FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company

Tree Island Steel Ltd. (the "**Company**" or "**Tree Island**")
3933 Boundary Road
Richmond, British Columbia
V6V 1T8

2. Date of Material Change

May 8, 2023

3. News Release

On May 8, 2023, Tree Island issued a news release through the newswire services of Globe Newswire. A copy of the press release is attached as Schedule "A".

4. Summary of Material Change

On May 8, 2023, the Company announced that it had successfully renewed its senior banking facility with Wells Fargo Capital Finance Corporation Canada ("**Wells Fargo**"). With the proceeds of the sale of the Etiwanda facility applied to the banking facility and the expectation for minimal usage due to the Company's positive cash flow, the overall limit of the three year Senior Secured Revolving Facility (the "Facility") decreases to $35 million from the current $80 million.

5. Full Description of Material Change

On May 8, 2023, the Company announced that it had successfully renewed its senior banking facility with Wells Fargo Capital Finance Corporation Canada ("**Wells Fargo**"). With the proceeds of the sale of the Etiwanda facility applied to the banking facility and the expectation for minimal usage due to the Company's positive cash flow, the overall limit of the three year Senior Secured Revolving Facility (the "Facility") decreases to $35 million from the current $80 million, pursuant to the terms of the third amended and restated credit agreement dated May 8, 2023 between Tree Island, Wells Fargo and certain other parties (the "**Facility Amendment**"). The Facility is comprised of a $25 million revolving facility (the "**Revolver**") and a $10 million term loan (the "**Term Loan**").

Pursuant to the terms of the Facility, up to $35 million may be borrowed under the Revolver in Canadian and/or US dollars. Interest is charged at variable rates based on the Canadian and/or US benchmark interbank rate. The amount advanced under the Revolver at any time is limited to a defined percentage of inventories and accounts receivable, less certain reserves. In addition, up to $10 million may be borrowed as term debt, in Canadian and/or US dollars. The Facility is secured by a first charge over Company's assets supported by guarantees and pledges and requires that certain covenants be met by Tree Island.

For further details, the Facility Amendment has been filed by the Company under its profile on SEDAR at www.sedar.com.

6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not Applicable.

7. Omitted Information

Not Applicable.

8. Executive Officer

Nancy Davies
Interim President, COO, and CFO
3933 Boundary Road
Richmond, British Columbia
V6V 1T8
604-523-4587

9. Date of Report

May 11, 2023.

Schedule "A"

FOR IMMEDIATE RELEASE

Tree Island Completes Renewal of its Banking Facility

VANCOUVER, BRITISH COLUMBIA — May 8, 2023 – Tree Island Steel Ltd. (the "Company" or "Tree Island") (TSX:TSL) announced today, that it has successfully renewed its senior banking facility with current lender Wells Fargo Capital Finance Corporation Canada ("Wells Fargo"). With the proceeds of the sale of the Etiwanda facility applied to the banking facility and the expectation for minimal usage due to the Company's positive cash flow, the overall limit of the three year Senior Secured Revolving Facility (the "Facility") decreases to $35 million from the current $80 million.

Under the terms of the Facility, interest is charged at variable rates based on the applicable Canadian and US benchmark interbank rate. For the revolving facility, up to $25 million may be borrowed in Canadian and/or US dollars with the amount advanced under the revolving facility limited to a defined percentage of inventories and accounts receivable, less certain reserves. In addition, up to $10 million may be borrowed as term debt, in Canadian and/or US dollars.

The Facility is secured by a first charge over Company's assets supported by guarantees and pledges and requires that certain covenants be met by Tree Island.

"We are pleased to be continuing our long relationship with Wells Fargo; who have continuously supported and adapted to our evolving financial needs since 2010," commented Amar Doman, Executive Chair of Tree Island Steel.

About Tree Island Steel

Tree Island Steel, headquartered in Richmond, British Columbia, since 1964, through its operating facilities in Canada and the United States, produces wire products for a diverse range of industrial, residential construction, commercial construction and agricultural applications. Its products include galvanized wire, bright wire; a broad array of fasteners, including packaged, collated and bulk nails; stucco reinforcing products; concrete reinforcing mesh; fencing and other fabricated wire products. The Company markets these products under the Tree Island®, Halsteel®, K-Lath®, TI Wire®, Tough Strand® and ToughPanel™ brand names.

For more information, please contact:

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