businesses engaged in the production of iron and steel and related products. Effective January 1, 1969, The Steel Company of Canada, Limited; Page-Hersey Tubes, Limited; Premier Steel Mills Ltd.; and The Canadian Drawn Steel Company, Limited were amalgamated. The Corporation was continued pursuant to the Canada Business Corporations Act by certificate of continuance dated June 27, 1980. On January 1, 1999, the Corporation amalgamated with its wholly owned subsidiary, Lake Erie Steel Company Ltd. The material subsidiaries of the Corporation and their respective jurisdictions of incorporation are shown on page 2 and described in section 3 – Description of the Business.

### 1.3 The Stelco Group of Businesses

The Stelco Group of Businesses include divisions of the Corporation as well as subsidiaries. For each business unit, the jurisdiction of incorporation or organization are set out below as at December 31, 1999. Subsidiaries and jointly owned businesses where the interest of Stelco is at least 50 percent are shown. Subsidiaries not conducting business with external third parties are not shown.



\* A Division of Stelco Inc.

\*\* Name changed to D.C. Chrome Limited, effective January 26, 2000.

## **2. GENERAL DEVELOPMENT OF THE BUSINESS**

### **2.1 Five-year Overview**

Following a severe downturn in steel consumption during the early 1990s, demand for steel products in Canada and the U.S.A. (herein "North America") has risen steadily over the past five years. Steel consumption in Canada in 1999 was 18.0 million tons, a record high.

During the last five years, the Corporation's earnings and operating cash flows improved substantially over those generated in the early 1990's.

Since 1996, the Corporation's strategic emphasis has been on enhancing shareholder value through improved financial performance. To achieve that objective, the Corporation is focusing on continuous improvement in operational performance, particularly in productivity, product yields and energy usage; increasing profitability by growth in the value-added mix of products sold; and securing access to markets through improved quality, customer service and supply dependability. In support of these efforts, capital expenditures of approximately \$900 million have been authorized since December 1995.

### **2.2 Major Events – 1995 through 1999**

#### **1995**

Surplus land and buildings in Burlington, Ontario, formerly used as a fastener shipping facility were sold.

During the year, Hilton Works idled its tinplate production assets and withdrew from the market for tinplate. Steel formerly sold to container manufacturers was diverted into other markets principally in the form of cold rolled, galvanized and prepainted products.

The pulverized coal injection facility at Hilton Works began operation at year-end. This facility, which injects coal directly into the two blast furnaces, reduces operating costs by replacing more expensive coke with pulverized coal as part of the furnace burden and enhances environmental performance by allowing the idling of three of this Unit's older coke oven batteries.

A debt issue of \$150 million was purchased in advance of its 1998 maturity date, and the repurchase of long-term debt for sinking fund purposes totalled \$8 million. Payments on the notes payable issued in the 1980s to finance the construction of the slab and bloom caster facilities at Hilton Works totalled \$30 million. In addition, all \$9 million in outstanding long-term debt at Eveleth and Tilden iron ore mines was discharged. During the year, both the Canadian Bond Rating Service and the Dominion Bond Rating Service restored Stelco's senior and subordinated debt to investment grade.

Regular quarterly cash dividends on all series of preferred shares were paid in the amount of \$14 million. In addition, all dividend arrears, totalling \$34 million, were paid. The purchase of preferred shares pursuant to share condition requirements had been suspended as long as dividends were in arrears. During the year, purchases of preferred shares resumed upon declaration and payment of all dividends in arrears.

## **1996**

In April, Stelco's 40 percent interest in Bliss & Laughlin Industries Inc. was sold.

New collective agreements were signed with the United Steelworkers of America locals at nine business units. These agreements run for six years at Hilton Works, Stelco-McMaster Ltée and Stelwire Ltd. (Burlington Works); for four years at Lake Erie Steel Company Ltd. and Stelwire Ltd. (Parkdale Works); for three years at AltaSteel Ltd., Frost Wire Products Ltd., and Stelfil Ltée; and for two years at CHT Steel Company Inc.

At Stelpipe Ltd., operations halted on October 31 when this Company and Local 523, CAW/TCA Canada were unable to reach a new labour agreement and the CAW/TCA elected to strike. The strike was ongoing at year-end. At Welland Pipe Ltd., an agreement with Local 523, CAW/TCA Canada to temporarily extend the labour agreement that expired October 31 allowed this Company to continue operations.

Lake Erie Steel successfully completed a 35-day planned shutdown when major repairs were made at the blast furnace, coke ovens, steelmaking, and central power station.

During the year, six more of the wholly owned business units received ISO 9002 registration status in recognition of their ongoing commitment to improved product and service quality.

During 1996, Hilton Works participated actively in the administrative reviews by the U.S. Department of Commerce (DOC) of 1993 rulings involving steel shipments of plate and galvanized sheet from Canada to customers in the U.S. In March, the DOC issued its final margins on shipments for the period ending July 31, 1994. The low rates obtained by all Canadian producers were appealed by U.S. petitioners. In September, the DOC announced preliminary margins of zero and 0.45 percent respectively for sales of plate and galvanized sheet by Hilton Works for the 12 months ending July 31, 1995. In its final determination issued April 4, 1997, the DOC confirmed the zero margin for plate but increased the margin for galvanized to 0.55 percent, which is over the "de minimis" level of 0.5 percent and thus requires duty deposits for each shipment into the U.S.

In December 1996, Hilton Works' management requested that Revenue Canada investigate the injurious dumping of carbon steel plate from China, Mexico, Poland, Russia, and South Africa. The action was supported by the other Canadian plate producers and follows closely a similar complaint filed in the U.S. by producers exposed to dumped plate from many of the same sources. In February 1997, Revenue Canada accepted the case presented by Hilton Works.

During the year, the Corporation announced that it was proceeding with several projects which will significantly upgrade production facilities:

- A \$23 million walking beam bloom reheat furnace to be built at the bloom and billet mill at Hilton Works to enhance billet quality and reduce conversion costs by 30 percent when completed in 1998.
- An \$85 million upgrade of the plate mill at Hilton Works to reduce operating costs, enhance quality, expand product range, and increase mill capacity.
- At Hilton Works, a \$108 million upgrade to No. 7 coke oven battery to reduce coke costs, improve output, and improve environmental performance.
- Lake Erie Steel to undertake a \$105 million upgrade and expansion of its facilities. When completed in 1998, this programme will increase capacity by 20 percent and enhance cost, quality, and product range.

A debt issue with an outstanding balance of \$20 million was repurchased in advance of its maturity date. Payments on the notes payable issued in the 1980s to finance the construction of the slab and bloom caster facilities at Hilton Works totalled \$30 million.

An unscheduled plant-wide shutdown at Hilton Works in June, caused by an electrical failure, halted production at this facility for 48 hours. Failure of a 6,000 hp drive motor on Lake Erie Steel's hot strip mill interrupted strip rolling for 11 days in December.

## **1997**

In May, Welland Pipe Ltd. entered into a new four-year labour agreement with its hourly-rated employees, who had been working under a temporary extension to an agreement that expired on October 31, 1996. In July, Stelpipe Ltd. successfully negotiated the resolution of a work stoppage which began on October 31, 1996; the new agreement expires in July 2001. Also, during the year, Chisholm Coal Company signed a new labour agreement with the United Mine Workers of America, which will expire on December 31, 2002.

During the year, the Canadian International Trade Tribunal (CITT) upheld an anti-dumping complaint filed in December 1996 by Stelco and other Canadian producers concerning plate imported from China, Mexico, Russia, and South Africa. An appeal to a binational panel has been filed by Mexico. The CITT also initiated sunset reviews of two existing unfair trade findings; the first relating to the May 6, 1993 finding on plate and the second relating to a cold sheet finding of July 29, 1993. Stelco and the other Canadian producers have filed submissions proposing that the rulings be kept in place.

In the United States, wire rod producers Co-Steel Raritan, GS Technologies, North Star Steel, and Keystone Steel and Wire filed both antidumping and countervail complaints against imports from Canada, Germany, Trinidad and Tobago, and Venezuela. The U.S. Department of Commerce found no subsidization of Stelco shipments. In November, the U.S. International

Trade Commission (ITC) voted no injury with respect to subsidization. In February 1998, the U.S. Department of Commerce established a 0.91 percent margin for Stelco in its dumping investigation, the lowest margin found against any of the corporations included, and below the "de minimis" level of 2 percent for new investigations. In March 1998, the ITC voted no injury with respect to dumping.

At year-end, the Corporation recorded an after-tax charge of \$10 million, or \$0.10 per share, against its investment in Stelco Fasteners Ltd. This unit was subsequently sold on January 21, 1998 to Genfast Manufacturing Company.

The Corporation continued with the significant capital projects initiated in 1996. Capital spending on these and other projects totalled \$252 million in 1997. The \$105 million upgrade and expansion at Lake Erie Steel Company Ltd. was essentially completed by year-end. Construction and commissioning of the slab caster, the major undertaking in the project, was completed in November 1997. Installation of a second casthouse at the blast furnace was completed in January 1998. During 1997, the Corporation announced approval of a \$12 million project for Phase 1 of a programme to upgrade cold-rolling facilities at Hilton Works.

During 1997, the Corporation received \$153 million from drawdowns on previously arranged long-term debt financing for major capital projects. Repayments of long-term debt totalled \$57 million in 1997. Debts paid down were \$30 million on the notes payable issued in the 1980s to finance the construction of slab and bloom caster facilities at Hilton Works, \$13 million on the term loan at Stelco-McMaster Ltée, and \$14 million against amounts owing by proportionately consolidated joint ventures.

In June 1997, the Corporation began a common share dividend programme. On February 2, 1998, the Corporation announced that it had exercised its right to redeem about 60 percent of its outstanding preferred shares and that a plan was in place to purchase up to 5 percent of the outstanding common shares. These steps reflect the substantial strengthening of the balance sheet.

The United Steelworkers of America union local at Hilton Works filed a complaint with the Ontario Labour Relations Board regarding certain pension plan payments. Refer to section 3.12 on Page 28 for more information.

## **1998**

In August, CHT Steel Company Inc. signed a four-year collective agreement with its hourly rated employees.

Several major capital projects were completed in 1998. At Hilton Works, a new bloom rehear furnace began commercial operation during the second quarter; installation of a quick-roll change system at the 4-stand cold mill was completed in the third quarter; and the No. 7 coke oven battery refurbishment project was completed in the fourth quarter. At Lake Erie Steel Company Ltd., a major expansion and upgrading of iron and steelmaking facilities was completed with the start-up of the desulphurization station and increased availability of oxygen to the blast furnace.

Three additional major capital projects were approved in 1998. Hot rolled capacity at Lake Erie Steel Company is being increased by 500,000 tons per year with a \$120 million expansion of its hot strip mill. Bar production capacity at Stelco-McMaster Ltée is being expanded by 100,000 tons per year through a \$27 million modernization of its rolling facilities. Target completion for both projects is second quarter 2000. At Hilton Works, a \$48 million technology upgrade of the 4-stand cold mill is under way that will be completed in various stages over the next two years.

Steel imports in 1998 comprised 42 percent of Canadian apparent steel consumption, an increase from 37 percent in 1997, the previous high, and a dramatic increase from the traditional level of 28–30 percent. The surge in imports from offshore sources is due to the collapse in demand for steel in many economies outside North America. In response to a complaint filed by the Corporation in December 1998, Revenue Canada investigated dumping of hot rolled sheet from France, Romania, Russia, and Slovakia, and in March 1999, imposed substantial antidumping duty deposits on imports from these countries.

During 1998, the Corporation received \$57 million from drawdowns on previously arranged long-term debt financing for major capital projects. Debts paid down were \$30 million on notes payable issued to finance the slab and bloom caster facilities at Hilton Works, \$7 million on the term loan at Stelco-McMaster Ltée, \$17 million on other term loans, and \$13 million against amounts owing by proportionately consolidated joint ventures.

In May 1998, the Corporation redeemed all Series B preferred and one-half of the Series C preferred shares outstanding for \$98 million.

During the year, the Corporation acquired for cancellation 1.7 million of its common shares for \$17 million, through a normal course issuer bid.

In December 1998, the Board of Directors adopted a shareholder rights plan that, in the event of an unsolicited takeover bid, would allow the Board and the Corporation's shareholders more time to evaluate the offer and, if appropriate, to pursue other alternatives to maximize shareholder value.

## **1999**

In May, the business and assets of Frost Wire Products Ltd. was sold; a loss of \$0.04 per share was incurred. Effective June 30, 1999, the business and assets of a metal plating plant in Toronto, Ontario owned by Torcad Limited was sold.

During the year, new collective agreements were signed with the United Steelworkers of America locals at AltaSteel Ltd. and Stelfil Ltée. Contract expiry dates are July 31, 2004 and July 31, 2003 respectively.

A major 63-day reline and upgrade of "E" blast furnace at Hilton Works was completed, and production resumed, on schedule and within budget, on December 2, 1999. The facility and technological upgrades are expected to improve productivity and costs and are expected to increase furnace life to twelve years.

Substantial progress was made on the three major capital projects approved in 1998. At year-end, the \$120 million Phase 1 upgrade of the hot strip mill at Lake Erie Steel Company, the \$27 million bar mill modernization at Stelco-McMaster Ltée, and the \$48 million upgrade at the 4-stand tandem cold rolling mill at Hilton Works were proceeding, on schedule, to completion at various times within the first half of 2000.

The Corporation approved a further investment of \$255 million in the Lake Erie Steel Company 80-inch hot strip mill. Adding a sixth finishing stand, a profile and shape control package and an automatic width control system will enable this facility to maintain its quality leadership in the market. Adding a fourth reheat furnace, a high-powered roughing mill, electrical equipment upgrades and materials handling equipment will expand strip rolling capacity to four million tons annually. Project completion is expected in the fourth quarter of 2001.

The Corporation also approved an investment of \$10 million for a second charging crane for the steel shop at Lake Erie Steel Company to raise steelmaking capacity to 2.4 million tons. The project is expected to be complete by the fourth quarter of 2000.

The import share of Canadian steel consumption declined to 38% in 1999 from 42% in 1998. However, the import market share is still substantially above the traditional level of 28%. In 1999, the Corporation participated in a number of successful trade actions. In July, the Canadian International Trade Tribunal (CITT) ruled that imports of hot rolled sheet from France, Romania, Russia, and Slovakia had caused material injury to Canadian producers and imposed a requirement that imports enter Canada at non-dump prices or be subject to duty up to 77%. In August, the CITT ruled that imports of cold rolled sheet from Belgium, Russia, Slovakia, and Turkey threatened injury to Canadian producers and made permanent the duties of up to 71% imposed on these countries by Revenue Canada. In January 2000, the CITT ruled that dumped imports of steel reinforcing bar from Cuba, South Korea, and Turkey had injured producers in Canada and imposed a requirement that imports enter Canada at non-dump prices or be subject to duty up to 21%. In October, Revenue Canada initiated an investigation into the dumping and countervail subsidies of carbon steel plate from six countries. The Corporation expects that allegations of unfair trade will be confirmed and that provisional duties will be imposed early in 2000.

In February, the Corporation issued \$150 million of 8% senior unsecured debentures maturing February 15, 2006. The proceeds were used to finance capital expenditures and for general corporate purposes.

During the year, the Corporation received \$20 million from drawdowns on previously arranged long-term debt financing for major capital projects. Debts paid down were \$30 million on notes payable issued to finance the slab and bloom caster facilities at Hilton Works, \$21 million on other term loans and \$13 million against amounts owing by proportionately consolidated joint ventures.

In November 1999, the Corporation redeemed all Series C Preferred Shares outstanding for \$67 million.

During the year, the Corporation acquired for cancellation 796,100 of its common shares for \$8 million through a normal course issuer bid.

The shareholder rights plan adopted by the Board of Directors in December 1998 was confirmed by the shareholders at the 1999 Annual and Special General Meeting,

### **3. DESCRIPTION OF THE BUSINESS**

#### **3.1 Market Overview**

Canadian and U.S. steelmakers serve North American customers in a North American marketplace. The steel industry's automotive and automotive-supplier customer base is characterized by common ownership on both sides of the border. Purchasing decisions involve comparable products at comparable prices with emphasis being placed upon quality, service, and supply dependability, and not on country of origin.

The North American steel industry is also characterized by vigorous competition amongst the North American producers. The growth in recent years in steel output from mini-mills, which produce steel from scrap in electric-arc furnaces, and the emergence of thin-slab casting technologies, which allow mini-mills to produce certain sheet products, has increased competitive pressures in some market sectors.

North American steel producers also face significant competition from foreign producers. The intensity of such competition is affected by global steelmaking capacity, worldwide demand for steel products, and relative currency valuations. Some foreign steel producers are owned, controlled, or subsidized by their governments; consequently, their sales decisions may be influenced by political and economic policy decisions rather than by prevailing market conditions. The Corporation monitors steel imports for compliance with fair-trade practices and initiates action, through a federal government complaint process, under Canadian trade legislation where there is evidence of unfair trade.

The following tables set out summary information regarding producer shipments and steel consumption in Canada and the U.S.:

**Apparent Steel Consumption – Canada**

| (Million Tons)                | 1999  | 1998  | 1997  | 1996  | 1995  |
|-------------------------------|-------|-------|-------|-------|-------|
| Gross Shipments               | 16.5  | 15.5  | 16.0  | 15.6  | 14.7  |
| Less: Exports                 | (5.2) | (5.2) | (5.3) | (5.3) | (5.1) |
| Domestic Shipments            | 11.3  | 10.3  | 10.7  | 10.3  | 9.6   |
| Imports (ex producer imports) | 6.7   | 7.4   | 6.3   | 4.0   | 4.1   |
| Apparent Consumption          | 18.0  | 17.7  | 17.0  | 14.3  | 13.7  |
| Imports (%)                   | 38    | 42    | 37    | 28    | 30    |

Source: Statistics Canada.

**Apparent Steel Consumption – U.S.**

| (Million Tons)                | 1999  | 1998  | 1997  | 1996  | 1995  |
|-------------------------------|-------|-------|-------|-------|-------|
| Gross Shipments               | 105.1 | 102.4 | 105.9 | 100.9 | 97.5  |
| Less: Exports                 | (5.4) | (5.5) | (6.0) | (5.0) | (7.1) |
| Domestic Shipments            | 99.7  | 96.9  | 99.9  | 95.9  | 90.4  |
| Imports (ex producer imports) | 27.1  | 34.7  | 24.8  | 21.6  | 19.2  |
| Apparent Consumption          | 126.8 | 131.6 | 124.7 | 117.6 | 109.6 |
| Imports (%)                   | 21    | 26    | 20    | 18    | 18    |

Source: American Iron and Steel Institute.

The following table sets out Stelco's consolidated shipments and market share:

**Consolidated Shipments – Stelco Inc.**

| (Thousand Tons)                                     | 1999  | 1998  | 1997  | 1996  | 1995  |
|-----------------------------------------------------|-------|-------|-------|-------|-------|
| Steel Shipments                                     | 4,862 | 4,607 | 4,818 | 4,577 | 4,380 |
| Domestic Shipments                                  |       |       |       |       |       |
| - Percent of Canadian Apparent Consumption          | 23    | 22    | 24    | 25    | 27    |
| Total Shipments                                     |       |       |       |       |       |
| - Percent of Canadian and U.S. Apparent Consumption | 3     | 3     | 3     | 4     | 4     |

Over the 1995-1999 period, Stelco's share of Canadian apparent steel consumption and of combined Canada and U.S. apparent steel consumption has ranged between 22 to 27 percent and 3 to 4 percent, respectively.

### 3.2 Products and Markets

The following table provides the Corporation's total consolidated sales and a percentage breakdown by major product group over the past five years:

#### Sales By Product Type

|                                         | 1999  | 1998  | 1997  | 1996  | 1995  |
|-----------------------------------------|-------|-------|-------|-------|-------|
| Consolidated Net Sales<br>(\$ millions) | 3,101 | 3,168 | 3,149 | 2,941 | 2,926 |
| Hot Rolled Sheet                        | 26%   | 24%   | 27%   | 24%   | 24%   |
| Cold Rolled Sheet                       | 11    | 10    | 11    | 11    | 11    |
| Coated Sheet                            | 24    | 23    | 22    | 22    | 21    |
| Plate                                   | 4     | 4     | 6     | 6     | 7     |
| Bars & Wire Rod                         | 15    | 16    | 16    | 17    | 18    |
| Wire & Wire Products                    | 9     | 9     | 10    | 10    | 10    |
| Pipe & Tubular Products                 | 8     | 10    | 6     | 8     | 8     |
| Other                                   | 3     | 4     | 2     | 2     | 1     |
| Total                                   | 100%  | 100%  | 100%  | 100%  | 100%  |

The following table provides steel shipments from the Corporation's steel-producing units and a percentage breakdown by principal markets:

#### Shipments By Market Sector

|                                             | 1999  | 1998  | 1997  | 1996  | 1995  |
|---------------------------------------------|-------|-------|-------|-------|-------|
| Rolled Steel Shipments<br>(thousand tons)   | 4,822 | 4,466 | 4,786 | 4,578 | 4,346 |
| Automotive                                  | 44%   | 40%   | 36%   | 36%   | 36%   |
| Steel Service Centres                       | 23    | 24    | 26    | 26    | 25    |
| Pipe & Tubular Products                     | 9     | 11    | 12    | 13    | 12    |
| Fabrication & Manufacturing                 | 11    | 12    | 12    | 12    | 13    |
| Other                                       | 13    | 13    | 14    | 13    | 14    |
| Total                                       | 100%  | 100%  | 100%  | 100%  | 100%  |
| Shipments to subsidiaries<br>included above | 12%   | 14%   | 11%   | 14%   | 14%   |

### 3.3 Business Strategy

Stelco's strategy is to maintain its solid financial position and enhance shareholder value through improved financial performance. This is accomplished through continuous improvement in operational performance to reduce costs (particularly in productivity, quality, product yields and energy usage); improvement in the value-added mix of products sold; and securing access to markets through improved quality, customer service and supply dependability. Selective facility investment and workforce training are employed to equip our people with the technology and skills required to carry out this strategy.

### 3.4 Business Units

An outline of the Corporation's key operating businesses, by segments, is provided below:

| Unit/Location         |                                                  | Stelco <sup>(1)</sup><br>Ownership | Principal<br>Products                                                              | 1999 Sales <sup>(2)</sup><br>(\$ millions) |       |
|-----------------------|--------------------------------------------------|------------------------------------|------------------------------------------------------------------------------------|--------------------------------------------|-------|
| Rolled Steel Products |                                                  |                                    |                                                                                    |                                            |       |
| Steelmaking           | Hilton Works<br>Hamilton, Ontario                | Division of<br>Stelco Inc.         | Hot rolled sheet<br>Cold rolled sheet<br>Coated sheet<br>Plate<br>Bars<br>Wire rod | \$                                         | 1,862 |
|                       | Lake Erie Steel Company<br>Nanticoke, Ontario    | Division of<br>Stelco Inc.         | Hot rolled sheet                                                                   | \$                                         | 1,003 |
|                       | Stelco-McMaster Ltée<br>Contrecoeur, Quebec      | 100%                               | Billets<br>Merchant & special<br>quality bars                                      | \$                                         | 196   |
|                       | AltaSteel Ltd.<br>Edmonton, Alberta              | 100%                               | Merchant & special<br>quality bars                                                 | \$                                         | 101   |
| Steel<br>Processing   | CHT Steel Company Inc.<br>Richmond Hill, Ontario | 100%                               | Heat treatment<br>of plate                                                         | \$                                         | 4     |
|                       | Stelco USA, Inc.<br>Troy, Michigan               | 100%                               | Processing,<br>warehousing & sale of<br>steel products                             | \$                                         | 48    |
|                       | Z-Line Company<br>Hamilton, Ontario              | 60%                                | Zinc coating of<br>cold rolled steel                                               | \$                                         | 64    |
|                       | Baycoat<br>Hamilton, Ontario                     | 50%                                | Painting of<br>cold rolled &<br>galvanized steel                                   | \$                                         | 91    |

|                                 | Unit/Location                                             | Stelco <sup>(1)</sup><br>Ownership | Principal<br>Products                                                          | 1999 Sales <sup>(2)</sup><br>(\$ millions) |          |
|---------------------------------|-----------------------------------------------------------|------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------|----------|
| Raw Materials                   | Chisholm Coal Company<br>Jamboree, Kentucky               | 100%                               | Coal                                                                           | \$                                         | U.S. 27  |
|                                 | Wabush Mines<br>Newfoundland & Quebec                     | 37.9%                              | Iron ore                                                                       | \$                                         | 236      |
|                                 | Hibbing Mine<br>Minnesota                                 | 15%                                | Iron ore                                                                       | \$                                         | U.S. 265 |
|                                 | Eveleth Mines L.L.C.<br>Minnesota                         | 15%                                | Iron ore                                                                       | \$                                         | U.S. 149 |
|                                 | Tilden Mining Company L.C.<br>Michigan                    | 15%                                | Iron ore                                                                       | \$                                         | U.S. 241 |
|                                 | Fers et Métaux Recyclés<br>Ltée<br>New Brunswick & Quebec | 50%                                | Scrap                                                                          | \$                                         | 51       |
| <b>Manufactured Products</b>    |                                                           |                                    |                                                                                |                                            |          |
| Wire and<br>Wire Products       | Stelwire Ltd.<br>Hamilton, Ontario                        | 100%                               | Wire & nails                                                                   | \$                                         | 188      |
|                                 | Stelfil Ltée<br>Lachine, Quebec                           | 100%                               | Wire & wire products                                                           | \$                                         | 85       |
| Pipe and<br>Tubular<br>Products | Stelpipe Ltd.<br>Welland, Ontario                         | 100%                               | Pipe & tubular<br>products                                                     | \$                                         | 100      |
|                                 | Welland Pipe Ltd.<br>Welland, Ontario                     | 100%                               | Large-diameter oil &<br>gas transmission pipe                                  | \$                                         | 104      |
|                                 | Camrose Pipe Company<br>Camrose, Alberta                  | 40%                                | Pipe & tubular<br>products<br>large-diameter<br>oil & gas<br>transmission pipe | \$                                         | 134      |
| Other                           | MOLY-COP Canada<br>Kamloops, B.C.                         | 50%                                | Grinding balls                                                                 | \$                                         | 47       |
|                                 | Torcad Limited <sup>(3)</sup><br>Toronto, Ontario         | 50%                                | Metal finishing                                                                | \$                                         | 11       |

(1) Direct or Indirect.

(2) Sales include inter-unit transactions at market prices. For the partially owned units, sales represent 100 percent of the business activity of these entities.

(3) Name changed to D.C. Chrome Limited, effective January 26, 2000.

### **3.5 Rolled Steel Products Segment**

#### **3.5.1 Hilton Works**

The Hilton Works business unit is a Division of Stelco. It occupies 1,100 acres, including harbour facilities, in Hamilton. It is a fully integrated steelmaking facility and is Stelco's largest business unit. Its location on Lake Ontario provides good access to raw material sources in Canada and the U.S.A. via water-borne transportation. In addition, its location provides ready access via water, rail, and highway transportation to steel-consuming markets in Canada and the U.S.A.

##### **(a) Semi-finished Steel**

Facilities used in the production of semi-finished steel include one coke oven battery, a pulverized coal injection facility, two blast furnaces, a three-vessel basic oxygen furnace shop, and a ladle metallurgy/continuous casting complex with one slab caster and one combination slab/bloom caster. Semi-finished steelmaking capacity is approximately 2.7 million tons. A major upgrade to No. 7 coke oven battery, completed in 1998, has reduced coke costs, improved output, enhanced environmental performance, and has allowed the idling of No. 6 coke oven battery.

Steel slabs and blooms produced are used at Hilton Works in the production of plate, sheet, and rod and bar products.

##### **(b) Plate and Strip**

Slabs for flat rolled products are hot-processed through a 148-inch plate mill or a 56-inch coilbox-equipped hot strip mill.

The 148-inch plate mill is being modernized to a "New Generation Plate Mill" with the capital expenditure of \$105 million. The upgraded unit is a combination discrete plate and coil plate rolling facility incorporating the Steckel mill rolling process. The mill is expected to have lower costs and increased productivity and capabilities to meet the quality demanded in the market place in both discrete plate and coil plate products. At year-end 1999, the project was in its start-up phase.

Plate products supplied by this division of Hilton Works include structural-grade plate, heat-treated plate produced at CHT Steel Company Inc. and plate for high-strength, large-diameter transmission pipe.

Principal markets for plate products are steel service centres, steel fabricators, railway car manufacturers, shipbuilders, and producers of large-diameter transmission pipe for the oil and gas industry. Over the past five years, approximately 28 percent of plate sales were shipped to related-party customers.

Major competitors in the plate market include Algoma Steel Inc. and Ipsco Inc. in Canada, several steel producers in the U.S.A., and imports.

A significant portion of hot rolled sheet output is further processed at the Cold Roll and Coated division of Hilton Works. Principal markets for hot rolled sheet are the automotive sector, pipe and tubular products manufacturers and steel service centres. Over the past five years, approximately 18 percent of the sales of hot rolled sheet were to related-party customers.

Major competitors in the hot rolled sheet market include Dofasco Inc., Ispat-Sidbec Inc. and Algoma Steel Inc. in Canada, a number of integrated and mini-mill steel producers in the U.S.A., and imports.

### **(c) Cold Roll and Coated**

Hot rolled sheet which has been "pickled" (i.e. cleaned of rolling scale) is further processed by cold rolling through an 80-inch 4-stand, 4-high tandem mill or a 56-inch 5-stand, 4-high tandem mill. Other facilities of this division of Hilton Works include batch annealing and temper mills and two hot-dip galvanizing lines. The division also provides management and operating services to the Z-Line Company (see Z-Line Company on Page 18).

A comprehensive programme is under way to upgrade the capabilities of the 4-stand cold mill. During 1998, Phase I of the programme was completed with installation of automatic quick roll changing equipment which significantly increased cold-rolling capacity. Phase II, a \$48 million upgrade, is expected to be completed by mid-2000.

Hilton Works is a major supplier of cold rolled and coated products to the North American market. Products include cold rolled, galvanized, and prepainted sheet. Prepainted sheet is produced at Baycoat (see Baycoat on Page 18).

Principal markets for cold rolled and coated products in North America are the automotive, construction, appliance, and steel service centre sectors.

Principal competitors in the market for cold rolled and coated sheets in North America include Dofasco Inc., Ispat-Sidbec Inc., and Algoma Steel Inc. in Canada, a number of steel producers in the U.S.A., U.S.-based speciality producers of cold rolled and/or coated sheet, and imports.

### **(d) Rod and Bar**

Blooms for long products (i.e. rod and bar) are hot-processed through a bloom and billet mill to produce billets, which are then processed through either a bar mill or rod mill. The rod mill is also used to process billets for outside producers.

Principal markets for rod and bar products in North America are the automotive sector, and wire and wire products producers. Over the past five years, approximately 42 percent of the sales of this Division were shipped to related-party customers.

This Division's principal competitors in North America include Ivaco Inc. and Ispat-Sidbec Inc. in Canada, and a number of mini-mill and speciality producers in the U.S.A.

### **3.5.2 Lake Erie Steel Company**

Lake Erie Steel Company Limited became a Division of Stelco Inc. on January 1, 1999 as a result of the amalgamation of Lake Erie Steel Company and Stelco Inc. Lake Erie Steel Company is situated on 4,100 acres in Nanticoke, Ontario, on the north shore of Lake Erie approximately 65 kilometres from Hamilton. This is a fully integrated steelmaking facility, commissioned in stages from 1980 to 1983. A 2,500-acre industrial park and a woodlot preserve form a buffer zone on the north side of this facility in a predominantly rural location. Its location provides good access to raw material sources in the U.S.A. via water-borne transportation. Its location also provides ready access via highway transportation to steel-consuming markets in Canada and U.S.A.

Primary production facilities include coke ovens, one blast furnace, a two-vessel basic oxygen furnace shop, a vacuum degasser and a twin-strand slab caster. Semi-finished steelmaking capacity is 2.3 million tons, all in the form of slabs. Slabs produced at Lake Erie Steel Company are rolled on a coilbox-equipped 80-inch hot strip mill. This unit completed, in 1998, a \$105 million upgrade to its facilities which has improved productivity and product quality, and increased steelmaking capacity to enable this unit to meet the growing demand for high-quality hot rolled sheet. Hot rolled sheet production capacity is being increased by 500,000 tons per year with a \$120 million expansion of the 80-inch mill, which will be completed in the second quarter of 2000.

In 1999, the Corporation approved a further investment of \$255 million in the 80-inch hot strip mill. Adding a sixth finishing stand, a profile and shape control package and an automatic width control system will enable this facility to maintain its quality leadership in the market. Adding a fourth reheat furnace, a high-powered roughing mill, electrical equipment upgrades and materials handling equipment will expand strip rolling capacity to four million tons annually. Project completion is expected in the fourth quarter of 2001.

The Corporation also approved an investment of \$10 million for a second charging crane for the steel shop to raise steelmaking capacity to 2.4 million tons. The project is expected to be complete by the fourth quarter of 2000.

Lake Erie Steel Company is focused on the production and sale of high-quality hot rolled sheet. Principal markets for hot rolled sheet products in North America are the automotive sector, steel service centres, and pipe and tubular products manufacturers. Over

the past five years, approximately 38 percent of the sales of this unit were shipped to related-party customers.

Lake Erie Steel Company's major competitors in the North American market for hot rolled sheet include Dofasco Inc. and Algoma Steel Inc. in Canada, a number of integrated and mini-mill steel producers in the U.S.A., and imports.

### **3.5.3 Stelco-McMaster Ltée**

Stelco-McMaster Ltée, a wholly owned subsidiary with its head office and plant in Contrecoeur, Quebec, about 55 kilometres from Montreal, is a stand-alone mini-mill steelmaking facility. The facility has ready access to major North American steel markets via rail and truck, and to offshore markets via year-round shipping facilities operated by the Port of Contrecoeur, located near the plant. Stelco-McMaster produces steel from scrap sourced in Canada and the northeastern United States. Stelco-McMaster owns 50 percent of Fers et Métaux Recyclés Ltée, a processor of ferrous and non-ferrous scrap (see section Scrap Supply on Page 20). Through its relationships with Fers et Métaux and other scrap suppliers, Stelco-McMaster has access to stable and adequate scrap supplies.

Steelmaking facilities include one 130-ton electric-arc furnace, a ladle metallurgy station, and a four-strand billet caster. Semi-finished steelmaking capacity is approximately 650,000 tons per year. Bar mill facilities include a cross-country mill and an automatic bar packaging system. Bar rolling capacity is approximately 310,000 tons. A \$27 million project to expand bar rolling capacity by 115,000 tons is scheduled to start up in the second quarter of 2000.

Stelco-McMaster manufactures and sells billets, rebar, merchant quality and special quality bars, and railway-related products.

Principal markets served by Stelco-McMaster include the automotive, railway, and construction industries, and steel service centres in North America. Efforts are under way to expand market participation in Mexico and South America. Over the past five years, approximately 34 percent of the sales of this Unit were shipped to related-party customers.

Stelco-McMaster's major competitors in the North American market include Ispat-Sidbec Inc., Co-Steel Inc., Gerdau Courtice Steel Inc., Gerdau MRM Steel Inc., and Slater Industries Inc. in Canada, and a number of mini-mill steel producers in the U.S.A.

### **3.5.4 AltaSteel Ltd.**

AltaSteel Ltd., a wholly owned subsidiary with its plant and head office in Strathcona County near Edmonton, Alberta, is a stand-alone mini-mill steelmaking facility. AltaSteel produces steel from scrap sourced primarily from Western Canada. AltaSteel owns 50 percent of GenAlta Recycling Inc. which operates a scrap shredder (see section Scrap Supply on Page 20). AltaSteel owns 50 percent of MOLY-COP Canada, (see section 3.6.3 on Page 23), a producer of grinding balls for the Canadian mining industry.

Steelmaking facilities consist of one 80-ton electric arc furnace, a ladle furnace, and one 3-strand billet caster. Semi-finished steel capacity is approximately 365,000 tons per year. The bar mill has evolved into a configuration which features two rolling outlets providing flexibility for a wide range of products.

AltaSteel manufactures and sells merchant quality and special quality bars.

Principal markets served by AltaSteel Ltd. include the mining, construction, manufacturing, automotive, and oil and gas industries, and steel service centres. Over the past five years, approximately 16 percent of this unit's sales were shipped to a related party.

AltaSteel's major competitors in the markets it serves are Co-Steel Inc., Gerdau MRM Steel Inc., and Ispat-Sidbec Inc. in Canada, and a number of mini-mill steelmakers located in the U.S.A.

### **3.5.5 Steel Processing**

#### **CHT Steel Company Inc.**

CHT Steel Company Inc., a wholly owned subsidiary of Stelco located in Richmond Hill, Ontario, specializes in heat treating of plate. The business is operated from a 125,000-square-foot facility on seven acres. The facility contains three quench and temper lines, a normalizing/annealing line, and two shot blasters. CHT Steel provides a complete range of toll heat treating services including annealing, stress relieving, normalizing, and quenching and tempering. Hilton Works (see section 3.5.1 on Page 14) is CHT Steel's only significant customer.

#### **Stelco USA, Inc.**

Stelco USA, Inc., wholly owned by Stelco through Stelco Holding Company, is located in Troy, Michigan. Stelco USA purchases the products of Stelco's business units for the purposes of consignment, further processing, and warehousing in the United States prior to shipment to the final customer.

#### **Z-Line Company**

Stelco owns 60 percent of the Z-Line Company, which is located at Hilton Works (see section 3.5.1(c) on Page 15). The Z-line facility toll zinc coats cold rolled sheets for Hilton Works for a wide variety of demanding applications. An \$8 million upgrade to this facility, which increased capacity by 30,000 tons, was completed early in 1999.

#### **Baycoat**

Stelco owns 50 percent of Baycoat, which toll applies a variety of paint finishes to flat rolled steel coils at its facility in Hamilton, Ontario. Baycoat operates three coil-coating lines each equipped to coat cold rolled or galvanized substrates with a variety of exterior and interior paint systems. Baycoat's customers are its owners, Stelco and Dofasco Inc.

### **3.5.6 Raw Materials**

#### **General**

The principal raw materials used in the Corporation's integrated steelmaking operations are coal and iron ore. The Corporation obtained approximately 20 percent of its requirements for metallurgical coal from its wholly owned subsidiary, Chisholm Coal Company, in 1999 with the balance being purchased from independent coal producers at market prices. The Corporation believes the current sources of purchased coal to be sufficiently stable and adequate for the maintenance of operations. The Corporation's iron ore requirements are met, mostly, from iron ore mines in which the Corporation has ownership interests. To meet total requirements for iron ore, the Corporation has also entered into flexible, long-term supply contracts.

The principal raw material used in the Corporation's mini-mill steelmaking operation is scrap. The integrated steelmaking operations also consume considerable quantities of scrap. The Corporation believes the current sources are sufficiently stable and adequate for the maintenance of operations.

#### **Coal Supply**

Chisholm Coal Company, located in Jamboree, Kentucky, a wholly owned subsidiary of Stelco Inc., produces high-quality metallurgical coal. Coal produced is consumed partially by the integrated steel producers, Hilton Works and Lake Erie Steel Company, with the remainder being sold commercially. In 1999, coal production at Chisholm represented 34 percent of total corporate requirements. At current mining rates, coal reserves at Chisholm are estimated to be between three and four years.

#### **Iron Ore Supply**

Stelco owns substantial interests in iron ore properties in North America to ensure secure sources of iron ore. These interests include mining rights on leases and the ownership of related production facilities. Stelco has a right to a pro-rata share, based on ownership, to the production from each of its iron ore properties. The Corporation's mineral reserves are estimated at capacity mining rates to contain more than 30 years' supply of iron ore.

Ownership sources constitute about 75 percent of total corporate iron ore requirements. The balance is obtained under the terms of flexible long-term contracts.

The rated annual capacities for the iron ore mines referred to below represent maximum production capabilities. Actual operation levels are adjusted annually to meet the requirements of the participants in the mining projects.

The Corporation has a 37.9 percent direct interest, the largest interest of the several participants, in Wabush Mines. The mine and concentrator are located in Wabush, Newfoundland, and the pelletizing plant is located in Pointe Noire, Quebec. Rated annual capacity is 6.0 million gross tons of iron ore pellets.

Through wholly owned subsidiaries, the Corporation has a 15 percent interest in Tilden Mining Company L.C. located in Michigan. Rated annual capacity is 7.8 million gross tons of iron ore pellets. The Tilden holding was reorganized into an interest in a limited liability company in 1995.

Through wholly owned subsidiaries, the Corporation has a 15 percent interest in Eveleth Mines L.L.C. located in Minnesota. Rated annual capacity is 5.2 million gross tons of iron ore pellets. The Eveleth holding was reorganized into an interest in a limited liability company in 1996, with Stelco's share of the new entity remaining at 15 percent.

Through wholly owned subsidiaries and partially owned joint ventures, the Corporation has a 15 percent interest in the Hibbing Mine located in Minnesota. Rated annual capacity is 8.3 million gross tons of iron ore pellets.

### **Scrap Supply**

Stelco-McMaster Ltée owns 50 percent of Fers et Métaux Recyclés Ltée, a processor of scrap derived primarily from obsolete vehicles, which operates facilities in La Prairie, Quebec, and Scoudouc, N.B. Fers et Métaux operates vehicle shredding facilities at both its plants. The steel fractions of the shredded vehicles are recovered. At the La Prairie facilities, the remainder of the shredded scrap is separated into non-ferrous metals and residual material. Essentially all steel scrap produced by Fers et Métaux is supplied to Stelco-McMaster under a cost recovery arrangement and comprises, typically, 20 - 25 percent of the scrap used in Stelco-McMaster's electric steelmaking furnace. Other metals are sold to non-ferrous refiners or processors.

On March 1, 2000, AltaSteel Ltd. entered into a joint venture, GenAlta Recycling Inc., formed for the purpose of operating an auto-bulk shredder to recycle metals from automobiles and farm machinery and from refrigerators, stoves and other appliances. AltaSteel owns 50 percent of GenAlta Recycling. The shredder being operated by the joint venture was acquired from AltaSteel.

## **3.6 Manufactured Products Segment**

### **3.6.1 Wire Businesses**

#### **Stelwire Ltd.**

Stelwire Ltd., a wholly owned subsidiary with its head office in Hamilton, Ontario, and plants in Hamilton (Parkdale Works) and Burlington, Ontario (Burlington Works), is one of North America's largest producers of steel wire and nails.

The Parkdale Works operation consists of a 621,000-square-foot production plant located on a 51-acre site. Facilities include rod storage and handling, 2 cleaning and coating lines, more than 40 wire drawing machines, a batch annealing shop, over 100 nail machines, a 36-strand hot-dip wire galvanizing line, 1 stabilized prestressed concrete strand manufacturing

line and 3 oil-temper lines. The plant also operates extensive wire and nail packaging, inspection, testing, maintenance and shipping facilities. The Burlington Works operation consists of a 91,000-square-foot production plant located on a 26-acre site. Facilities include a cleaning and coating line and 2 high-capacity continuous annealing furnaces.

Products manufactured at Stelwire include cold heading wire, low carbon bright and galvanized industrial quality wire, high carbon and alloy wire for springs and wire screens, prestressed concrete strand, processed rod and bar, and a wide range of bright and galvanized nails.

Stelwire services the major industrial and commercial markets of North America either directly or through distributors. The automotive, agricultural, construction, and residential sectors of the North American market make up a large portion of Stelwire's customer base. Over the past five years, approximately 16 percent of the sales of this unit were to related-party customers.

Stelwire's major competitors in the North American market are Ivaco Inc., Ispat-Sidbec Inc., Titan Steel and Wire Co. Ltd., Tree Island Industries Ltd., Duchesne & Fils Ltée, and Laurel Steel (Div. of Harris Steel Group) in Canada, a number of wire and wire products producers based in the U.S.A., and imports.

### **Stelfil Ltée**

Stelfil Ltée, a wholly owned subsidiary with its head office and plant in Lachine, Quebec (near Montreal), produces wire and wire products.

Stelfil's operation is located in a 443,000-square-foot manufacturing facility on a 20-acre site. Facilities include rod storage and handling, a fully automated batch cleaning and coating line, 2 hot-dip galvanizing and 2 electro-galvanizing lines, 1 patenting line, 26 wire drawing frames, a small batch anneal operation, and 2 tubular wire stranders. The facility is also equipped with extensive material testing and maintenance facilities.

Products manufactured at Stelfil include low and high carbon wire, bright and galvanized wire, and industrial and special quality wire.

Stelfil services the major industrial markets in North America either directly or through distributors. The communication-cable, pulp-tying, electrical, and construction sectors of the North American market make up a large portion of Stelfil's customer base. Over the past five years, approximately 9 percent of the sales of this unit were to related-party customers.

Stelfil's principal competitors in the North American market are Ivaco Inc. and Ispat-Sidbec Inc. in Canada, a number of wire and wire products producers based in the U.S.A., and imports.

### **3.6.2 Pipe and Tubular Businesses**

#### **Stelpipe Ltd.**

Stelpipe Ltd., a wholly owned subsidiary with its head office and plant in Welland, Ontario, manufactures pipe and tubular products in diameters ranging from 0.5 to 8 inches.

Facilities at Stelpipe include one electric-resistance-weld, hot-stretch-reduction mill (ERW/SRM), one ERW pipe mill and one cold-drawn tubing mill. Pipe-making capacity is approximately 175,000 tons.

Stelpipe's product range includes oil well tubing hollows, oil well casing hollows, water well casing, sprinkler pipe, mechanical and automotive tubing, heating and plumbing pipe, galvanized pipe, drill rod and pressure and speciality tubing.

Stelpipe's principal markets are the North American automotive, construction, energy, manufacturing, and distribution market sectors.

Stelpipe's competitors include Ispat-Sidbec Inc., Ipsco Inc., Prudential Steel Ltd., Copperweld Canada Ltd., and Welded Tube of Canada Limited, and a large number of tubular product producers in the U.S.A.

#### **Welland Pipe Ltd.**

Welland Pipe Ltd., a wholly owned subsidiary with its head office and plant in Welland, Ontario, produces large-diameter transmission pipe for the oil and gas industry.

Facilities include a Stelform spiral weld mill (36- to 60-inch diameter) and a U and O mill (20- to 36-inch) diameter. Combined annual capacity of the two mills is approximately 500,000 tons.

Welland Pipe serves the oil and gas transmission industry in North America.

Welland Pipe competes with Ipsco Inc. and Camrose Pipe Company in Canada, and a number of U.S.-based large-diameter pipe producers.

#### **Camrose Pipe Company**

Stelco owns 40 percent of the Camrose Pipe Company ("Camrose"), a partnership with Oregon Steel Mills, Inc. ("Oregon Steel"), of Portland, Oregon, which produces large-diameter transmission pipe for the oil and gas industry as well as pipe ranging in diameter from 4 to 16 inches.

Camrose operates two pipe mills: an electric-resistance-weld (ERW) mill that manufactures pipe ranging in diameter from 4 to 16 inches with an annual capacity of 140,000 tons, and a U and O mill that manufactures pipe ranging in diameter from 20 to 42 inches with an annual capacity of 180,000 tons.

Camrose services the oil and gas distribution, and transmission and construction markets, primarily in Western Canada and the northwestern United States.

Under the agreement by which Oregon Steel acquired its 60-percent interest in Camrose from Stelco, either Stelco or Oregon Steel may initiate a buy-sell procedure pursuant to which the initiating party establishes a price for Camrose and the other party must either sell its interest at that price or purchase the initiating party's interest at that price.

### **3.6.3 Other**

#### **MOLY-COP Canada**

AltaSteel Ltd. (see section 3.5.4 on Page 17) owns 50 percent of MOLY-COP Canada, a producer of forged grinding balls for the mining and mineral industry. This partnership with GS Industries of Charlotte, North Carolina, is located in Kamloops, B.C.

MOLY-COP's 90,000 ton-per-year plant is the largest grinding media production facility in Canada. It produces a complete range of forged and heat treated grinding balls from 1 inch to 5.5 inches in diameter.

MOLY-COP's products are sold principally to the Canadian mining and mineral industry.

#### **Torcad Limited (D.C. Chrome Limited)**

Stelco owns 50 percent of D.C. Chrome Limited, a company known as Torcad Limited until the name was changed as of January 26, 2000.

Effective June 30, 1999 the business and assets of a metal plating plant in Toronto was sold.

D.C. Chrome Limited operates a plant in Stoney Creek, Ontario to texture and chromium plate work rolls used in the cold rolling of steel for Hilton Works (see section 3.5.1 on Page 14) as well as for other customers.

### 3.7 Employees

The Corporation, directly and through its wholly owned subsidiaries, employed an average of 10,193 people in 1999. Of this total, approximately 7,655 were represented by 12 separate collective bargaining agreements, such agreements being limited to single plants. Approximately 92 percent of the unionized employees belong to the United Steelworkers of America with the balance holding membership in either the CAW/TCA Canada or the United Mine Workers of America.

*[Note: Employee information shown above includes data for Frost Wire Products Ltd. from January 1 to May 31, 1999 when the business was sold.]*

Labour contract termination dates and union affiliation of the wholly owned business units are shown below:

| <b>Business Unit</b>                                                                                | <b>Length of Contract</b> | <b>Expiry Date</b> |
|-----------------------------------------------------------------------------------------------------|---------------------------|--------------------|
| <i>United Steelworkers of America (USWA)</i>                                                        |                           |                    |
| Hilton Works (Division of Stelco Inc.)                                                              | 6 years                   | July 31, 2002      |
| Lake Erie Steel Company (Division of Stelco Inc.)                                                   | 4 years                   | July 31, 2000      |
| Stelco-McMaster Ltée                                                                                | 6 years                   | July 31, 2002      |
| AltaSteel Ltd.                                                                                      | 5 years                   | July 31, 2004      |
| Stelwire Ltd. – Parkdale                                                                            | 4 years                   | July 31, 2000      |
| Stelwire Ltd. – Burlington                                                                          | 6 years                   | July 31, 2002      |
| Stelfil Ltée                                                                                        | 4 years                   | July 31, 2003      |
| CHT Steel Company Inc.                                                                              | 4 years                   | Mar. 31, 2002      |
| <i>National Automobile, Aerospace and Agricultural Implement Workers' Union of Canada (CAW/TCA)</i> |                           |                    |
| Stelpipe Ltd.                                                                                       | 4 years                   | July 7, 2001       |
| Welland Pipe                                                                                        | 4 years                   | Oct. 31, 2000      |
| <i>International Union, United Mineworkers of America (UMWA)</i>                                    |                           |                    |
| Chisholm Coal Company                                                                               | 5 years                   | Dec. 31, 2002      |

### **3.8 Health, Safety & Environment**

The Corporation's Group of Businesses are subject to substantial and evolving environmental laws and regulations concerning, among other things, emissions to the air, discharges to surface ground water, noise control, and the generation, handling, storage, transportation, treatment, and disposal of toxic and hazardous substances. These laws and regulations vary depending on the location of the business unit and can involve federal, provincial, and municipal laws and regulations.

In 1999, the Stelco Group of Businesses incurred operating costs of \$61 million and spent \$15 million on capital improvements to meet overall corporate and business voluntary environmental goals and objectives, and to maintain compliance with environmental laws. The Corporation believes that future costs relating to environmental compliance will not have a material adverse effect on its financial position, but there can be no assurance that unforeseen changes in the laws or enforcement policies of relevant government bodies, or the discovery of changed conditions on the Corporation's real property or in its operations, will not result in the occurrence of materially adverse costs.

The Corporation's Group of Businesses have engaged in a range of voluntary activities aimed at environmental abatement. Included are:

- Canadian Steel Producers Association Statement of Commitment and Action.
- Accelerated Reduction and Elimination of Toxics (ARET) programme.
- Canadian Industrial Program for Energy Conservation (CIPEC).
- Federal Environment Minister's Benzene Challenge.
- Canadian Chemical Producers' Association National Emission Reduction Masterplan, its Responsible Care Activity and its Memorandum of Understanding VOC Annex.
- Ontario Ministry of the Environment Anti-Smog Action Plan, its Pilot Emissions Reduction Trading programme (PERT) and its Selected Targets for Air Compliance (STAC).
- Saint Laurent 2000 in Quebec.
- Lake Erie Steel's Community Advisory Panel.
- Hilton Works' Hamilton Air Quality Committee and Hamilton Industrial Environment Association.
- Remedial Action Plan for Hamilton Harbour and the Randle Reef Stakeholders Group.

The Stelco Group of Businesses are affected by the federal government's Toxic Substances Management Plan (TSMP) as it relates to toxic substances. Possible toxic substances continue to be identified, characterized, and, in certain cases, added to the list of substances pursuant to the TSMP. Such substances may then become subject to restrictions or some other form of management. The Canadian Environmental Protection Act (CEPA) was enacted into law by the federal government in 1999. It has since been proclaimed. Despite

the fact that is an ongoing process, the Corporation believes that any operating or capital expenditures that may be required to achieve compliance with the TSMP or CEPA will not have a material adverse effect on the Corporation's financial position; however, there can be no assurance that unforeseen changes in the law or its implementation will not result in costs being incurred which will have a materially adverse effect.

The Corporation also faces uncertainties arising from the federal government's commitments to global warming and the Kyoto Accord, signed by Canada in 1998. Since the Canadian government has not yet developed policies to address the requirements of the Accord, the effect on the Corporation's financial position cannot be assessed at this time.

The Corporation maintains an internal health, safety, environment, and risk audit system, which is carried out at its wholly owned business units, to determine compliance with respect to legal requirements and Stelco's corporate policies in these areas.

The Corporation is faced with a variety of health and safety legislation administered by provincial authorities throughout Canada where facilities are located. The Corporation does not believe that it is faced with any requirements in respect of health and safety or industrial hygiene that will have a material adverse effect on the Corporation's financial position.

### **3.9 Research and Development**

Stelco and its wholly owned subsidiaries spent \$4 million on Scientific Research and Experimental Development (SR&ED) eligible research activities in 1999. In addition to product and process development undertaken at the individual businesses, significant research was undertaken through industry-based consortia under the auspices of Corporate Research and Development.

- The success of the Ultralight Steel Auto Body (ULSAB) programme in developing a lightweight steel auto body structure meeting a wide range of performance targets became a catalyst for three other consortiums:
  - **ULSAB-AVC (Advanced Vehicle Concept)**
  - **ULSAS (Ultralight Steel Auto Suspension)**
  - **ULSAC (Ultralight Steel Auto Closures)**

**ULSAB-AVC** – the consortium, currently consisting of 33 international steelmakers, was launched in January 1999. Phase I will benchmark and define design targets with reference to the United States Partnership for a New Generation of Vehicles (PNGV) and the European CO2 Reduction (EUCAR) programmes for a complete vehicle. Although the design focus will be the body, it will take into account advances in engine, transmission, and suspension systems. Phase I will be completed in mid-2000, and will be followed by Phase II – Validation, which will develop a detailed design and build a prototype for testing.

**ULSAS** – this programme, sponsored by 30 international steelmakers, is intended to demonstrate a lightweight rear suspension system that meets both cost and performance targets. Phase I – Step 1 was completed and involved benchmarking the weight, cost, and ride characteristics of rear suspension systems on eight representative vehicles. Phase I – Step 2 is under way, and is intended to develop rear suspension design concepts for four different suspension types, applied to four different body sizes.

**ULSAC** – this programme, sponsored by 30 international steel companies, is intended to develop automotive closures (hood, decklid, door, liftgate, hatchback) that will achieve equal performance with benchmark vehicles with significant weight savings and no cost penalty. Phase I was completed and covered benchmarking of closure panels on 15 representative vehicles and concept design of improved closures. Phase II – Validation is under way and is developing a detailed design for one part – a headerless door. Design work was completed and a prototype door was available for testing in the fall of 1999.

- **Projet Bessemer** has been sponsored by a consortium of six Canadian steel companies in co-operation with the National Research Council (NRC). Phase V continued the development of the product and process technology for the direct casting of thin (5 mm) carbon steel strip using a twin-roll pilot caster at the Industrial Material Institute (IMI) of NRC. Given the international status of commercial development of the strip casting technology, the Board of Projet Bessemer has elected not to proceed to the demonstration phase of this programme and the project will be wound-up. Joint venture termination and subsequent dissolution of Projet Bessemer Inc. is expected in 2000.
- **AISI Committee on Manufacturing Technology (COMT)** – Strategic Planning for Research and Development (SPRD). The COMT has developed a Steel Industry Technology Roadmap which has identified the critical technical advances that the steel industry believes is necessary to remain the material of choice. The Roadmap has focussed on four critical areas in which continued technology development is required: process efficiency, recycling, environmental engineering, and product development. Annually, the SPRD solicits and launches new collaborative research projects that target Roadmap technology needs. The Corporation is participating in a select number of the 18 projects launched in the last two years covering a variety of process, product, and environmental technologies.
- **The Canadian Steel Industry Research Association (CSIRA)** – a committee of the Canadian Steel Producers Association. CSIRA works with Canadian university and government laboratories to promote the development of facilities and expertise for iron and steel research. Currently, CSIRA is supporting two major research initiatives:

- Transformation induced plasticity (TRIP) steels: a new class of steel, which offers the potential for superior strength and formability particularly for automotive sheet applications. A four-year basic research programme at McGill University (CSIRA Steel Processing Laboratory), under the direction of Dr. Stephen Yue, will characterize the steels and their performance as they are affected by changes in alloys and processes such as rolling and annealing.
- Mold Fluxes: a multi-year project at École Polytechnique, under the direction of Dr. Michel Rigaud and Dr. Claude Allaire, CRIQ-CIREP, involves fundamental research on the properties and performance of materials used to facilitate continuous casting.

### **3.10 Patents and Trademarks**

The Corporation's operations are not dependent, to any significant extent, upon any single or related patents, licenses, or franchises. The Corporation's operations are also not dependent upon any single trademark, although certain trademarks are identified with a number of the Corporation's products and services, and are important in the sale and marketing of such products and services.

### **3.11 Foreign Operations**

The Corporation has owned properties for producing iron ore and coal in the U.S.A. for many years. These properties are a critical source of raw materials for the integrated steelmaking Units. Although these properties and the operations associated with them are located in a foreign country, the Corporation believes that there are no material risks associated with them by virtue of that fact.

### **3.12 Litigation**

The union local at Hilton Works has complained to the Ontario Labour Relations Board (the "Board") that representations were made to it in the course of bargaining that solvency deficiency payments would be made to the bargaining unit pension plan over the course of the six-year labour agreement reached in 1996. The hearing before the Board commenced in December 1999 and is continuing. The union is seeking various remedies including a reopening of the 1996 labour agreement or an order that solvency deficiency payments be made. Should the Board order solvency deficiency funding to be made to the plan on a continuing basis, the special employer contribution on account of solvency deficiency payments would be in the range of \$75 million for 1999, \$65 million for 1998, \$60 million for 1997, and \$20 million for 1996. In subsequent years, such contributions would depend on a variety of factors such as interest rates and workforce retirement age. The Corporation believes the complaint to be without merit. In any event, the Corporation believes it is unlikely that the Board would order solvency deficiency payments be made as an outcome. Should, however, such an order be made, making such payments to the pension plan for 1996, 1997, 1998, and 1999 would affect the Corporation's cash resources as described above. The

accounting treatment of any such payments in the year the complaint is resolved would depend on a variety of factors including the amount and timing of the payments required and the impact of changes to accounting rules in 2000 with respect to pension expense.

### **3.13 Accounting Policy Changes**

Effective January 1, 2000, the Canadian Institute of Chartered Accountants (CICA) changed the accounting rules applying to both pension benefits and post-employment benefits other than pensions. The latter change is similar to the changes made in 1993 in the United States under SFAS 106. The new rules move the accounting for non-pension benefits to an accrual basis from the cash accounting basis presently used by many companies, and also require that a prescribed year-end market rate be used for valuing the future liabilities of both non-pension and pension benefits. The adjustment required to conform to the new rules consists of a one-time, after-tax charge to retained earnings of \$464 million on January 1, 2000. This charge is the net present value of the Corporation's obligations to its present and former employees and dependents to pay for benefits during retirement. Beginning in 2000, the new rules also require an annual accrual for benefits that present employees will be entitled to after they retire. The expense for employee benefits in 2000 is expected, after-tax, to be \$15 million higher than it would be under the previous rules.

Also effective January 1, 2000, the CICA changed the accounting rules applying to corporate income tax. Under the new standard, tax assets and tax liabilities must be measured by using tax rates and laws that are expected to apply to taxable income in the periods when the assets or liabilities are expected to be realized or settled. The adjustment required to conform to the new income tax rules consists of a one-time credit to retained earnings of \$40 million on January 1, 2000.

These one-time accounting changes do not affect cash flow, debt coverage ratios, or the operations of the Corporation.

#### 4. SELECTED CONSOLIDATED FINANCIAL INFORMATION

Consolidated financial results for each of the last five years and for the eight quarters ended December 31, 1999, are summarized in the following tables:

##### 4.1 Five Year

(\$ in millions except per share amounts)

| Year Ended December 31                | 1999     | 1998     | 1997      | 1996      | 1995      |
|---------------------------------------|----------|----------|-----------|-----------|-----------|
| Net sales                             | 3,101    | 3,168    | 3,149     | 2,941     | 2,926     |
| Net income                            | 107      | 119      | 137       | 79        | 156       |
| Total assets                          | 2,910    | 2,833    | 2,833     | 2,488     | 2,534     |
| Long-term debt                        | 576      | 474      | 486       | 393       | 457       |
| Redeemable preferred shares           | Nil      | 67       | 166       | 167       | 172       |
| Net income per common share    Basic  | 0.97     | 1.04     | 1.17      | 0.63      | 1.35      |
| Fully diluted                         | 0.95     | 1.03     | 1.14      | N/A       | N/A       |
| Dividends declared – preferred shares |          |          |           |           |           |
| Series A                              | -        | -        | \$0.22220 | \$1.15322 | \$4.60268 |
| Series B                              | -        | \$0.4850 | \$1.94000 | \$1.94000 | \$6.66875 |
| Series C                              | \$1.4550 | \$1.9400 | \$1.94000 | \$1.94000 | \$6.66875 |
| Dividends declared – common shares    |          |          |           |           |           |
| Series A                              | \$0.12   | \$0.12   | \$0.09    | -         | -         |
| Series B                              | \$0.12   | \$0.12   | \$0.09    | -         | -         |

Dividends on each of the above classes and series of shares are paid quarterly on the first day of February, May, August, and November.

## 4.2 Quarterly

(\$ in millions except per share amounts)

| Three months ended | Net sales | Net income | Net income attributable to common shares | Earnings per common share basic | Earnings per common share fully diluted |
|--------------------|-----------|------------|------------------------------------------|---------------------------------|-----------------------------------------|
| 1999               |           |            |                                          |                                 |                                         |
| December 31        | \$771     | \$15       | \$15                                     | \$0.14                          | \$0.14                                  |
| September 30       | 722       | 37         | 35                                       | 0.33                            | 0.32                                    |
| June 30            | 798       | 29         | 28                                       | 0.26                            | 0.26                                    |
| March 31           | 810       | 26         | 25                                       | 0.24                            | 0.23                                    |
| 1998               |           |            |                                          |                                 |                                         |
| December 31        | \$775     | \$18       | \$17                                     | \$0.15                          | \$0.15                                  |
| September 30       | 780       | 24         | 22                                       | 0.21                            | 0.21                                    |
| June 30            | 801       | 45         | 44                                       | 0.41                            | 0.40                                    |
| March 31           | 812       | 32         | 29                                       | 0.27                            | 0.27                                    |

## 5. MANAGEMENT'S DISCUSSION AND ANALYSIS

The information contained under the heading "Management's Discussion and Analysis" on pages 19 to 29 inclusive of the Corporation's 1999 Annual Report is incorporated herein by reference.

## 6. MARKET FOR SECURITIES

The Series A and Series B Convertible Common Shares are listed on The Toronto Stock Exchange.

## 7. DIRECTORS AND OFFICERS

The Corporation's Directors and officers as at December 31, 1999, are set out below.

### 7.1 Directors

| Name & Municipality of Residence | Principal Occupation(s) Within Past Five Years                                                                                                      | Director Since |
|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| John N. Abell*                   | Corporate Director                                                                                                                                  | 1992           |
| Marlborough, Wilts., UK          |                                                                                                                                                     |                |
| James C. Alfano                  | President and Chief Executive Officer<br>(formerly President and Chief Operating Officer,<br>and Vice President and General Manager, Hilton Works)  | 1996           |
| Ancaster, Ontario                |                                                                                                                                                     |                |
| John E. Caldwell                 | Corporate Director<br>(formerly President and Chief Executive Officer<br>CAE Inc.)                                                                  | 1997           |
| Thornhill, Ontario               |                                                                                                                                                     |                |
| William P. Cooper                | President and Chief Executive Officer<br>Cooper Construction Limited                                                                                | 1989           |
| Oakville, Ontario                |                                                                                                                                                     |                |
| Richard Drouin                   | Corporate Director<br>(formerly President and Chief Executive Officer,<br>Hydro-Québec)                                                             | 1996           |
| Sillery, Quebec                  |                                                                                                                                                     |                |
| Gilles Labbé*                    | Chairman and Chief Executive Officer<br>Héroux Inc.                                                                                                 | 1998           |
| Longueuil, Quebec                |                                                                                                                                                     |                |
| Douglas W. Mahaffy               | President and Chief Executive Officer<br>McLean Budden Limited                                                                                      | 1993           |
| Toronto, Ontario                 |                                                                                                                                                     |                |
| The Hon. Barbara J. McDougall    | President and Chief Executive Officer<br>The Canadian Institute of International Affairs<br>(formerly a private consultant on corporate governance) | 1999           |
| Toronto, Ontario                 |                                                                                                                                                     |                |
| J. Dean Muncaster*               | Corporate Director<br>(formerly President, Environmental Technologies Inc.)                                                                         | 1985           |
| Collingwood, Ontario             |                                                                                                                                                     |                |
| Peter J. Nicholson*              | Chief Strategy Officer<br>BCE Inc.                                                                                                                  | 1997           |
| Westmount, Quebec                |                                                                                                                                                     |                |
| Helen K. Sinclair*               | Chief Executive Officer<br>BankWorks Trading Inc.<br>(formerly Chief Executive Officer<br>Canadian Bankers Association)                             | 1995           |
| Toronto, Ontario                 |                                                                                                                                                     |                |
| Frederick H. Telmer              | Chairman of the Board                                                                                                                               | 1989           |
| Burlington, Ontario              |                                                                                                                                                     |                |

\* Member - Audit Committee

The term of office of all Directors expires with the annual meeting of the Corporation.  
The Corporation does not have an Executive Committee.

## 7.2 Officers

---

|                                            |                                                                 |
|--------------------------------------------|-----------------------------------------------------------------|
| Frederick H. Telmer<br>Burlington, Ontario | Chairman of the Board                                           |
| James C. Alfano<br>Ancaster, Ontario       | President and Chief Executive Officer                           |
| Mark C. Steinman<br>North York, Ontario    | Executive Vice President and Chief Financial Officer            |
| G. Blair Cowper-Smith<br>Toronto, Ontario  | Corporate Secretary and Special Counsel                         |
| Marcel Francoeur<br>Brossard, Quebec       | Vice President – Stelco-McMaster Ltée and Wire Products         |
| Paul J. Paciocco<br>Burlington, Ontario    | Vice President and General Manager – Hilton Works               |
| William G. Missen<br>Burlington, Ontario   | Vice President and General Manager – Lake Erie Steel Company    |
| Brian W. Warry<br>Dundas, Ontario          | Vice President – Purchasing, Raw Materials, and Pipe Operations |

---

All of the above-named officers of Stelco have been engaged for more than five years in their present occupations or in other positions with the Corporation, other than G. Blair Cowper-Smith, who is a partner with the law firm of McCarthy Tétrault in Toronto, Ontario, and Paul J. Paciocco, who was appointed Vice President and General Manager – Hilton Works, effective July 15, 1996, and Mark C. Steinman, who was appointed Executive Vice President and Chief Financial Officer, effective July 12, 1999, both of whom had previously been employed outside the Stelco Group of Businesses.

As at December 31, 1999, the Directors and senior officers of Stelco as a group owned, directly or indirectly, less than one percent of the common shares of Stelco.

## **8. ADDITIONAL INFORMATION**

(A) Additional financial information is provided in the Corporation's consolidated financial statements for the years ended December 31, 1999 and 1998, contained in the 1999 Annual Report.

(B) Additional information, including the principal holders of securities; named executive remuneration, indebtedness, and options to purchase securities; and compensation of Directors, is contained in the most recent Management Proxy Circular of the Corporation dated March 13, 2000 for the Annual Meeting of Shareholders to be held on April 28, 2000.

(C) When the securities of the Corporation are in the course of a distribution pursuant to a short form prospectus or when a preliminary short form prospectus has been filed in respect of a distribution of the Corporation's securities, the Corporation will provide to any person, upon request to the Secretary of the Corporation at the address noted below, one copy of

- (i) this Annual Information Form;
- (ii) the 1999 Annual Report of the Corporation;
- (iii) any interim financial statements of the Corporation issued subsequent to December 31, 1999;
- (iv) the Management Proxy Circular of the Corporation referred to in (B) above; and
- (v) any other document that is incorporated by reference into the preliminary short form prospectus or the short form prospectus.

When the securities of the Corporation are not in the course of distribution, the Corporation will provide to any person, upon request to the Secretary of the Corporation at the address below, a copy of the documents referred to in (C) (i), (ii), (iii) and (iv) above, provided that the Corporation may require payment of a reasonable charge if the request is made by a person who is not a security holder of the Corporation.

Corporate Secretary, Stelco Inc.  
P.O. Box 2030  
Hamilton, Ontario  
L8N 3T1

Telephone: (905) 528-2511, ext. 4985.