*A copy of this amended and restated preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces and territories of Canada but has not yet become final for the purpose of the sale of securities. Information contained in this amended and restated preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.*

***No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*** *This amended and restated short form prospectus, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws. Accordingly, the securities offered hereby may not be offered or sold in the United States of America, its territories, possessions or the District of Columbia (the "**United States**") except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. This amended and restated short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States. See "Plan of Distribution".*

***Information has been incorporated by reference in this amended and restated short form prospectus from documents filed with securities commissions or similar regulatory authorities in Canada.*** *Copies of the documents incorporated herein by reference may be obtained on request without charge from the General Counsel of Stelco Holdings Inc. at: 386 Wilcox Street, Hamilton, Ontario L8L 8K5, telephone: 905 577 4434 and are also available electronically at www.sedar.com.*

**AMENDED AND RESTATED**
**PRELIMINARY SHORT FORM PROSPECTUS**
**(amending and restating the preliminary short form prospectus dated September 4, 2018)**

*Secondary Offering* **September 5, 2018**

The Steel Company of Canada

# STELCO HOLDINGS INC.

## $181,200,000
## 8,000,000 Common Shares

This amended and restated short form prospectus (the "**Prospectus**"), qualifies the distribution (the "**Offering**") of 8,000,000 common shares ("**Common Shares**") of Stelco Holdings Inc. to be sold by LG Bedrock Holdings LP ("**Lindsay Goldberg**"), a Delaware limited partnership, and Foundation Industries Group LLC, a New Jersey limited liability company ("**DC LLC**", and collectively with Lindsay Goldberg, the "**Selling Shareholders**") at a price of $22.65 per Common Share (the "**Offering Price**"). See *"Selling and Principal Shareholders"* and *"Plan of Distribution"*.

All references in this Prospectus to the "**Issuer**" are to Stelco Holdings Inc. All references to the "**Company**", "**Stelco**", "**we**", "**us**" or "**our**" refer to the Issuer, Stelco Inc. and their subsidiaries taken together as a whole, unless otherwise noted or the context otherwise requires.

The Common Shares are being offered pursuant to an underwriting agreement dated September 5, 2018 (the "**Underwriting Agreement**") between the Issuer, the Selling Shareholders, and Goldman Sachs Canada Inc. ("**Goldman Sachs Canada**"), BMO Nesbitt Burns Inc. ("**BMO Capital Markets**" and together with Goldman Sachs Canada, the "**Joint Bookrunners**"), Credit Suisse Securities (Canada), Inc., J.P. Morgan Securities Canada Inc. ("**J.P. Morgan**"), Morgan Stanley Canada Limited, National Bank Financial Inc. and Oppenheimer & Co. Inc. (collectively, the "**Underwriters**"). The Offering Price of the Common Shares offered under this Prospectus (the "**Offered Shares**") was determined by arm's length negotiation between the Selling Shareholders and the Underwriters with reference to prevailing market conditions, including the current market price of Common Shares. See "*Plan of Distribution*".

Neither of the Selling Shareholders currently hold any Common Shares. In connection with this Offering, Bedrock Industries B.V. ("**Bedrock Industries**") and its affiliates will complete a series of distributions in kind to the Selling Shareholders. As a result, no later than immediately prior to the closing of the Offering (assuming no exercise of the Over-Allotment Option (as defined herein)), Lindsay Goldberg will hold 7,750,307 Common Shares, representing approximately 8.7% of the issued and outstanding Common Shares, and DC LLC will hold 249,693 Common Shares, representing approximately 0.3% of the issued and outstanding Common Shares. See "*Pre-Closing Share Transfers*" and "*Selling and Principal Shareholders*".

The outstanding Common Shares, including the Offered Shares, are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "**STLC**". On September 4, 2018, the last trading day prior to the date of this Prospectus the closing price of the Common Shares on the TSX was $25.29.

**Offering Price: $22.65 per Common Share**

| | Price to Public | Underwriters' Fee (1) | Net Proceeds to the Selling Shareholders (2) |
|---|---|---|---|
| Per Common Share | $22.65 | $0.906 | $21.744 |
| Total (3) | $181,200,000 | $7,248,000 | $173,952,000 |

Notes:

(1) The Selling Shareholders have agreed to pay the Underwriters the Underwriters' Fee (as defined herein) per Common Share sold pursuant to this Prospectus, including Over-Allotment Shares (as defined herein) sold pursuant to the exercise of the Over-Allotment Option, if any. See "*Plan of Distribution*".

(2) Reflects the Offering Price, after deducting the Underwriters' Fee but before deducting fees and disbursements of counsel to the Selling Shareholders, which, together with the Underwriters' Fee, will be payable by the Selling Shareholders from the proceeds of the Offering. All expenses of the Offering, other than the Underwriters' Fee and the fees and disbursement of counsel to the Selling Shareholders, will be paid by the Issuer. Such expenses are estimated to be $675,000, and will be paid from the Company's working capital.

(3) The Selling Shareholders have granted the Underwriters an over-allotment option to purchase up to 1,200,000 Over-Allotment Shares at a price per Over-Allotment Share equal to the Offering Price (such option, the "**Over-Allotment Option**"), exercisable at the Underwriters' sole option and without obligation, in whole or in part, at any time up to 30 days after the closing of the Offering to cover the Underwriters' over allocation position, if any, and for consequent market stabilization purposes. If the Over-Allotment Option is exercised in full, the total price to the public, Underwriters' Fee and net proceeds to the Selling Shareholders, after deducting the aggregate Underwriters' Fee, will be $208,380,000, $8,335,200 and $200,044,800, respectively. This Prospectus also qualifies for distribution the Common Shares distributable upon the exercise of the Over-Allotment Option (the "**Over-Allotment Shares**"). A purchaser who acquires Common Shares forming part of the Underwriters' over-allocation position acquires those securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "*Plan of Distribution*".

The following table sets forth certain terms of the Over-Allotment Option, including the maximum size, the exercise period and the exercise price:

| Underwriters' Position | Maximum Size | Exercise Period | Exercise Price(1) |
|---|---|---|---|
| Over-Allotment Option | 1,200,000 Common Shares | Up to 30 days after the closing of the Offering | $22.65 per Over-Allotment Share |

Note:

(1) The Selling Shareholders have agreed to sell the Over-Allotment Shares to the Underwriters for an amount equal to the Offering Price and pay the Underwriters an amount equal to the Underwriters' Fee per Over-Allotment Share sold pursuant to this Prospectus. See "*Plan of Distribution*".

Unless the context otherwise requires, all references to the "Offering" and "Offered Shares" assumes the exercise of the Over-Allotment Option in full and includes the Over-Allotment Shares.

**Investing in the Offered Shares involves certain risks that should be considered by a prospective purchaser. Prospective purchasers should carefully consider the risk factors described herein under the heading "*Risk Factors*" and elsewhere in this Prospectus and the documents incorporated by reference herein.**

The Underwriters , as principals, conditionally offer the Offered Shares, subject to prior sale, in accordance with the conditions of the Underwriting Agreement and subject to approval of certain Canadian legal matters relating to the Offering on behalf of the Issuer by McCarthy Tétrault LLP, on behalf of the Selling Shareholders by Blake, Cassels & Graydon LLP, and on behalf of the Underwriters by Torys LLP. See "*Plan of Distribution*".

Oppenheimer & Co. Inc. is not registered to sell securities in any Canadian jurisdiction and, accordingly, will only sell Offered Shares outside of Canada and will not, directly or indirectly, solicit offers to purchase or sell the Offered Shares in Canada. For the purposes of Ontario securities laws, this prospectus does not qualify for distribution Offered Shares sold by Oppenheimer & Co. Inc.

**The Underwriters propose to offer the Offered Shares initially at the Offering Price. After a reasonable effort has been made to sell all of the Offered Shares at the Offering Price, subject to applicable laws, the Underwriters may subsequently reduce the selling price to investors from time to time in order to sell any of the Offered Shares remaining unsold. Any such reduction in the Offering Price will not affect the proceeds received by the Selling Shareholders. See "*Plan of Distribution*".**

**You should be aware that the acquisition of the Offered Shares described herein may have tax consequences in Canada. This Prospectus may not describe these tax consequences fully. You should consult your own tax advisor about the tax consequences having regard to your particular circumstances. See also "*Risk Factors*" in this Prospectus.**

Subscriptions for Offered Shares will be received subject to rejection or allotment, in whole or in part, and the right is reserved to close the subscription books at any time without prior notice. Subject to customary closing conditions, the closing of the Offering is expected to take place on September 18, 2018 or on such other date as the Issuer, the Selling Shareholders and the Underwriters may agree. Registrations and transfers of Offered Shares will be effected electronically through the non-certificated inventory ("**NCI**") system administered by CDS Clearing and Depository Services Inc. ("**CDS**"). No certificates evidencing the Offered Shares will be issued to purchasers, except in certain limited circumstances, and registration will be made in the depository service of CDS. Purchasers of the Offered Shares will receive only a customer confirmation from the Underwriters or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the Common Shares is purchased. See "*Plan of Distribution*".

The Issuer is a corporation incorporated under the *Canada Business Corporations Act*. Stelco's head office is located at 386 Wilcox Street, Hamilton, Ontario L8L 8K5 and our registered office is 66 Wellington Street West, Suite 5300, Toronto, Ontario M5K 1E6. The Company is principally engaged in the production and selling of steel products. The Company is an integrated steel producer with facilities in two locations, Hamilton and Nanticoke, Ontario, which produce a variety of steel products for customers in the steel service center, appliance, automotive, energy, construction, pipe and tube industries in North America. Please see "*Summary Description of the Business*" for more details.

**BMO Capital Markets and J.P. Morgan are affiliates of banks that are part of a syndicate of lenders that has made credit facilities available to our subsidiary, Stelco Inc. In addition, Goldman Sachs Canada is an affiliate of a counterparty to the inventory monetization agreement entered into by Stelco Inc. on December 11, 2017 (the "Inventory Monetization Agreement"). Although the Issuer is not offering Common Shares pursuant to this Offering, Lindsay Goldberg is a related issuer of the Issuer and Lindsay Goldberg and/or the Issuer may be considered to be a connected issuer of BMO Capital Markets, J.P. Morgan or Goldman Sachs Canada under applicable Canadian securities legislation. For more details, please see "*Relationship Between Certain Underwriters, Our Company and the Selling Shareholders*".**

**Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process. See "*Agent for Service of Process*".**

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## IMPORTANT INFORMATION ABOUT THIS PROSPECTUS

Readers should rely only on the information contained in this Prospectus (including the documents incorporated by reference herein) and are not entitled to rely on parts of the information contained in this Prospectus to the exclusion of others. None of the Issuer, the Selling Shareholders or the Underwriters have authorized any other person to provide prospective investors with different information and any such information should not be relied upon. None of the Issuer, the Selling Shareholders or the Underwriters are making an offer to sell the Offered Shares in any jurisdiction where it is unlawful. The information appearing in this Prospectus and the documents incorporated by reference herein is accurate only as of their respective dates, regardless of the time of delivery of this Prospectus or of any sale of the Offered Shares. Our business, properties, financial condition, results of operations and prospects may have changed since those dates.

For investors outside Canada, none of the Issuer, the Selling Shareholders or any of the Underwriters has done anything that would permit the direct or indirect, offer, sale or delivery of any Offered Shares or the delivery of this Prospectus to any person in any jurisdiction outside of Canada, except in a manner which will not require the Issuer or any Selling Shareholder to comply with the registration, prospectus, continuous disclosure, filing or other similar requirements under the applicable securities laws of such other jurisdiction or would otherwise require the Issuer or any Selling Shareholder to appoint an agent for service in such other jurisdiction. Investors are required to inform themselves about, and to observe any restrictions relating to, the Offering and the possession or distribution of this Prospectus.

Any graphs and tables demonstrating the historical performance of any entity contained in this Prospectus or the documents incorporated by reference herein are intended only to illustrate past performance of such entities and are not necessarily indicative of future performance of such entities or our Company.

## CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

We present our financial statements in Canadian dollars and disclose certain financial information in this Prospectus and the documents incorporated by reference herein in Canadian dollars and United States dollars. In this Prospectus and the documents incorporated by reference herein, references to "$" are to Canadian dollars and references to "US$" or "U.S. dollars" are to United States dollars. Amounts are stated in Canadian dollars unless otherwise indicated. Certain totals, subtotals and percentages throughout this Prospectus may not reconcile due to rounding.

The following table sets forth, for each period indicated, the low and high exchange rates for United States dollars expressed in Canadian dollars, the exchange rate at the end of such period and the average of such exchange rates for each day during such period, based on the rate of exchange as reported by the Bank of Canada for the conversion of one United States dollar into Canadian dollars:

| | Year Ended December 31, | | |
|---|---|---|---|
| | **2017** | **2016** | **2015** |
| | ($) | ($) | ($) |
| Low | 1.2128 | 1.2544 | 1.1728 |
| High | 1.3743 | 1.4589 | 1.3990 |
| Period End | 1.2545 | 1.3427 | 1.3840 |
| Average | 1.2986 | 1.3428 | 1.2787 |

On September 4, 2018, the daily average exchange rate for United States dollars expressed in Canadian dollars (as reported by the Bank of Canada) was US$1.00 = $1.3182.

## FORWARD-LOOKING INFORMATION

This Prospectus contains “forward-looking information” within the meaning of applicable securities laws. Forward-looking information may relate to our future outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategy, budgets, operations, financial results, taxes, dividend policy, plans and objectives of our Company. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “targets”, “expects” or “does not expect”, “is expected”, “an opportunity exists”, “budget”, “scheduled”, “estimates”, “outlook”, “forecasts”, “projection”, “prospects”, “strategy”, “intends”, “anticipates”, “does not anticipate”, “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might”, “will”, “will be taken”, “occur” or “be achieved”. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates and projections regarding future events or circumstances.

Discussions containing forward-looking information may be found, among other places, under “*Summary Description of the Business*”, “*Pre-Closing Share Transfers”*, “*Selling and Principal Shareholders*”, “*Description of Share Capital*”, “*Plan of Distribution*”, “*Risk Factors*”, and “*Agent for Service of Process*” in this Prospectus, and in the sections “*Description of the Business*” and “*Risk Factors*” in the AIF (as defined herein) and in the Issuer’s MD&A (as defined herein) and the Stelco Inc. MD&A (as defined herein), which are incorporated herein by reference. This forward-looking information includes, among other things, statements relating to:

- the Offering and the transfer of the Offered Shares to the Selling Shareholders;
- the Company’s anticipated margins per net ton and ability to maximize profitability;
- statements relating to the continuation of the strong production performance;
- the Company’s position to grow organically and inorganically;
- expectations regarding utilization of excess capacity;
- expectations regarding upgrades to existing facilities and their effect on revenue and costs;
- the implementation of the Company’s ERP system (as defined herein);
- expectations regarding the Company’s access to a wider range of markets;
- expectations regarding the impact of our tax attributes on our future cash flows;
- expectations concerning the timing and duration of our hot strip mill outage, including the impact of the shut down on shipping volumes and the duration and cost of the outage;
- expectations concerning enhanced shipping volumes;
- statements regarding our dividend policy;
- expectations concerning working capital and capital expenditures and the future actions relating thereto and the anticipation of creating value and profitability;
- the acceptance by the Company’s customers and the marketplace of new technologies and new products;
- the Company’s ability to attract new customers and further develop and maintain existing customers;
- the possible impact of US steel and other tariffs;

- expectations on the growth of our annual shipments by the end of 2022;
- expectations regarding steel prices;
- expectations regarding industry trends, market growth rates and the Company's future growth rates, plans and strategies to increase revenue and cut costs;
- expectations regarding future director and executive officer compensation levels and plans;
- expectations regarding the sufficiency of cash to meet future operating expenses, capital expenditures and future debt service costs;
- expectations regarding the composition and responsibilities of our board of directors (the "**Board**");
- expectations regarding the market price of the Common Shares;
- the Company's ability to develop the recently acquired Lands (as defined herein) and pursue possible strategic alternatives available to unlock the value in the Lands;
- the Company's potential savings as a result of the OPEB Funding Agreement (as defined below) and Mortgage (as defined below);
- the cost challenges presented by unforeseen circumstances, security breaches, the breakdown of business relationships, legal proceedings, environmental compliance, insurance claims, pension requirements, ability to retain key customers, and potential permanent idling of facilities;
- the Company's ability to attract and retain key employees; and
- expectations regarding increased expenses as a result of being a public company.

This forward-looking information and other forward-looking information are based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Certain assumptions in respect of the utilization of and access to our excess capacity; capital expenditures associated with accessing such excess capacity; upgrades to our facilities and equipment; the Company's hot strip mill outage and the duration and impact on production capabilities and efficiencies, our research and development activities associated with advanced steel grades; our ability to source raw materials and other inputs; our ability to supply to new customers and markets; our ability to effectively manage costs; our ability to attract and retain key personnel and skilled labour; our ability to obtain and maintain existing financing on acceptable terms; currency exchange and interest rates; the impact of competition; changes in laws, rules, and regulations, including international trade regulations; and growth in steel markets and industry trends are material factors considered in preparing the forward-looking information and management's expectations contained in this Prospectus.

Forward-looking information is necessarily based on a number of opinions, estimates and assumptions that we considered appropriate and reasonable as of the date such statements are made and is subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to the following risk factors described in greater detail under the section entitled "*Risk Factors*" in this Prospectus:

- global overcapacity, imports and trade remedies;
- hot strip mill outage;
- payment of dividends;

- if securities or industry analysts publish inaccurate or unfavorable research about us or our business, our trading price and volume could decline;
- potential volatility may affect the Common Share price;
- dilution;
- future sales of Common Shares by our directors, executive officers and significant shareholders;
- shareholders will have limited control over our Company's operations;
- Bedrock Industries or its affiliates (collectively, "**Bedrock**") will continue to have significant influence over us after the closing of the Offering; and
- the other factors discussed under "*Risk Factors*" in the AIF incorporated by reference herein.

If various risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking information. The risks, opinions, estimates or assumptions referred to above and described in greater detail in "*Risk Factors*" in this Prospectus and under "*Risk Factors*" in the AIF incorporated by reference herein should be considered carefully by readers.

Although we have attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to us or that we presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information, which speaks only as of the date made. The forward-looking information contained in this Prospectus represents our expectations as of the date of this Prospectus (or as of the date the relevant statements are otherwise stated to be made), and are subject to change after such date. However, we disclaim any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except (i) as required under applicable securities laws in Canada and (ii) to provide updates in our annual management's discussion and analysis for each financial year up to and including that in respect of 2022 regarding the annual shipment target disclosed in the Issuer's long form supplemented PREP prospectus dated November 2, 2017 (the "**IPO Prospectus**"), including information on actual results and a discussion of anticipated variance, if any, from the target disclosed in the IPO Prospectus.

**All of the forward-looking information contained in this Prospectus and in the information incorporated by reference in this Prospectus is expressly qualified by the foregoing cautionary statements. Investors should read this entire Prospectus, including the documents incorporated by reference herein, and consult their own professional advisors to ascertain and assess the income tax, legal, risk factors and other aspects of their investment in the Offered Shares.**

## DOCUMENTS INCORPORATED BY REFERENCE

**Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar regulatory authorities in each of the provinces and territories of Canada.**

The following documents or portions of documents filed with the securities commissions or similar regulatory authorities in each of the provinces and territories of Canada are specifically incorporated by reference into, and form an integral part of, this Prospectus:

(a) the annual information form of Stelco Holdings Inc. for the year ended December 31, 2017 (the "**AIF**");

(b) the audited consolidated financial statements of Stelco Holdings Inc. as at December 31, 2017 and June 30, 2017, and for the six month period ended December 31, 2017, together with the notes thereto;

(c) management's discussion and analysis of financial condition and results of operations of Stelco Holdings Inc. for the six month period ended December 31, 2017 (the "**Issuer's Annual MD&A**");

(d) the audited consolidated financial statements of Stelco Inc. as at December 31, 2017, and December 31, 2016 and for each year in the two-year period ended December 31, 2017;

(e) management's discussion and analysis of financial condition and results of operations of Stelco Inc. for the year ended December 31, 2017 (the "**Stelco Inc. Annual MD&A**");

(f) the business acquisition report of the Issuer dated January 23, 2018 with respect to the initial public offering of the Issuer (the "**IPO**") and the acquisition by the Issuer from Bedrock Industries of all of the issued and outstanding shares of Stelco Inc. (the "**BAR**");

(g) the management information circular of Stelco Holdings Inc. dated May 25, 2018 in respect of the annual and special meeting of shareholders held on June 28, 2018 (the "**Information Circular**");

(h) the unaudited interim condensed consolidated financial statements of Stelco Holdings Inc. for the three and six month periods ended June 30, 2018, together with the notes thereto (the "**Issuer's Interim Financial Statements**");

(i) management's discussion and analysis of financial condition and results of operations of Stelco Holdings Inc. for the three and six month periods ended June 30, 2018 (the "**Issuer's Interim MD&A**", and collectively with the Issuer's Annual MD&A, the "**Issuer's MD&A**");

(j) the unaudited interim condensed consolidated financial statements of Stelco Inc. as at and for the three and six month periods ended June 30, 2018, together with the notes thereto; and

(k) management's discussion and analysis of financial condition and results of operations of Stelco Inc. for the three and six month periods ended June 30, 2018 (the "**Stelco Inc. Interim MD&A**", and collectively with the Stelco Inc. Annual MD&A, the "**Stelco Inc. MD&A**").

This Prospectus incorporates by reference the BAR which includes financial statements of Stelco Inc. as at December 31, 2016, December 31, 2015, December 31, 2014 and January 1, 2014 and for each year in the three years ended December 31, 2016. Such financial statements include an auditor's report that expresses a qualification of opinion relating to opening inventory of Stelco Inc. Item 3.3(1)(a)(i) of National Instrument 52-107 — *Acceptable Accounting Principles and Auditing Standards* ("**NI 52-107**") requires that financial statements included in a prospectus be audited in accordance with Canadian Generally Accepted Auditing Standards and be accompanied by an auditor's report that expresses an unmodified opinion. Pursuant to an application made to the Ontario Securities Commission, as principal regulator, in connection with the IPO Prospectus, the Issuer obtained exemptive relief from Item 3.3(1)(a)(i) of NI 52-107 with respect to the inclusion of an auditor's report that expresses a qualification of opinion relating to opening inventory relating to such financial statements. Such relief was evidenced by the issuance of a receipt for the IPO Prospectus.

Documents referenced in any of the documents incorporated by reference in this Prospectus but not expressly incorporated by reference herein and not otherwise required to be incorporated by reference herein are not incorporated by reference in this Prospectus. Any documents of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus, including any annual information form, annual financial statements and the auditors' report thereon, interim financial statements, management's discussion and analysis of financial conditions and results of operations, material change reports (except confidential material change reports), business acquisition reports and information circulars, filed by us with securities commissions or similar authorities in Canada after the date of this Prospectus but before the termination of the Offering shall be deemed to be incorporated by reference in this Prospectus.

**Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the**

**document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.**

## MARKETING MATERIALS

Any "template version" of "marketing materials" (as such terms are defined in National Instrument 41-101 – *General Prospectus Requirements*) will be incorporated by reference in the final short form prospectus. However, such "template version" of "marketing materials" will not form part of the final short form prospectus to the extent that the contents of the "template version" of "marketing materials" are modified or superseded by a statement contained in the final short form prospectus. Any "template version" of "marketing materials" filed on the System for Electronic Document Analysis and Retrieval (SEDAR) after the date of the final short form prospectus and before the termination of the distribution under the Offering will be deemed to be incorporated into the final short form prospectus.

## TRADEMARKS AND TRADE NAMES

This Prospectus, including the information incorporated by reference herein, includes references to certain trademarks, such as "Stelco", "Hamilton Works" and "Lake Erie Works", which are protected under applicable intellectual property laws in Canada and are our property. Solely for convenience, our trademarks and trade names may appear in this Prospectus and the information incorporated by reference herein without the ® or ™ symbol, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights to these trademarks and trade names.

## ELIGIBILITY FOR INVESTMENT

Based on the current provisions of the *Income Tax Act* (Canada) and regulations thereunder (the "**Tax Act**"), in the opinion of McCarthy Tétrault LLP, counsel to the Issuer, and Torys LLP, counsel to the Underwriters, provided that, at all relevant times, the Offered Shares are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the TSX), the Offered Shares will be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan ("**RRSP**"), deferred profit sharing plan ("**DPSP**"), registered retirement income fund ("**RRIF**"), registered education savings plan ("**RESP**"), registered disability savings plan ("**RDSP**"), and a tax-free savings account ("**TFSA**" and, together with RRSPs, RRIFs, RESPs and RDSPs, "**Deferred Plans**").

Notwithstanding that the Offered Shares may be qualified investments for a trust governed by a Deferred Plan, the holder, subscriber or the annuitant thereof or thereunder, as the case may be, will be subject to a penalty tax in respect of the Offered Shares if such Offered Shares are a "prohibited investment" for the Deferred Plan for purposes of the Tax Act. The Offered Shares will not be a prohibited investment for a Deferred Plan provided that the holder, subscriber or annuitant thereof or thereunder, as the case may be, (i) deals at arm's length with the Issuer for purposes of the Tax Act and (ii) does not have a "significant interest" (as defined in the Tax Act for purposes of such prohibited investment rules) in the Issuer. In addition, the Offered Shares will not be a prohibited investment if the Offered Shares are "excluded property" for a trust governed by a Deferred Plan for purposes of such prohibited investment rules.

Prospective purchasers who intend to hold Offered Shares in Deferred Plans or DPSPs should consult their own tax advisors regarding their particular circumstances.

## STELCO HOLDINGS INC.

Stelco Holdings Inc. is a corporation incorporated under the *Canada Business Corporations Act* pursuant to articles of incorporation dated September 25, 2017 (as amended from time-to-time, the "**Articles**"). Its head office is located at 386 Wilcox Street, Hamilton, Ontario L8L 8K5 and its registered office is 66 Wellington Street West, Suite 5300, Toronto, Ontario M5K 1E6.

Stelco Inc. is a wholly-owned subsidiary of the Issuer. Stelco Inc. came into existence as The Steel Company of Canada, Limited in 1910. In October 2007, Stelco Inc. was acquired by United States Steel Corporation ("**USS**") and changed its name to U. S. Steel Canada Inc. ("**USSC**"). On June 30, 2017, in connection with USSC's emergence from restructuring proceedings under the *Companies' Creditors Arrangement Act*, Bedrock Industries LP, and its affiliates indirectly acquired all of the outstanding shares of USSC and changed its name back to Stelco Inc.

The authorized share capital of the Issuer consists of (i) an unlimited number of Common Shares and (ii) an unlimited number of preferred shares, issuable in series. Except as required by law or as provided for in any special rights or restrictions attaching to any series of preferred shares issued from time to time, the preferred shares will not be entitled to receive notice of, attend or vote at any meeting of the Shareholders. As at the date of this Prospectus, there are 88,813,637 Common Shares issued and outstanding and no preferred shares issued and outstanding. The outstanding Common Shares are listed and posted for trading on the TSX under the symbol "STLC".

## SUMMARY DESCRIPTION OF THE BUSINESS

We believe we own the newest and one of the most technologically advanced integrated steelmaking facilities in North America. We produce flat-rolled value-added steels, including premium-quality coated, cold-rolled and hot-rolled steel products as well as metallurgical coke. With first-rate gauge, crown, and shape control, as well as uniform through-coil mechanical properties, our steel products are supplied to customers in the construction, automotive and energy industries across Canada and the United States, as well as to a variety of steel service centres, which are regional distributors of steel products. We believe our total costs per net ton are among the lowest in North America according to World Steel Dynamics and we expect our margins per net ton will expand as we increase our asset utilization and regain volumes lost in recent years.

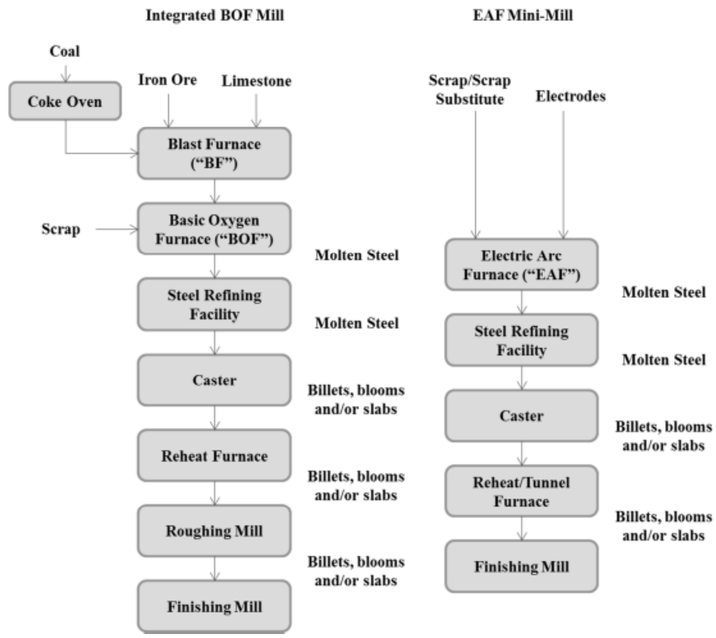
Our operations are strategically located near our raw material suppliers and core customers which we believe positions us to serve both Canadian and American customers with shorter lead-times relative to other steelmakers. Furthermore, the fact that both of our operating facilities have access to multiple modes of transportation (water, rail and truck) allows us to negotiate competitive freight rates, rapidly adapt to changing market environments, and access customers across a wide range of locations. We believe our strategic location is reinforced by long-term customer relationships, a track record of product performance and quality product capabilities that will enable us to re-capture market share. The average length of our relationships with our top 10 customers exceeds 20 years.

*Steelmaking Overview*

Steel is one of the fundamental building blocks of modern society and generally considered to be a critical driver of economic and industrial development. Its end-market applications cover a wide range of industries including construction, engineering, heavy machinery, pipes and tubes, energy, automotive, packaging and appliances.

Steel in its molten form is produced through two main methods: (i) basic oxygen furnace ("**BOF**") employed in integrated mills and (ii) electric arc furnace ("**EAF**") used in mini-mills. While mini-mills using EAF are the predominant form of steel production in North America, the vast majority of global steel (approximately 73% according to World Steel Dynamics) is produced in integrated mills through BOF.

**Figure 1 – Illustrative BOF and EAF Steelmaking Process**




*Source : World Steel Dynamics*

In mini-mills, molten steel is produced through the EAF process which utilizes steel scrap as its primary feedstock that is subsequently melted through the application of an electric current (with approximately 450 kWh per nt of steel). EAF steelmaking consumes approximately 1.1 nt of steel scrap per nt of molten steel. The production cost in EAF is highly dependent on the prevailing price of scrap and electricity, and product quality is often limited by the quality and purity of scrap charged into the furnace.

By contrast, integrated mills (such as Stelco’s operations) produce molten iron in a blast furnace by combining iron ore, metallurgical coke and limestone. The molten iron is then combined with a small quantity of steel scrap in a BOF to produce molten steel. In order to produce one nt of steel, the process consumes approximately 1.5-1.7 nt of iron ore, 0.6-0.8 nt of coal (to form 0.4-0.5 nt of coke) and between 0.05-0.30 nt of scrap steel depending on the operation. Integrated mills have historically had a better ability to produce high-end grades of steel where input control is critical.

## RECENT DEVELOPMENTS

*Steel Tariffs and Trade Regulation*

On April 20, 2017, the United States administration issued an executive order directing the United States Department of Commerce to investigate whether imports of foreign steel are harming US national security. The directive falls under Section 232 of the Trade Expansion Act of 1962, which allows the US President to restrict trade of a good if such trade is determined to be harmful to US national security.

On February 16, 2018, the US Department of Commerce released its report regarding the Section 232 investigation. The recommendations in that report include options regarding tariffs and/or quotas are intended to adjust the level of steel imports into the United States as it has been determined that those imports are an impairment to national security. Under the statute, the US President is required to adopt, modify or take no action on these recommendations. During March 2018, the US administration suspended the implementation of any steel and aluminum tariffs by exempting Canada, and certain other countries. On May 31, 2018, the US administration signed a proclamation that as of June 1, 2018, tariffs will no longer be suspended for steel or aluminum imports from Canada, Mexico and the European Union.

Although tariffs or quotas on any steel imports into the United States from Canada present a risk to our business, we believe this risk may be mitigated by our continued focus on the development of additional markets for our products. In addition to the risk presented by either tariffs or quotas, there is associated risk of steel imports traditionally destined for the United States being diverted into the Canadian market which could impact domestic demand and pricing.

On May 31, 2018, the Government of Canada responded to the Section 232 tariffs on steel by announcing its intention to impose surtaxes or similar trade-restrictive countermeasures on steel, aluminum and other specified goods imported from the United States, with an estimated value from the Government of Canada of up to $16.6 billion. On July 1, 2018, tariffs on steel imported from the United States went into force and were set at 25 per cent, the same tariff rate that the United States applied to Canadian steel under Section 232.

On August 27, 2018, as part of the ongoing negotiations on the North American Free Trade Agreement ("**NAFTA**"), the US administration announced a preliminary United States–Mexico Trade Agreement. While Canada is not a party to this preliminary trade agreement, Canada and the United States are continuing negotiations on NAFTA. There is no assurance that Canada will join the preliminary United States–Mexico Trade Agreement or that Canada will reach agreement with the United States on the NAFTA negotiations. If Canada is unable to reach a trade agreement with the United States, it could have a material impact on our business.

See "*Risk Factors*" in this Prospectus and "*Risk Factors — Global Overcapacity, Imports and Trade Remedies*" in the AIF.

*Secondary Offering*

On April 4, 2018, the Company announced the completion of a bought deal secondary offering (the "**April Offering**") of 10,000,000 Common Shares by Bedrock Industries at a price of $21.75 per Common Share for aggregate gross proceeds of $217.5 million. The net proceeds of the April Offering, after deducting the underwriter commission, were paid to Bedrock Industries. Prior to the April Offering, Bedrock Industries held 75,283,887 Common Shares, which represented approximately 84.8% of the total outstanding Common Shares. Following the completion of the April Offering, Bedrock Industries held 65,283,887 Common Shares, representing approximately 73.5% of the total outstanding Common Shares. See "*Selling and Principal Shareholders*".

*Trade Remedy: Dumping and Subsidy Investigations*

On May 25, 2018, the Canada Border Services Agency ("**CBSA**") initiated investigations under the *Special Import Measures Act* respecting the alleged injurious dumping and subsidizing of certain cold-rolled steel from China, South Korea and Vietnam. On July 24, 2018, the Canadian International Trade Tribunal ("**CITT"**) announced their determination that there is evidence that discloses a reasonable indication that the dumping and subsidizing of the above-mentioned goods have caused or are threatening to cause injury to the domestic industry. On August 23, 2018, the CBSA announced preliminary duties of 103.5% in respect of cold-rolled steel from China; 64.3% in respect of cold-rolled steel from South Korea and 105.7% in respect of cold-rolled steel from Vietnam. The CITT is expected to conduct hearings and make its final determination in Q4 2018.

On July 26, 2018, the CBSA initiated investigations under the *Special Import Measures Act* respecting the alleged injurious dumping of certain corrosion resistant steel from China, South Korea, India and Taiwan. Accordingly, the CITT will conduct a preliminary injury inquiry and announce their determination during the third quarter of 2018.

*Land and Building Acquisitions*

On June 5, 2018, Stelco Inc. acquired the land and buildings beneficially owned by Legacy Lands Limited Partnership (the "**Land Vehicle**") on which the Company conducts its operations in Hamilton (approximately 760 acres) and Nanticoke, Ontario (approximately 2300 acres), including lands in Hamilton that contain the Hamilton Works blast furnace and cast houses, as well as developable lands and port facilities (collectively, the "**Lands**"). The purchase price payable for the Lands was approximately $114 million and was financed with a 25-year, 8% per annum mortgage payable (the "**Mortgage**") issued to the Land Vehicle. The quarterly Mortgage payments will be distributed by the Land Vehicle to fund various pension and other post-employment benefit commitments ("**OPEBs**") for Stelco retirees.

In connection with the Lands acquisition, existing lease arrangements between Stelco Inc. and the Land Vehicle were terminated and the associated rental payments were cancelled. The total purchase consideration of $114 million included land costs of $85 million (which excludes $3 million of transaction costs) and the extinguishment of lease related obligations of $29 million.

The Lands acquisition provides Stelco with the flexibility to utilize the properties for its existing operations and to develop these properties in a manner that both complements our current and future operations and to pursue other uses for the Lands in particular: (i) extracting additional value from our assets by enhancing operating flexibility previously unavailable to us, (ii) lowering our costs, and (iii) creating significant and previously unrealizable potential value for our shareholders through development of excess land and port facilities located in the Greater Toronto Area. In addition, the Company continues to receive the benefit of the environmental release in respect of the Lands that was granted by the Ministry of the Environment and Climate Change on closing of Stelco Inc.'s *Companies' Creditors Arrangement Act* ("**CCAA**") reorganization on June 30, 2017.

Stelco is currently evaluating various strategic alternatives to unlock the value in the Lands. Any transaction would be subject to obtaining the necessary approvals and waivers required under the Mortgage and other relevant agreements from the applicable counterparties, including the Land Vehicle and the ELHTs (as defined below).

*Amended OPEB Funding Agreement*

Also on June 5, 2018, Stelco Inc. entered into an amended OPEB funding agreement (the "**OPEB Funding Agreement**") that reduced Stelco Inc.'s exposure to future variable funding requirements (including future excess free cash flow contributions) and provided the independent employee life and health trusts ("**ELHTs**") established as part of Stelco Inc.'s CCAA reorganization, with an increased fixed funding commitment over a 25 year term. The Amended OPEB Funding Agreement replaces Stelco Inc.'s funding obligations under the OPEB funding agreement that was entered into at the closing of Stelco Inc.'s CCAA reorganization (the "**Original OPEB Funding Agreement**").

In providing more fixed annual funding of OPEBs, the Amended OPEB Funding Agreement and Mortgage payments eliminates Stelco Inc.'s variable funding obligations tied to excess free cash flow that could have resulted in significant additional OPEB funding contributions and provides greater certainty to our employees as to deposits into the ELHTs.

In addition to providing for more fixed annual funding of OPEBs, the OPEB Funding Agreement and Mortgage payments could save Stelco up to $87 million compared to the Original OPEB Funding Agreement and lease payments over a 20-year period and eliminates Stelco's variable funding obligations tied to excess free cash flows that could have resulted in significant additional OPEB funding contributions.

*Common Share Dividends*

During each of the first and second quarters of 2018, Stelco Holdings declared and paid cash dividends of $9 million or $0.10 per Common Share, totaling $18 million or $0.20 per common share for the first six months of 2018. On July 31, 2018, the Board declared a special dividend of $150 million or $1.69 per Common Share, payable on August 15, 2018 to shareholders of record as of August 10, 2018 and a quarterly cash dividend of $9 million or $0.10 per Common Share, payable on August 17, 2018 to shareholders of record as of August 10, 2018.

*ABL Amendments*

In August, 2018 Stelco Inc. amended the terms of its ABL Credit Agreement to extend the term of the ABL Credit Agreement to expire August 16, 2023. In addition, among other amendments, the ABL Credit Agreement was amended to limit the restriction associated with paying dividends by Stelco Inc.

*Hot Strip Mill Upgrade*

In connection with our strategic capital expenditure program aimed at improving our product mix to focus on more advanced steel products, including Advanced High-Strength Steel (AHSS) and Ultra High-Strength Steel grades, we are planning to continue enhancing our production capabilities and controls over our hot rolled steel products. In that regard and as planned, during September 2018, we will be taking a three week strategic outage to upgrade our hot strip mill. The upgrades will provide for better gauge control and increased rolling force. These enhancements will enable us to better participate in the AHSS, High Strength Low Alloy, and value added coated markets.

While the hot strip mill outage will result in decreased shipping volumes in the third quarter of 2018, the Company expects that overall shipping volumes will recover in the fourth quarter of 2018. Accordingly, provided that the hot strip mill outage is of limited duration and production resumes without any adverse effects, it is anticipated that the shipping volumes in the last six months of 2018 will be generally consistent with shipping volumes in the first six months of 2018.

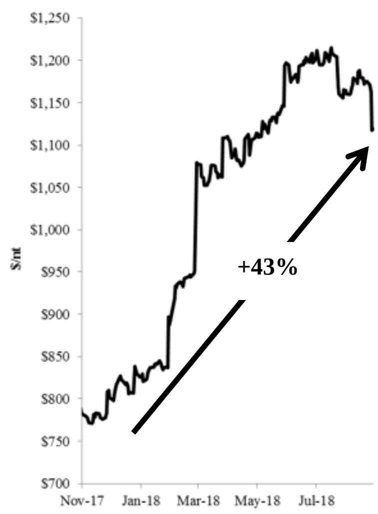
*Enterprise Resource Planning System*

As previously disclosed, the Company is continuing to implement its new cloud-based Enterprise Resource Planning ("**ERP**") system which will replace support functions and information systems that have historically been provided to the Company by USS pursuant to certain transition services agreements dated June 30, 2017 (the "**USS Transition Services Agreement**"). Implementation of the ERP system is expected to be completed by the end of 2018. See "*Risk Factors — Uncertainties relating to the USS Transition Services Agreements*" and "*Risk Factors — Risks related to the migration of information technology systems currently provided to us under certain of the Transition Services Agreements*" in the AIF.

*Current Steel Prices*

Steel prices continued to increase during the first half of 2018 and remain influenced by overall international demand, trade sanctions, iron ore prices, scrap steel prices and product availability. As of August 30, 2018, the price of Hot-Rolled Coil ("**HRC**") steel was approximately $1,119/nt, representing an increase of approximately 43% since the date of closing of the IPO.

**Figure 2 – Steel Prices Since IPO ($/nt)[(1)]**




*Source : FactSet*

Note:

(1) HRC price as of August 30, 2018 based on US Midwest HRC Near Term NYMEX steel price of US$863/nt (dated August 30, 2018) converted at prevailing spot CAD/USD exchange rate of 1.297; prior periods converted at prevailing daily spot CAD/USD exchange rates.

## USE OF PROCEEDS

The Issuer will not receive any proceeds from the sale of Common Shares by the Selling Shareholders pursuant to this Offering.

The estimated net proceeds of the Offering to the Selling Shareholders, after deducting the aggregate Underwriters' Fee, will be $173,952,000 ($200,044,800, assuming the exercise of the Over-Allotment Option in full).

## CONSOLIDATED CAPITALIZATION

There have been no material changes in the Issuer's share and loan capital, on a consolidated basis, since the date of the Issuer's Interim Financial Statements. There will be no material changes in the Issuer's share and loan capital, on a consolidated basis, as a result of the Offering.

## DESCRIPTION OF SHARE CAPITAL

The following describes the material terms of our share capital. The following description may not be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of our articles.

### Authorized Share Capital

Our authorized share capital consists of (i) an unlimited number of Common Shares and (ii) an unlimited number of preferred shares, issuable in series. Except as required by law or as provided for in any special rights or restrictions attaching to any series of preferred shares issued from time to time, the preferred shares will not be entitled to receive notice of, attend or vote at any meeting of the shareholders. As of the date of this Prospectus, there are 88,813,637 Common Shares issued and outstanding and no preferred shares issued and outstanding.

### Common Shares

Holders of Common Shares are entitled to one vote in respect of each Common Share held at all meetings of holders of shares, other than meetings at which only the holders of another class or series of shares are entitled to vote separately as a class or series. The holders of the Common Shares are entitled to receive any dividend declared by our Board in respect of the Common Shares, subject to the rights of the holders of other classes of shares. The holders of the Common Shares will be entitled to receive, subject to the rights of the holders of other classes of shares, the remaining property and assets of our Company available for distribution, after payment of liabilities, upon the liquidation, dissolution or winding-up of our Company, whether voluntary or involuntary. For a description of our dividend policy, see "*Dividends*" in the AIF.

### Preferred Shares

The preferred shares may at any time and from time to time be issued in one or more series, each series to consist of such number of preferred shares as may, before the issue thereof, be determined by resolution of our Board. Subject to the provisions of the CBCA, our Board may, by resolution, fix from time to time before the issue thereof the designation, rights, privileges, restrictions and conditions attaching to the preferred shares of each series including, without limitation, any right to receive dividends (which may be cumulative or non-cumulative and variable or fixed) or the means of determining such dividends, the dates of payment thereof, any terms or conditions of redemption or purchase, any conversion rights, any voting rights, any retraction rights and any rights on the liquidation, dissolution or winding up of our Company, any sinking fund or other provisions, the whole to be subject to the issue of a certificate of amendment setting forth the designation, rights, privileges, restrictions and conditions attaching to the preferred shares of the series. Except as required by law or as provided for in any special rights or restrictions attaching to any series of preferred shares, the holders of preferred shares will not be entitled to receive notice of, attend or vote at any meeting of shareholders.

Generally, preferred shares of each series, if and when issued, will, with respect to the payment of dividends, rank on parity with the preferred shares of every other series and be entitled to preference over the Common Shares and any other shares of our Company ranking junior to the preferred shares with respect to payment of dividends. If any amount of cumulative dividends (whether or not declared) or any amount payable on any such distribution of assets constituting a return of capital in respect of the preferred shares of any series is not paid in full, the preferred shares of such series shall participate rateably with the preferred shares of every other series in respect of all such dividends and amounts.

In the event of liquidation, dissolution or winding up of our Company, whether voluntary or involuntary, the holders of preferred shares will generally be entitled to preference with respect to distribution of the property or assets of our Company over the Common Shares and any other shares of our Company ranking junior to the preferred shares with respect to the repayment of paid-up capital remaining after payment of all outstanding debts on a *pro rata* basis, and the payment of any and all declared but unpaid cumulative dividends, or any and all declared but unpaid non-cumulative dividends, on the preferred shares. We currently anticipate that there will be no pre-emptive, subscription, redemption or conversion rights attaching to any series of preferred shares issued from time to time.

**Nomination of Directors**

We have included certain advance notice provisions in our by-laws with respect to the election of directors (the "**Advance Notice Provisions**"). The Advance Notice Provisions are intended to: (i) facilitate orderly and efficient annual general or, where the need arises, special meetings; (ii) ensure that all shareholders receive adequate notice of Board nominations and sufficient information with respect to all nominees; and (iii) allow shareholders to register an informed vote. Only persons who are nominated by shareholders in accordance with the Advance Notice Provisions will be eligible for election as directors. Nominations of persons for election to our Board may be made for any annual meeting of shareholders, or for any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors.

Under the Advance Notice Provisions, a shareholder wishing to nominate a director would be required to provide notice in the prescribed form within the prescribed time periods. These time periods include: (i) in the case of an annual meeting of shareholders (including annual and special meetings), not less than 30 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made (the "**Notice Date**"), notice by the shareholder may be received not later than the close of business on the $10^{th}$ day following the Notice Date; and (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose which includes electing directors, not later than the close of business on the $15^{th}$ day following the Notice Date.

The chairperson of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, the discretion to declare that such defective nomination shall be disregarded.

Notwithstanding the foregoing, the directors may, in their sole discretion, waive any requirement in the Advance Notice Provisions.

## PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, the Selling Shareholders have agreed to sell and the Underwriters have agreed to purchase on the closing of the Offering, subject to the terms and conditions contained therein, 8,000,000 Offered Shares at a price of $22.65 per Offered Share for an aggregate purchase price of $181,200,000 (the "**Purchase Price**") payable in cash to the Selling Shareholders against delivery of the Offered Shares, less an amount of $0.906 per Offered Share (the "**Underwriters' Fee**") for aggregate consideration of $7,248,000, representing 4.0% of the Purchase Price, that the Selling Shareholders have agreed to pay the Underwriters as a fee for its services performed in connection with the Offering, upon completion of the Offering. See "*Selling and Principal Shareholders*".

The obligations of the Underwriters under the Underwriting Agreement are several and not joint and may be terminated at their discretion upon the occurrence of certain stated events, including, among others: (i) any enquiry, action, suit, investigation, order, ruling or other proceeding, whether formal or informal, is instituted or announced by or before any governmental authority in relation to the Issuer or the Selling Shareholders which, in the opinion of any of the Underwriters, acting reasonably, operates to prevent or suspend, or to materially inhibit, restrict or otherwise adversely affect the distribution of, or trading in, the Offered Shares; (ii) the state of the financial markets is such that in the reasonable opinion of any of the Underwriters, the Offered Shares cannot be marketed profitably; (iii) any event, action, state, condition or major financial occurrence of national or international consequence or any outbreak or escalation of national or international hostilities or any crisis or calamity or any governmental action, law or regulation which, in the reasonable opinion of any of the Underwriters, seriously adversely affects or will seriously adversely affect the financial markets in Canada or the United States or the business, operations or affairs of the Company; (iv) any material change or change in a material fact or a new material fact arises or is discovered (other than a change or fact related solely to the Underwriters) which, in the reasonable opinion of any of the Underwriters, would result in the purchasers of a material number of Offered Shares exercising their right under applicable Canadian securities laws to withdraw from their purchase of Offered Shares, or would be expected to have a significant adverse effect on the market price or value of the Offered Shares. Subject to certain exceptions contained in the Underwriting Agreement, if an Underwriter fails to purchase the Offered Shares which it has agreed to purchase, the other Underwriters may, but are not obligated to, purchase such Offered Shares. As such, it could be the case that less than all of the Offered Shares could be purchased pursuant to the Underwriting Agreement.

The Offering Price was determined by negotiation between the Selling Shareholders and the Underwriters with reference to prevailing market conditions, including the current market price of Common Shares. The Underwriters' Fee payable to the Underwriters will be paid on account of services rendered in connection with the Offering and will be paid from the proceeds of the Offering. The Underwriters propose to offer the Offered Shares initially at the Offering Price. After a reasonable effort has been made to sell all of the Offered Shares at the Offering Price, subject to applicable laws, the Underwriters may subsequently reduce the selling price to investors from time to time in order to sell any of the Offered Shares remaining unsold. Any such reduction in the Offering Price will not affect the net proceeds received by the Selling Shareholders.

The Selling Shareholders have granted the Underwriters the Over-Allotment Option to purchase up to 1,200,000 Over-Allotment Shares at a price per Over-Allotment Share of $22.65, exercisable at the Underwriters' sole option and without obligation, in whole or in part, at any time and from time to time up to 30 days after the closing of the Offering to cover over-allotments, if any. If the Over-Allotment Option is exercised in full, the price to the public, Underwriters' Fee and net proceeds to the Selling Shareholders, after deducting the aggregate Underwriters' Fee, will be $208,380,000, $8,335,200 and $200,044,800, respectively. This Prospectus also qualifies for distribution the grant of the Over-Allotment Option. A purchaser who acquires Common Shares forming part of the Underwriters' over-allocation position acquires those securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Subscriptions for Offered Shares will be received subject to rejection or allotment, in whole or in part, and the right is reserved to close the subscription books at any time without prior notice. Subject to customary closing conditions, the closing of the Offering is expected to take place on September 18, 2018 or on such other date as the Issuer, the Selling Shareholders and the Underwriters may agree. Registrations and transfers of Offered Shares will be effected electronically through the NCI system administered by CDS. No certificates evidencing the Offered Shares will be issued to purchasers, except in certain limited circumstances, and registration will be made in the depository service of CDS. Purchasers of the Offered Shares will receive only a customer confirmation from the Underwriters or another registered dealer who is a CDS participant and from or through whom a beneficial interest in the Common Shares is purchased.

The Issuer has agreed to indemnify the Underwriters against certain liabilities, including liabilities under Canadian provincial and territorial securities legislation. The Selling Shareholders have agreed to indemnify the Underwriters against liabilities with respect to certain information related solely to the Selling Shareholders and furnished in writing to the Issuer for use in this Prospectus. The Issuer has agreed to indemnify the Selling Shareholders against certain liabilities, including liabilities under Canadian provincial and territorial securities legislation, and the Selling Shareholders have agreed to indemnify the Issuer against liabilities with respect to certain information related solely to the Selling Shareholders and furnished in writing to the Issuer for use in this Prospectus.

This Prospectus does not constitute an offer to sell or a solicitation to buy any of the Common Shares offered hereby in the United States. The Common Shares offered hereby have not been and will not be registered under the U.S. Securities Act, or any securities or "blue sky" laws of any of the states of the United States. Accordingly, the Common Shares may not be offered or sold within the United States except in accordance with an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.

Each of the Underwriters has agreed in the Underwriting Agreement that it will not offer, sell or deliver any of the Offered Shares at any time, directly or indirectly, in the United States or to or for the account of any person who it knows or has reason to believe is a United States national or resident thereof, other than in accordance with the Underwriting Agreement. The Underwriting Agreement provides that the Underwriters and their registered United States broker-dealer affiliates ("**U.S. Affiliates**") may offer and sell the Offered Shares to "qualified institutional buyers" (as defined in Rule 144A of the U.S. Securities Act) pursuant to available exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. The Underwriting Agreement further provides that the Underwriters and U.S. Affiliates will only offer and sell Offered Shares outside of the United States in accordance with Rule 903 of Regulation S under the U.S. Securities Act. Each Underwriter has acknowledged in the Underwriting Agreement that the Offered Shares have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws and until 40 days after the commencement of the Offering, an offer or sale of the Offered Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from such registration requirements.

Subject to applicable law, the Underwriters may offer Offered Shares in other jurisdictions outside of Canada.

**Price Stabilization, Short Positions and Passive Market Making**

In connection with the Offering, the Underwriters may, subject to applicable law, over-allocate or effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market, including: stabilizing transactions; short sales; purchases to cover positions created by short sales; and syndicate covering transactions.

Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Common Shares while the Offering is in progress. These transactions may also include making short sales of the Common Shares, which involve the sale by the Underwriters of a greater number of Common Shares than they are required to purchase in the Offering. Short sales may be "covered short sales", which are short positions in an amount not greater than the Over-Allotment Option, or may be "naked short sales", which are short positions in excess of that amount.

The Underwriters may close out any covered short position either by exercising the Over-Allotment Option, in whole or in part, or by purchasing Common Shares in the open market. In making this determination, the Underwriters will consider, among other things, the price of Common Shares available for purchase in the open market compared to the price at which they may purchase Over-Allotment Shares. If, following Closing, the market price of the Common Shares decreases, the short position created by the over-allocation position in Common Shares may be filled through purchases in the market, creating upward pressure on the price of the Common Shares. If, following Closing, the market price of Common Shares increases, the over-allocation position in Common Shares may be filled through the exercise of the Over-Allotment Option in respect of Common Shares at the Offering Price.

The Underwriters must close out any naked short position by purchasing Common Shares in the open market. A naked short position is more likely to be created if the Underwriters is concerned that there may be downward pressure on the price of the Common Shares in the open market that could adversely affect investors who purchase in the Offering. Any naked short sales will form part of the Underwriters' over-allocation position. A purchaser who acquires Common Shares forming part of the Underwriters' over-allocation position resulting from any covered short sales or naked short sales will, in each case, acquire such Common Shares under this prospectus, regardless of whether the Underwriters' over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

In addition, in accordance with rules and policy statements of certain Canadian securities regulatory authorities, the Underwriters may not, at any time during the period of distribution, bid for or purchase Common Shares. The foregoing restriction is, however, subject to exceptions where the bid or purchase is not made for the purpose of creating actual or apparent active trading in, or raising the price of, the Common Shares. These exceptions include a bid or purchase permitted under the by-laws and rules of applicable regulatory authorities and the TSX, including the Universal Market Integrity Rules for Canadian marketplaces, relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution.

As a result of these activities, the price of the Common Shares may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Underwriters at any time. The Underwriters may carry out these transactions on any stock exchange on which the Common Shares are listed, in the over-the-counter market, or otherwise.

**Lock-Up Arrangements**

Pursuant to the Underwriting Agreement, each of the Issuer and certain of its executive officers and directors, as well as the Selling Shareholders and Bedrock Industries, have agreed that, subject to certain stated exceptions set forth in the Underwriting Agreement, he, she or it will not, directly or indirectly, without the prior written consent of the Joint Bookrunners, which consent may not be unreasonably withheld or delayed, issue, offer or sell or grant any option, warrant or other right to purchase or agree to issue or sell or otherwise lend, transfer, assign or dispose of any of our equity securities, or other securities convertible or exchangeable into or otherwise exercisable into our equity securities or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of our equity securities, or agree or publicly announce any intention to do any of the foregoing for a period commencing on the date hereof and ending 60 days after the closing of the Offering, subject to certain limited exceptions, including the sale of our securities pursuant to the exercise of the Over-Allotment Option. Mr. Kestenbaum is not bound by any lock-up agreement and, as such, should Mr. Kestenbaum hold any Common Shares during the 60-day lock-up period or thereafter (including Common Shares that may be distributed to him by Bedrock Industries), he will not be restricted from selling or otherwise transferring such Common Shares, subject to compliance with applicable securities laws.

**Notice to Prospective Investors in the European Economic Area**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (as defined herein) (each, a "**Relevant Member State**") an offer to the public of our Common Shares may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of our Common Shares may be made at any time under the following exemptions under the Prospectus Directive:

- To any legal entity which is a qualified investor as defined in the Prospectus Directive;
- To fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Underwriter or Underwriters for any such offer; or
- In any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of shares of our common stock shall result in a requirement for the publication by us or any Underwriters of a prospectus pursuant to Article 3 of the Prospectus Directive. For the purposes of this provision, the expression an "offer to public" in relation to our Common Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and our Common Shares to be offered so as to enable an investor to decide to purchase our Common Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended), including by Directive 2010/73/EU and includes any relevant implementing measure in the Relative Member State.

**Notice to Prospective Investors in the United Kingdom**

In the United Kingdom, this prospectus is only addressed to and directed as qualified investors who are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial

Promotion) Order 2005 (the "**2005 Order**"); or (ii) high net worth entities and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the 2005 Order (all such persons together being referred to as "relevant persons"). Any investment or investment activity to which this prospectus relates is available only to relevant persons and will only be engaged with relevant persons. Any person who is not a relevant person should not act or relay on this prospectus or any of its contents.

**Notice to Prospective Investors in Hong Kong**

Our Common Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) ("**Companies (Winding Up and Miscellaneous Provisions) Ordinance**") or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) ("**Securities and Futures Ordinance**"), or (ii) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and no advertisement, invitation or document relating to our Common Shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Common Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" in Hong Kong as defined in the Securities and Futures Ordinance and any rules made thereunder.

**Notice to Prospective Investors in Singapore**

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of our Common Shares may not be circulated or distributed, nor may our Common Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**")) under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to conditions set forth in the SFA.

Where our Common Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for six months after that corporation has acquired our Common Shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer in that corporation's securities pursuant to Section 275(1A) of the SFA, (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore ("**Regulation 32**").

Where our Common Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor, the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for six months after that trust has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than US$200,000 (or its equivalent in a foreign currency) for each transaction (whether such amount is to be paid for in cash or by exchange of securities or other assets), (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32.

**Notice to Prospective Investors in Japan**

Our Common Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the "**FIEA**"). Our Common Shares may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and otherwise in compliance with any relevant laws, regulations and ministerial guidelines of Japan.

## PRE-CLOSING SHARE TRANSFERS

Bedrock and its affiliates will complete a series of distributions in kind to the Selling Shareholders that will result in the transfer of the Offered Shares prior to the closing of the Offering and, to the extent the Over-Allotment Option is exercised, the Over-Allotment Shares prior to the closing of the Offering pursuant to the exercise of the Over-Allotment Option (collectively, the "**Pre-Closing Share Transfers**"). In connection with the Pre-Closing Share Transfers, Lindsay Goldberg will enter into an assumption agreement pursuant to which it will become party to the Investor Rights Agreement (as defined below). See "*Selling and Principal Shareholders — Agreements with the Bedrock Group — Investor Rights Agreement*".

## SELLING AND PRINCIPAL SHAREHOLDERS

The Selling Shareholders under this Offering are Lindsay Goldberg and DC LLC. Pursuant to the Underwriting Agreement, the Selling Shareholders have agreed to sell a total of 8,000,000 Common Shares (7,750,307 Common Shares by Lindsay Goldberg and 249,693 Common Shares by DC LLC), as described under the heading "*Plan of Distribution*". In addition the Selling Shareholders have agreed to sell a total of 1,200,000 Over-Allotment Shares (1,162,546 Over-Allotment Shares by Lindsay Goldberg and 37,454 Over-Allotment Shares by DC LLC) pursuant to the Over-Allotment Option. Alan Kestenbaum is not a Selling Shareholder and will not receive any proceeds from the Offering.

Each of the Selling Shareholders will become the holder of Common Shares being distributed pursuant to this Prospectus (including the Over-Allotment Shares) pursuant to the Pre-Closing Share Transfers. See "*Pre-Closing Share Transfers*". Lindsay Goldberg is an affiliate of Bedrock Industries, our largest shareholder, and DC LLC is owned by David Cheney (Executive Vice-President of the Company).

The following table sets forth certain information regarding the ownership of Common Shares of the Selling Shareholders and Bedrock Industries as of the date of this Prospectus, after giving effect to the Pre-Closing Share Transfers, before and after the completion of the Offering.

| Name | Number of Common Shares Owned After Giving Effect to the Pre-Closing Share Transfers but Before Giving Effect to the Offering (1) | Number of Common Shares to be Sold Pursuant to the Offering | Number of Common Shares Owned After Giving Effect to the Offering | Percentage of Common Shares Owned After Giving Effect to the Offering | Type of Ownership |
|---|---|---|---|---|---|
| LG Bedrock Holdings LP (2) | 7,750,307 (4),(5) | 7,750,307 (4) | 0 | 0% | Registered and beneficial |
| Foundation Industries Group LLC (2),(3) | 249,693 (4),(5) | 249,693 (4) | 0 | 0% | Registered and beneficial |
| Bedrock Industries B.V. (2) | 57,283,887 (4),(5) | 0 | 57,283,887 (1), (5) | 64.5% | Registered and beneficial |

Notes:

(1) Assumes the Over-Allotment Option is not exercised.

(2) Bedrock Industries is wholly-owned by Bedrock Industries LP. The principal limited partners of Bedrock Industries LP are Lindsay Goldberg and AK Bedrock LLC, a Delaware limited liability company wholly owned by Alan Kestenbaum ("**AK Bedrock**"). Assuming that the Over-Allotment Option is not exercised, Lindsay Goldberg is entitled to 67.2% of the proceeds Bedrock Industries LP realizes from the indirect ownership of Common Shares (the "**Bedrock Proceeds**"); Mr. Kestenbaum, directly and indirectly through holding

companies and immediate family members, is entitled to 30.4% of the Bedrock Proceeds; and David Cheney, directly and indirectly through holding companies and immediate family members (including DC LLC), is entitled to the remaining 2.4% of the Bedrock Proceeds. The general partner of Bedrock Industries LP is Bedrock Industries GP LLC, a Delaware limited liability company whose sole member is Lindsay Goldberg. Lindsay Goldberg's general partner is LG Bedrock Holdings GP LLC, a Delaware limited liability company (the "**LG GP**"). Alan E. Goldberg and Robert D. Lindsay are the executive managers of the LG GP and, through a series of affiliated investment funds and vehicles, share ownership and voting control of the LG GP. Messrs. Goldberg and Lindsay, by virtue of this relationship, may be deemed to have or share indirect beneficial ownership of Common Shares held by Bedrock Industries and Lindsay Goldberg. Each of Messrs. Goldberg and Lindsay expressly disclaims beneficial ownership of such securities in excess of his pecuniary interest in the securities. Mr. Kestenbaum is one of our directors and officers; Mr. Goldberg is one of our directors; and Mr. Cheney is one of our officers. See "*Directors and Executive Officers of the Company*" in the AIF.

(3) Foundation Industries Group LLC is a New Jersey limited liability company wholly-owned by Mr. Cheney.

(4) The Selling Shareholders will acquire the Common Shares being distributed pursuant to this Prospectus pursuant to the Pre-Closing Share Transfers. Lindsay Goldberg's aggregate cost for the Common Shares it will hold will be $7,206,343.74, and Lindsay Goldberg's average cost for the Common Shares it will hold will be $0.93 per Common Share. DC LLC's aggregate cost for the Common Shares it will hold will be $232,168.04, and DC LLC's average cost for the Common Shares it will hold will be $0.93 per Common Share.

(5) If the Underwriters exercise the Over-Allotment Option, the Selling Shareholders will acquire the Over-Allotment Shares pursuant to a Pre-Closing Share Transfers. See "*Pre-Closing Share Transfers*". If the Underwriters exercise the Over-Allotment Option in full, the Selling Shareholders will sell to the Underwriters an aggregate of 9,200,000 Common Shares (8,912,853 Common Shares by Lindsay Goldberg and 287,147 Common Shares by DC LLC) in this Offering and the number of Common Shares owned by Bedrock Industries after giving effect to the Pre-Closing Share Transfers and immediately following this Offering will be 56,083,887, representing approximately 63.1% of the total issued and outstanding Common Shares. Neither of the Selling Shareholders will hold any Common Shares after completion of the Offering (including any exercise of the Over-Allotment Option).

## Agreements with the Bedrock Group

### *Investor Rights Agreement*

In connection with closing of the IPO, the Issuer entered into the Investor Rights Agreement between it and Bedrock Industries (Bedrock Industries, together with any of its affiliates, the "**Bedrock Group**") with respect to certain director nomination rights, governance matters, registration rights and pre-emptive rights (the "**Investor Rights Agreement**"). As part of the Pre-Closing Share Transfers, Lindsay Goldberg will enter into an assumption agreement pursuant to which it will become party to the Investor Rights Agreement and, in accordance with the terms of the Investor Rights Agreement, will acquire rights under that agreement (as described below) available to all members of the Bedrock Group pro rata to their respective holdings of Common Shares and exercised on behalf of the Bedrock Group by Bedrock Industries.

The following is a summary of the material terms of the Investor Rights Agreement. This description is not complete, and is qualified by reference to the terms of the Investor Rights Agreement, which has been filed with the Canadian securities regulatory authorities. Investors are encouraged to read the full text of the agreement. See "*Material Contracts*" in the AIF, incorporated by reference herein.

*Board of Directors*

Currently our Board consists of eight directors, namely Alan Kestenbaum (Chairman), Jeffrey Bunder, Michael Dees, Peter Bowie, Brian Levitt, Alan Goldberg, Jacob Lew and Indira Samarasekera. Pursuant to the terms of the Investor Rights Agreement, the number of directors on our Board shall not be increased without the consent in writing of the Bedrock Group, provided that at the relevant time the Bedrock Group holds at least 40% of our outstanding Common Shares (calculated on a non-diluted basis).

For so long as the Bedrock Group beneficially owns a specified percentage of our Common Shares, the Bedrock Group will be entitled to designate a number of the nominees for election as directors ("**Nominees**"), as set out in the table below.

| **Percentage of Common Shares outstanding held by the Bedrock Group (on a non-diluted basis)** | **Greater of[(1)]** |
|---|---|
| Greater than or equal to 50% | 5 Nominees and 60% of all Nominees |
| Less than 50% but not less than 40% | 4 Nominees and 50% of all Nominees |
| Less than 40% but not less than 30% | 3 Nominees and 37.5% of all Nominees |
| Less than 30% but not less than 20% | 2 Nominees and 25% of all Nominees |

| Percentage of Common Shares outstanding held by the Bedrock Group (on a non-diluted basis) | Greater of[(1)] |
|---|---|
| Less than 20% but not less than 10% | 1 Nominee and 12.5% of all Nominees |
| Less than 10% | None |

Note:

(1) The percentage of all Nominees is rounded up to the nearest whole number.

If the size of our Board is increased between our meetings of shareholders, then as long as the Bedrock Group has the right to designate one or more Nominees pursuant to the Investor Rights Agreement, the Bedrock Group shall be entitled to designate that number of Nominees such that the Bedrock Group's nomination rights under the Investor Rights Agreement are satisfied in respect of such larger Board.

Our Board or, if so determined by our Board, our Compensation, Governance and Nominating Committee (as defined in the Information Circular), shall select all Nominees other than the Nominees designated by the Bedrock Group, provided that the Nominees as a group include:

- at least 2 Nominees that would be independent directors; provided that by no later than November 2, 2018, at least 3 Nominees are independent directors;

- at least 3 directors that are qualified independent for the purpose of the Audit Committee (provided that the Company may temporarily rely upon the exemption available in Section 3.2(2) of National Instrument 52-110 — Audit Committee ("**NI 52-110**") for one year) (See "*Directors and Executive Officers of the Company – Committees of our Board – Audit Committee*" in the AIF); and

- at least 25% of the Nominees as a group are resident Canadians as defined in the CBCA (rounding up to the nearest whole number).

Each individual proposed by the Bedrock Group to be a Nominee shall, as a condition to their nomination (in the case of Nominees to be elected at a meeting) or appointment (in the case of Nominees to be appointed as a director between meetings), execute and deliver to the Bedrock Group their irrevocable undertaking to resign upon written request by the Bedrock Group.

*Committee Nomination*

For so long as it has the right to designate one or more Nominees, the Bedrock Group shall be entitled at any time and from time to time to designate one of its Nominees for appointment to each committee of our Board; provided that in respect of the Audit Committee such right will expire on November 2, 2018.

*Chairman of our Board*

Alan Kestenbaum is currently the Chairman of our Board. The Chairman of our Board shall be elected by the Board as a whole.

*Registration Rights*

Pursuant to the Investor Rights Agreement, the Bedrock Group shall have the right to make demand registration requests that will require us to file a Canadian prospectus (and otherwise assist with public offerings) for our Common Shares held by the Bedrock Group in accordance with Canadian securities laws and the terms and conditions of the Investor Rights Agreement. We may participate in the offering initiated by the Bedrock Group, subject to prescribed priorities in the event of an underwriters' cutback.

At any time following the Closing Date, if we propose to qualify or distribute any of our securities in a form and manner that would permit qualification of Common Shares held by the Bedrock Group, we will be required to give prompt notice to the Bedrock Group and the Bedrock Group will have the right to participate in any such offering, subject to prescribed priorities in the event of an underwriters' cutback (a "**piggyback registration**").

We will be entitled to postpone or suspend a demand registration request for a period of up to 60 days during any 12-month period where our Board has determined in its good faith judgment that the filing of a prospectus would require us to disclose any material non-public information that we have a *bona fide* purpose for preserving as confidential and the disclosure of which would have a material adverse effect on our business. We are also not obligated to take any action to effect a registration request (i) in any particular calendar year after having effected two demand registrations pursuant to the Investor Rights Agreement in such calendar year; or (ii) if such a request or a piggyback registration was effected within the previous 90 days.

All costs and expenses associated with any demand registration or piggyback registration will be borne by us other than underwriting commissions and the fees of counsel of the Bedrock Group. We will also be required to provide indemnification and contribution for the benefit of the Bedrock Group and its affiliates and representatives in connection with any demand registration or piggyback registration.

Our by-laws include provisions relating to the director nomination and other governance rights of the Bedrock Group that are in substance equivalent to the provisions relating to those rights included in the Investor Rights Agreement.

*Subscription Rights*

At any time the Bedrock Group owns or exercises control or direction over an aggregate of 10% or more of our outstanding Common Shares (assuming the exercise or conversion of securities directly or indirectly convertible into, exchangeable for or exercisable to acquire Common Shares or other voting or participating securities of the Issuer ("**Convertible Securities**") owned or controlled or directed by the Bedrock Group, but otherwise calculated on a non-diluted basis), if the Issuer allots or issues any Common Shares or Convertible Securities (the "**New Securities**") to any non-Bedrock Group person (a "**Third Party**") subject to certain exceptions, then the Issuer shall offer to the Bedrock Group the opportunity and right to subscribe for such number of securities (the "**Offered Securities**") of the same class as (or otherwise having attributes identical to) the securities comprising the new issue such that the ratio that the Offered Securities bears to the sum of the New Securities and the Offered Securities is the same as the ratio that (i) the aggregate of the Common Shares then owned by or over which control or direction is exercised by the Bedrock Group (assuming the exercise or conversion of Convertible Securities owned or controlled or directed by the Bedrock Group but otherwise calculated on a non-diluted basis), bears to (ii) all Common Shares then outstanding (assuming the exercise or conversion of Convertible Securities owned or controlled or directed by the Bedrock Group but otherwise calculated on a non-diluted basis).

Such Offered Securities shall be offered and, if applicable, issued to the Bedrock Group on the same terms and conditions (including price) as the terms and conditions on which the New Securities are to be or were allotted and issued to the Third Party; provided that, if the structure of the offering of the New Securities does not permit (or does not practically permit, including with respect to the time periods contemplated or otherwise) the Bedrock Group to participate directly, then such Offered Securities may be offered by way of a separate concurrent private placement to the Bedrock Group or by way of a separate private placement to the Bedrock Group completed as soon as practicable thereafter, but in accordance with the time periods set out in the Investor Rights Agreement.

*Termination*

The Investor Rights Agreement terminates, subject to the survival of certain provisions, on the date that the Bedrock Group no longer holds any of our Common Shares.

*Other Agreements*

In addition to the Investor Rights Agreement, we are a party to other agreements with Bedrock Industries and Bedrock Industries LP as described elsewhere in the documents incorporated by reference in this Prospectus. See "*Recent Restructuring of Our Business – CCAA Restructuring and Acquisition by Bedrock*" and "*Material Contracts*" in the AIF.

## PRIOR SALES

During the 12-month period preceding the date of this Prospectus, the Issuer has not issued any Common Shares, or securities that are convertible into or exchangeable for Common Shares, except as described in the following table:

| Date of Issuance and Issue Type | Type of security issued | Number of securities issued | Price per security |
|---|---|---|---|
| September 25, 2017 **Incorporation** | Common Shares | 10 Common Shares | $1.00 |
| November 10, 2017 **Pre-Closing Reorganization** | Common Shares | 75,283,877 Common Shares | $17.00[(1)] |
| November 10, 2017 **Initial Public Offering** | Common Shares | 13,529,750 Common Shares | $17.00 |

Note:

(1) On November 10, 2017, in connection with the internal reorganization of the Issuer completed prior to completion of the IPO (the "**Pre-Closing Reorganization**"), the Issuer issued 75,283,877 Common Shares to Bedrock Industries in exchange for the 345 common shares that it held in Stelco Inc (being all of the issued and outstanding common shares of Stelco Inc.). The exchange took place at fair market value at a deemed price of $17.00 per Common Share.

During the 12-month period preceding the date of this Prospectus, neither of the Selling Shareholders or any of their respective affiliates has sold any Common Shares, or securities that are convertible into or exchangeable for Common Shares, except as described in the following table:

| Selling Shareholder | Date of Issuance and Issue Type | Type of security sold | Number of securities sold | Price per security |
|---|---|---|---|---|
| Bedrock Industries B.V. | April 4, 2018 **Secondary Offering** | Common Shares | 10,000,000 Common Shares | $21.75 |

## PRICE RANGE AND TRADING VOLUME

The following table summarizes the high and low prices of the Common Shares and volume of trading on the TSX on a monthly basis for the period from November 2, 2017 (the date of the listing of the Common Shares on the TSX) to the date of this Prospectus:

| Month | High | Low | Volume |
|---|---|---|---|
| November 2, 2017 – November 30, 2017 | $19.85 | $17.72 | 3,070,003 |
| December 2017 | $24.68 | $18.71 | 799,811 |
| January 2018 | $26.99 | $21.51 | 667,019 |
| February 2018 | $26.25 | $23.10 | 808,778 |
| March 2018 | $28.00 | $21.57 | 1,666,996 |
| April 2018 | $25.30 | $20.71 | 3,091,265 |
| May 2018 | $27.48 | $23.23 | 2,296,471 |
| June 2018 | $26.77 | $23.98 | 1,610,034 |

| Month | High | Low | Volume |
|---|---|---|---|
| July 2018 | $25.49 | $22.00 | 1,222,759 |
| August 2018 | $26.30 | $22.73 | 2,167,968 |
| September 1 – September 4, 2018 | $25.54 | $24.73 | 54,536 |

## RELATIONSHIP BETWEEN CERTAIN UNDERWRITERS AND OUR COMPANY AND THE SELLING SHAREHOLDERS

The Underwriters and their affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriters and their affiliates have provided, and may in the future provide, a variety of these services to the Issuer and to persons and entities with relationships with the Issuer, the Bedrock Group and the Selling Shareholders for which they received or will receive customary fees and expenses.

Each of BMO Capital Markets and J.P. Morgan is affiliated with a bank which is a lender to us (collectively, the "**Banks**"). Stelco Inc. is the borrower under an asset-based revolving loan agreement, dated as of June 30, 2017 (as amended by a First Amendment to the Credit Agreement dated October 13, 2017 and a Consent and Second Amendment to the Credit Agreement dated December 11, 2017, and a Consent and Third Amendment to the Credit Agreement dated April 13, 2018, and a Consent and Fourth Amendment to the Credit Agreement dated June 5, 2018, and a Consent and Fifth Amendment to the Credit Agreement dated August 16, 2018, collectively, the "**Credit Agreement**"), among Stelco Inc. and a syndicate of lenders (the "**Lenders**") including the Banks. Under the terms of the Credit Agreement, Stelco Inc. may borrow up to $375,000,000 on a revolving basis (the "**Credit Facility**") to finance our working capital requirements. As at the close of business on September 4, 2018, there was no amount outstanding under the Credit Facility. As at the date of this Prospectus, Stelco Inc. is in compliance with the terms of the Credit Agreement and no breach of the Credit Agreement has been waived by the lenders thereunder.

In addition, Goldman Sachs Canada is an affiliate of a counterparty (the "**Counterparty**") to the Inventory Monetization Agreement. Under the terms of the Inventory Monetization Agreement, Stelco Inc. agreed to transfer certain of its raw material inventory, including coal and iron ore to the Counterparty in consideration for net proceeds of approximately US$100 million. Stelco Inc. is required to post a cash collateral margin to the Counterparty and has agreed to purchase the raw materials inventory from the Counterparty, at an agreed upon pricing formula, as needed for its steel manufacturing processes and upon expiry of the term of the arrangement. See "*Inventory Monetization Arrangement*" in the Issuer's Interim MD&A.

Although the Issuer is not offering Common Shares pursuant to this Offering, Lindsay Goldberg is a related issuer of the Issuer, and Lindsay Goldberg and/or the Issuer may be considered to be a connected issuer of one or more of BMO Capital Markets, J.P. Morgan or Goldman Sachs Canada under applicable Canadian securities legislation. The decision to distribute the Offered Shares and the determination of the terms of distribution of the Offered Shares was made by the Selling Shareholders, and the Offering Price were made through negotiations between the Selling Shareholders and the Underwriters with reference to prevailing market conditions, including the current market price of Common Shares. The Banks and the Counterparty did not have any involvement in such decision or determination, however, the Banks and the Counterparty have been advised of the Offering and the terms thereof. None of the Underwriters, including those named in this section of this Prospectus, will receive any benefit from the Offering other than its respective portion of the Underwriters' Fee payable by the Selling Shareholders.

In the ordinary course of their various business activities, the Underwriters and their affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

## RISK FACTORS

**Before making an investment decision, prospective purchasers of Offered Shares should carefully consider the information described in this Prospectus and the documents incorporated by reference herein.** There are certain risks inherent in an investment in Offered Shares, including the following factors, which investors should carefully consider before investing. Some of the following factors are interrelated and, consequently, investors should treat such risk factors as a whole. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Prospectus and the documents incorporated by reference herein. These risks and uncertainties are not the only ones that could affect the Company and additional risks and uncertainties not currently known to the Company, or that they currently deem immaterial, may also impair the returns, financial condition and results of operations of the Company. If any such risks actually occur, the returns, financial condition and results of operations of the Company could be materially adversely affected and the financial performance of the Company, the ability of the Company to make cash distributions and the trading price of the Offered Shares could be materially adversely affected.

### Risks relating to our business and industry

A prospective purchaser of Offered Shares should carefully consider the risk factors described under the heading *"Risk Factors"* in the AIF and under the heading "*Risks and Uncertainties*" in the Issuer's MD&A. These include, but are not limited to: (i) cyclical and highly competitive industry; (ii) steel industry overcapacity; (iii) trade risks; (iv) import and trade remedies; (v) competition from other producers, imports or alternative materials; (vi) unsuccessful or insufficient cost reduction initiatives; (vii) inability to effectively implement business strategy; (viii) availability and cost of inputs; (ix) contractual risks; (x) inventory risks; (xi) capital investment risks; (xii) operational risks; (xiii) leasing risks; (xiv) operating and capital cost risks; (xv) cash flow volatility; (xvi) earnings volatility; (xvii) expenses related to idling of facilities; (xviii) reliance on limited number of large customers; (xix) risk of reduced volume from key customers; (xx) risks associated with "spot market" sales; (xxi) timing of sales, order fulfillment and revenue recognition; (xxii) automotive market changes; (xxiii) closing or relocation of customer facilities; (xxiv) intellectual property risks; (xxv) risks related to joint ventures; (xxvi) legal risks; (xxvii) product liability and insurance risks; (xxiii) credit and business risks; (xxix) environmental matters; (xxx) climate change and greenhouse gas emissions risks; (xxxi) our competitors that face less environmental regulation; (xxxii) labour risks; (xxxiii) research, development and marketing risks; (xxxiv) location-specific risks; (xxxv) risks related to concentrated ownership; (xxxvi) pension and OPEB liabilities and commitments; (xxxvii) derivative risks; (xxxviii) risks related to future acquisitions; (xxxix) risks related to internal systems and controls; (xl) foreign currency risks; (xli) liability insurance risks; (xlii) technology risks; (xliii) uncertainties related to the USS Transition Services Agreements; (xliv) privacy risks; (xlv) transportation risks; (xlvi) risk of injury or death from operations; (xlvii) risks relating to restrictions under our asset based lending credit facility; (xliii) changes in access to capital; (xlix) increased expenses as a result of being a public company; (l) changes in the use of proceeds of our initial public offering; (li) dependency on an operating subsidiary; (lii) unexpected events or occurrences; (liii) risks related to insolvency of counterparties; (liv) risks related to forward looking information; (lv) change in accounting standards or methods; (lvi) tax-related risks; (lvii) dependence on key personnel; and (lviii) non-competition and non-solicitation restrictions applicable to Sujit Sanyal.

### U.S. Section 232 Trade Expansion Act

On April 20, 2017, the United States administration issued an executive order directing the United States Department of Commerce to investigate whether imports of foreign steel are harming US national security. The directive falls under Section 232 of the *Trade Expansion Act of 1962*, which allows the US president to restrict trade of a good if such trade is determined to be harmful to US national security.

On February 16, 2018, the US Department of Commerce released its report regarding the Section 232 investigation. The recommendations in that report include options regarding tariffs and/or quotas that are intended to adjust the level of steel imports into the United States as it has been determined that those imports are an impairment to national security. Under the statute, the US president is required to adopt, modify or take no action on these recommendations. During March 2018, the US administration suspended the implementation of any steel and aluminum tariffs by exempting Canada, and certain other countries. On May 31, 2018, the US administration signed a proclamation that as of June 1, 2018, tariffs will no longer be suspended for steel or aluminum imports from Canada, Mexico and the European Union.

Tariffs or quotas on any steel imports into the United States from Canada presents a risk to our business. In addition to the risk presented by either tariffs or quotas, there is associated risk of steel imports traditionally destined for the United States being diverted into the Canadian market which could impact domestic demand and pricing.

**Hot Strip Mill Outage**

As described above, during September 2018, we will be taking a planned three week strategic outage to upgrade our hot strip mill. Our production equipment is taken out of service on a regularly scheduled basis for short durations to ensure the operational reliability of the components of the production process. To the extent that lost production due to an outage cannot be compensated, and depending on the success of the outage, our sales and our production costs could be adversely affected.

**Payment of dividends**

Our primary objective is to deploy capital in a disciplined manner that creates value for our shareholders. We plan to evaluate our capital allocation policies on an on-going basis to ensure that we are maximizing returns for our shareholders. Payment of dividends on the Common Shares is dependent on, among other things, cash flows of the Company's business, and the ability to distribute cash from our subsidiaries, and is subject to change. The declaration and payment of future dividends will be at the discretion of the board of directors of the Issuer and may be affected by various other factors, including the Company's revenues, financial condition, acquisitions and legal, regulatory or contractual restrictions. The Company has entered into an amendment to its ABL Credit Agreement limiting the restrictions on distributions so as to potentially allow larger distributions from Stelco Inc. to the Company. There can be no assurance that Issuer will be in a position to pay dividends at the rate anticipated (or at all) in the future. Similarly, if determined by the Board to be appropriate, the Issuer may declare an extraordinary dividend outside the ordinary course. A reduction or cessation of the payment of dividends could materially adversely affect the trading price of the Common Shares. In addition, the Issuer's ability to pay dividends may be limited by covenants of any existing and future outstanding indebtedness the Company may incur. We cannot provide any assurances as to whether dividends will be paid in the future or whether the amount of any such dividends will decrease or increase. See "*Dividends*" and "*Covenants contained in the ABL Credit Agreement and the inventory monetization agreement affect and, in some cases, significantly limit or prohibit the manner in which we operate our business and pay dividends*" in the AIF.

**If securities or industry analysts publish inaccurate or unfavourable research about us or our business, our trading price and volume could decline**

The trading market for our Common Shares will depend in part on the research and reports that securities or industry analysts publish about us or our business. If one or more of the analysts who cover us downgrade our Common Shares or publish inaccurate or unfavourable research about our business, our trading price may decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our Common Shares could decrease, which could cause our trading price and volume to decline.

**Potential volatility of Common Share price**

The market price of our Common Shares could be subject to significant fluctuations after the Offering, and it may decline below the Offering Price. Some of the factors that may cause the market price of our Common Shares to fluctuate include:

- volatility in the market price and trading volume of comparable companies;
- actual or anticipated changes or fluctuations in our operating results or in the expectations of market analysts;
- adverse market reaction to any indebtedness we may incur or securities we may issue in the future;
- short sales, hedging and other derivative transactions in our Common Shares;
- litigation or regulatory action against us;
- investors' general perception of us and the public's reaction to our press releases, our other public announcements and our filings with Canadian securities regulators, including our financial statements;
- publication of research reports or news stories about us, our competitors or our industry;
- positive or negative recommendations or withdrawal of research coverage by securities analysts;
- changes in general political, economic, industry and market conditions and trends;
- sales of our Common Shares by existing shareholders;
- recruitment or departure of key personnel;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving us or our competitors; and
- the other risk factors described in this section of this prospectus.

Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of our environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to satisfy such criteria may result in limited or no investment in the Common Shares by those institutions, which could materially adversely affect the trading price of the Common Shares. There can be no assurance that fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue for a protracted period of time, our operations and the trading price of the Common Shares may be materially adversely effected.

In addition, broad market and industry factors may harm the market price of our Common Shares. Hence, the price of our Common Shares could fluctuate based upon factors that have little or nothing to do with us, and these fluctuations could materially reduce the price of our Common Shares regardless of our operating performance. In the past, following a significant decline in the market price of a company's securities, there have been instances of securities class action litigation having been instituted against that company. If we were involved in any similar litigation, we could incur substantial costs, our management's attention and resources could be diverted and it could harm our business, operating results and financial condition.

**Dilution**

The Board may issue an unlimited number of Common Shares or other securities of the Company without any vote or action by the Company's shareholders, subject to the rules of any stock exchange on which the Company's securities may be listed from time to time.

Sales of a substantial number of our Common Shares in the public market, or the market perception that the holders of a large number of Common Shares intend to sell Common Shares, particularly sales by our directors, executive officers or significant shareholders, could significantly reduce the market price of our Common Shares and the market price could decline below the Offering Price. We cannot predict the effect, if any, that future public sales of these securities or the availability of these securities for sale will have on the market price of our Common Shares. If the market price of our Common Shares was to drop as a result, this might impede our ability to raise additional capital and might cause remaining shareholders to lose all or part of their investments.

Further, we cannot predict the size of future issuances of our Common Shares or the effect, if any, that future issuances and sales of our Common Shares will have on the market price of our Common Shares. Sales of substantial amounts of our Common Shares, or the perception that such sales could occur, may adversely affect prevailing market prices for our Common Shares.

**Future sales of Common Shares by our directors, executive officers and significant shareholders**

Subject to compliance with applicable securities laws and compliance with the lock-up arrangements described under "*Plan of Distribution"*, the Company's directors, officers, significant shareholders (including the Selling Shareholders) or their affiliates may sell some or all of their Common Shares in the future. In addition, the Joint Bookrunners may, in their sole discretion, release all or some portion of the securities subject to lock-up agreements at any time and for any reason. No prediction can be made as to the effect, if any, such future sales of Common Shares will have on the market price of the Common Shares prevailing from time to time. However, the future sale of a substantial number of Common Shares by the Company's directors, officers, significant shareholders (including the Selling Shareholders) or their affiliates, or the perception that such sales or early release of the lock-up agreements could occur, could adversely affect prevailing market prices for the Common Shares or make it more difficult for you to sell your Common Shares at a time and price that you deem appropriate.

**Changes to tax laws may have an adverse impact on holders of the Common Shares**

Changes from time to time in the interpretation of, amendments to, or guidance relating to, existing tax laws, or the introduction of new tax legislation may have a material adverse effect on us and on the value of the Common Shares. Changes in enacted tax rates, legislation or regulations, and the Company's interpretations of income tax legislation may result in material tax adjustments. In addition, the Company and tax authorities may disagree on tax filing positions and any reassessment of the Company's tax filings may result in material adjustments of tax expense, income taxes payable and deferred income taxes.

**Shareholders will have limited control over our Company's operations**

Holders of Common Shares will have limited control over changes in our policies and operations, which increases the uncertainty and risks of an investment in our company. Our Board will determine major policies, including policies regarding financing, growth, debt capitalization and any future dividends to Shareholders. Generally, our Board may amend or revise these and other policies without a vote of the holders of Common Shares. Holders of Common Shares will only have a right to vote, as a class, in the limited circumstances described elsewhere in this Prospectus, including the information incorporated by reference herein. Our Board's broad discretion in setting policies and the limited ability of holders of Common Shares to exert control over those policies increases the uncertainty and risks of an investment in our company.

**The Bedrock Group will continue to have significant influence over us after the closing of the Offering**

The Bedrock Group will continue to have significant influence over us after the closing of the Offering, including control over decisions that require the approval of our shareholders, which could limit a purchaser's ability to influence the outcome of matters submitted to our shareholders for a vote.

We are currently controlled, and after the Offering is completed will continue to be controlled, by Bedrock Industries. See "*Selling and Principal Shareholders*". As of the date of this Prospectus, Bedrock Industries has an approximate 73.5% interest in our Company through ownership of, or control or direction over, 65,283,887 Common Shares. Upon closing of the Offering, and taking into consideration the Pre-Closing Share Transfers, Bedrock Industries will have an approximate 64.5% interest in our Company through ownership of, or control or direction over, 57,283,887 Common Shares. If the Over-Allotment Option is exercised in full, Bedrock Industries will have an approximate 63.1% interest in our Company through ownership of, or control or direction over, 56,083,887 Common Shares. As a result, Bedrock Industries will have significant influence over us and our affairs. As long as Bedrock Industries owns or controls at least a majority of our outstanding Common Shares, it will have the ability to exercise substantial control over all corporate actions requiring shareholder approval, irrespective of how our other shareholders may vote, including the election and removal of directors and the size of our Board, any amendment of our articles, or the approval of any significant corporate transaction. Even if such ownership falls below 50% of the Common Shares, Bedrock Industries will continue to be able to strongly influence or effectively control our decisions.

Bedrock Industries also has certain governance and other rights pursuant to the Investor Rights Agreement that will enable it to exert certain control or influence over us. See "*Selling and Principal Shareholders — Agreements with the Bedrock Group — Investor Rights Agreement*".

Additionally, Bedrock Industries' interests may not align with the interests of our other shareholders. Bedrock Industries is in the business of making investments in companies and may acquire and hold interests in businesses that compete directly or indirectly with us. Bedrock Industries may also pursue acquisition opportunities that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us.

Bedrock Industries' shareholdings may reduce the likelihood of transactions involving a change of control of the Company, including transactions in which an investor as a holder of the Common Shares might otherwise receive a premium for its Common Shares over the then-current market price.

## LEGAL MATTERS AND INTEREST OF EXPERTS

Certain Canadian legal matters relating to the Offering will be passed upon on behalf of the Issuer by McCarthy Tétrault LLP, on behalf of the Selling Shareholders by Blake, Cassels & Graydon LLP, and on behalf of the Underwriters by Torys LLP. As at the date hereof, the partners and associates of each of McCarthy Tétrault LLP, Blake, Cassels, & Graydon LLP, and Torys LLP, each as a group, own less than 1% of the outstanding Common Shares.

## AUDITORS, TRANSFER AGENT AND REGISTRAR

Our auditor is KPMG LLP, Chartered Professional Accountants, located at 21 King St W, Suite 700, Hamilton, Ontario, Canada, L8P 4W7. KPMG LLP has confirmed that it is independent of the Issuer within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and applicable legislation or regulations.

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc., at its principal offices located in Toronto, Ontario, Canada.

## AGENT FOR SERVICE OF PROCESS

The Selling Shareholders and certain of our current directors and officers are organized under the laws of a foreign jurisdiction or reside outside of Canada, as applicable and have appointed the following agent for service of process:

| Name of Person or Company | Name and Address of Agent |
|---|---|
| LG Bedrock Holdings LP | Stelco Holdings Inc.<br>386 Wilcox Street, Hamilton, ON, L8L 8J6 |
| Foundation Industries Group LLC | Stelco Holdings Inc.<br>386 Wilcox Street, Hamilton, ON, L8L 8J6 |
| Alan Kestenbaum | Stelco Holdings Inc.<br>386 Wilcox Street, Hamilton, ON, L8L 8J6 |
| Michael W. Dees | Stelco Holdings Inc.<br>386 Wilcox Street, Hamilton, ON, L8L 8J6 |
| Jeffrey B. Bunder | Stelco Holdings Inc.<br>386 Wilcox Street, Hamilton, ON, L8L 8J6 |
| Don P. Newman | Stelco Holdings Inc.<br>386 Wilcox Street, Hamilton, ON, L8L 8J6 |
| Alan Goldberg | Stelco Holdings Inc.<br>386 Wilcox Street, Hamilton, ON, L8L 8J6 |
| Jacob Lew | Stelco Holdings Inc.<br>386 Wilcox Street, Hamilton, ON, L8L 8J6 |

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

## STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revision of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

**CERTIFICATE OF THE ISSUER**

Dated: September 5, 2018

This amended and restated short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this amended and restated short form prospectus as required by the securities legislation of each of the provinces and territories of Canada.

**STELCO HOLDINGS INC.**

| | |
|---|---|
| By: *(signed) "Alan Kestenbaum"*<br>Chief Executive Officer | By: *(signed) "Don P. Newman"*<br>Chief Financial Officer |

On behalf of the Board of Directors

| | |
|---|---|
| By: *(signed) "Brian Levitt"*<br>Director | By: *(signed) "Jeffrey B. Bunder"*<br>Director |

**CERTIFICATE OF THE UNDERWRITERS**

Dated: September 5, 2018

To the best of our knowledge, information and belief, this amended and restated short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this amended and restated short form prospectus as required by the securities legislation of each of the provinces and territories of Canada.

**GOLDMAN SACHS CANADA INC.**

By: *(signed) "Luke Gordon"*

**BMO NESBITT BURNS INC.**

By: *(signed) "Brad Fraser"*

**CREDIT SUISSE SECURITIES (CANADA), INC.**

By: *(signed) "Matthew Hind"*

**J.P. MORGAN SECURITIES CANADA INC.**

By: *(signed) "Michael Bauer"*

**MORGAN STANLEY CANADA LIMITED**

By: *(signed) "David Casson"*

**NATIONAL BANK FINANCIAL INC.**

By: *(signed) "Mistine Lauzon"*