Stelco Announces Entering into of Energy Services Agreement with DTE Energy Services, Inc.

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

HAMILTON, ONTARIO, June 18, 2020 - Stelco Holdings Inc. ("Stelco Holdings" or the "Company") (TSX: STLC) today announced that its wholly-owned subsidiary, Stelco Inc. ("Stelco"), has entered into an agreement with DTE Energy Services, Inc. ("DTE") for the development, construction and operation of a 65MW cogeneration facility ("Cogen Plant") at Stelco's Lake Erie facility in Nanticoke, Ontario. DTE will fund the capital costs associated with the construction of the Cogen Plant and Stelco will pay DTE a fixed annual fee pursuant to an energy services agreement for operating the Cogen Plant for a term of 20 years. Construction is expected to start in the Summer of 2020 with the Cogen Plant expected to be operational in the first half of 2022. Once operational, the Cogen Plant is expected to reduce Stelco's energy costs and further enhance the utilization of Stelco's process-generated off gases.

"This arrangement with DTE is yet another example of Stelco's commitment to improve our business efficiencies and reduce our cost of electricity while at the same time improving our environmental footprint by recycling energy-containing gasses," stated Alan Kestenbaum, Executive Chairman and Chief Executive Officer of Stelco Holdings. "We are excited about this opportunity and look forward to working with DTE over the months and years ahead to bring this project to completion."

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 distributers of steel products.

<u>Forward-Looking Information</u>

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 ''expects'' or ''does not expect'', ''is expected'', "planned" 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 objectives, vision and strategic goals, and may not be appropriate for other purposes.

Forward-looking information in this news release includes the Company's expectations concerning the development, construction and operation of the Cogen Plant and the timing thereof, expectations that the Cogen Plant will deliver electricity to its design capacity, expectations that the Cogen Plant will reduce Stelco's energy costs and environmental footprint and further enhance its utilization of process-generated gases.

The forward-looking information included in this press release are 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, but not limited to, the following material risks and assumptions: assumptions regarding the current and future prices of electricity in the Province of Ontario; the development and construction of the Cogen Plant remaining unaffected by uncontrollable external events, such as the global pandemic, commonly referred to as "covid-19"; Stelco's ability to enter into definitive agreements with certain vendors regarding the supply of commodities and ancillary equipment necessary to operate the Cogen Plant at its design capacity; Stelco's ability to obtain applicable regulatory approvals required to develop, construct and operate the Cogen Plant; pregarding Stelco's current and future production levels at its Lake Erie facility; and expectations regarding the actual cost of constructing the Cogen Plant and the annual costs associated with maintaining the Cogen Plant being within the range currently estimated by management of the Company, as well as those risk factors described in the Company's annual information form and the Company's management discussion and analysis for the period ended December 31, 2019 available under the Company's profile on SEDAR at www.sedar.com.

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 news release represents our expectations as of the date of this news release, and are subject to change after such date. Stelco Holdings disclaims any intention or obligation or undertaking to update publicly or revise any forward-looking statements, whether written or oral, whether as a result of new information, future events or otherwise, except as required by law.

For Further Information

For investor enquiries: Paul Scherzer, Chief Financial Officer, (905) 577-4432, paul.scherzer@stelco.com

For media enquiries: Trevor Harris, Vice-President, Corporate Affairs, (905) 577-4447,
trevor.harris@stelco.com