



The Steel Company of Canada

Stelco Announces Completion of its Batch Anneal Production Facility and Entrance to the Fully Processed Cold-Rolled Sheet Market

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HAMILTON, ONTARIO, June 27, 2019 - Stelco Holdings Inc. (“Stelco Holdings” or the “Company”) (TSX: STLC) today announced that its wholly-owned subsidiary, Stelco Inc. (“Stelco”), has, after investing more than \$30 million, commissioned a state-of-the-art batch annealing facility and is starting shipment of fully processed, annealed cold-rolled steel sheet. The restart of a modernized and upgraded temper mill, along with installation of new annealing furnaces, will allow Stelco to add a full range of up to 200,000 net tons of fully processed cold-rolled steel to its product mix. With completion of this project, Stelco will now be able to increase service to markets that demand these high-quality products such as the automotive, appliance and service centre markets, as well as the pre-painted steel market for architectural applications. These products have historically commanded higher prices than the full-hard cold-rolled products previously offered by Stelco and represent a continued expansion of product capabilities to enhance tactical flexibility and meet the needs of our customers.

“This milestone marks another important step in Stelco’s journey as we continue to deliver on our business plan,” stated David Cheney, Chief Executive Officer of Stelco Holdings. “Stelco’s entry into the fully processed, annealed cold-rolled market is being welcomed by our valued customers across the marketplace and represents an important addition to our value-added product mix. The ability to offer an expanded suite of flat-rolled products to our customers will further support our tactical flexibility model and allow Stelco to pursue additional profitable markets.”

“The continued investment in new technology and equipment is a critical part of Stelco’s strategy to increase production through the optimization of our assets and grow the company in order to maximize profitability and returns to our shareholders,” continued Cheney. “Today’s announcement builds on previously announced investments in artificial intelligence, electricity co-generation, and logistics that will help Stelco remain a demonstrated leader in the globally competitive steel industry.”

About Stelco

Stelco is a low cost, integrated and independent steelmaker with one of the newest and most technologically advanced integrated steelmaking facilities in North America. Stelco produces flat-rolled value-added steels, including premium-quality coated, cold-rolled and hot-rolled steel products. With first-rate gauge, crown, and shape control, as well as reliable uniformity of 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 services centres, which are regional distributors of steel products.

Forward-Looking Information

This release 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, 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”, “expects” or “does not expect”, “is expected”, “opportunity”, “budget”, “estimates”, “outlook”, “projection”, “prospects”, “strategy”, “anticipates”, “does not anticipate”, “further support”, “remain”, “offer”, “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might”, “will”, or “achieve”. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances may be forward looking statements. Forward-looking statements are not historical facts but instead represent management’s expectations, estimates and projections regarding future events or circumstances. The forward-looking statements contained herein are presented for the purpose of assisting the holders of our securities and financial analysts in understanding our financial position and results of operations as at and for the periods ended on the dates presented, as well as our financial performance objectives, vision and strategic goals, and may not be appropriate for other purposes.

Forward-looking information in this news release includes the potential for Stelco to service new markets with the type of fully processed annealed cold-rolled steel sheet that Stelco expects to produce; Stelco’s potential production of up to 200,000 net tons of fully processed annealed cold-rolled steel sheet per year; and the completion of the batch anneal facility allowing Stelco to pursue additional markets, while supporting management’s tactical flexibility model. Undue reliance should not be placed on forward-looking information. The forward-looking information in this press release is 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 our ability to complete the transactions, as well as those set out in this press release, are material factors made in preparing the forward-looking information and management's expectations contained in this press release.

Such forward-looking information is subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results or achievements to be materially different from those expressed or implied by such forward-looking information, including: Stelco’s ability to offer an expanded suite of flat-rolled steel products in a manner that compliments current and future operations; Stelco’s ability to find new markets for its suite of flat-rolled steel products; Stelco’s ability to capitalize on the anticipated demand for such products; the possibility that Stelco’s newly completed batch anneal facility does not meet anticipated capacity output; Stelco’s ability to arrive at mutually acceptable terms in respect of any future transactions between Stelco and its various stakeholders, as well as those described in the Company’s annual information form and the Company’s management discussion and analysis for the period ended December 31, 2018 available under the Company’s profile on SEDAR at www.sedar.com.

For Further Information

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