THIRD QUARTER 2022
MANAGEMENT’S DISCUSSION AND ANALYSIS
STELCO HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF STELCO HOLDINGS INC.

This Management's Discussion and Analysis (MD&A) is intended to enable a reader to assess Stelco Holdings Inc.'s (Stelco Holdings) results of operations and financial performance for the three and nine months ended September 30, 2022 (Q3 2022 and YTD 2022, respectively). Unless the context indicates otherwise, references to the "Company", "Stelco", "we", "us" or "our" refer to Stelco Holdings and its consolidated subsidiaries, as applicable. This MD&A, which has been prepared as of November 15, 2022, should be read in conjunction with our unaudited interim condensed consolidated financial statements and related notes for the three and nine months ended September 30, 2022 (Consolidated Financial Statements), as well as the annual consolidated financial statements (2021 Annual Financial Statements) and MD&A (2021 MD&A) for the year ended December 31, 2021. The Consolidated Financial Statements have been prepared in accordance with International Accounting Standard (IAS) 34, *Interim Financial Reporting* and are presented in millions of Canadian dollars unless otherwise indicated.

These documents, as well as additional information relating to the Company, including our Annual Information Form dated as of February 23, 2022 (2021 AIF) have been filed electronically with the Canadian securities regulators through the System for Electronic Document Analysis and Retrieval (SEDAR) and are available through the SEDAR website at www.sedar.com. Readers are cautioned against relying on or otherwise obtaining information in respect of the Company from sources other than from the Company's public filings on the SEDAR website.

FORWARD-LOOKING INFORMATION

Certain information included in this MD&A contains forward-looking information within the meaning of applicable securities laws. This information includes, but is not limited to, statements made in our "Business Overview"; "Strategy"; "Results of Operations"; "Capital Resources and Liquidity", "Share Capital" and "Commitments and Contingencies" sections of this MD&A. 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, plans and objectives. 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'', ''does not expect'', ''is expected'', ''exists'', ''budget'', ''goal'', ''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. 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.

The forward-looking information includes, among other things: statements regarding our ability to generate sustainable long-term returns for our shareholders; expectations that we will continue to invest in our facilities to reduce our carbon footprint and improve the environmental sustainability of our operations; statements regarding our intention to further reduce emissions, improve efficiency, and generate positive returns for our stakeholders; statements regarding our strategy of maximizing total shareholder returns while maintaining a conservative capital structure; statements regarding the Company's six strategic objectives, namely: (i) operating safely and sustainably, (ii) expanding and serving our customer base, (iii) optimizing production from our assets, (iv) maintaining a strong balance sheet, (v) maximizing profitability and cash flows, and (vi) growing our business; our belief that pursuing such objectives will allow us to generate sustainable long-term returns for our shareholders; our belief that we can utilize excess capacity to grow our revenues and lower our costs per ton; statements regarding our pursuit of initiatives that can be implemented with limited investment to improve asset utilization; our belief that we can deliver organic growth from low-capital, high-return projects; our belief that we can maintain financial discipline and that doing so will deliver sustainable, long-term shareholder returns and position the Company well in a cyclical industry such as the steel industry; our belief that expanding AHSS (as defined herein) and UHSS (as defined herein) grades of steel will enable us to deliver higher margins, generate increased cash flow and maximize profits; statements with respect to the Pellet Agreement (as defined herein), including, with respect to the Company's belief that the Pellet Agreement will supply substantially all of Stelco's anticipated requirements of iron ore pellets at Lake Erie Works through January 31, 2028, including volumes required to support the expansion of production projected as a result of the blast furnace upgrade and reline; expectations that the Cogen Plant will lower the Company's overall power consumption costs and further enhance the utilization of Stelco's process-generated off gases; statements regarding the expected aggregate maximum fixed payment amounts that is payable by the Company in respect of the Cogen Plant and the related boiler assets and infrastructure; statements with respect to the Coke Battery Upgrade Project (as defined herein) and the anticipated increase in production capacity resulting from the completion of the Coke Battery Upgrade Project; statements regarding the completion of the Coke Battery Upgrade Project contributing towards the achievement of the Company's environmental compliance objectives and reducing our energy purchases; statements regarding the Company's belief that the RPA (as defined herein) provides the Company with improved liquidity on certain customers' trade receivables; statements regarding the Company's dividend policy; statements regarding our intention to pursue and complete capital projects in connection with the Contribution (as defined herein); statements with respect to the application of the Contribution to such capital projects; statements with respect to our intention to fully capitalize on the Contribution and expectations that the funding commitment, and any capital projects in connection therewith, will allow us to: (i) increase research and development, (ii) facilitate growth and expansion, (iii) advance industrial research and technology, (iv) produce additional advanced steel products, (v) lower the Company's overall production costs, and/or (vi) improve the Company's environmental footprint; statements regarding the COVID-19 pandemic and the impacts that it may have on the Company and the industry and market in which the Company operates; expectations regarding increased domestic demand for our products as a result of existing Canadian trade measures; expectations regarding Canadian government support for businesses and workers impacted by trade measures, including those of the U.S. administration; expectations that the CBSA's (as defined herein) policies will provide the Canadian steel industry with effective protection against foreign trade measures; expectations that the duties applied by CITT (as defined herein) to imports of flat hot-rolled sheet and strip from Brazil, China and India will remain in force for the next five years; statements regarding the Company's working capital and expectations that cash-on hand, cash generated from our operations, amounts available under our ABL (as defined herein), RPA and IMA (as defined herein), and the availability of debt and equity capital in the public markets will be sufficient to meet our future operating expenses, capital expenditures, and future debt services costs and to support the growth of our business, repay short-term obligations and deploy for general corporate purposes; expectations that the design, development and construction of an electric vehicle battery recycling refinery contemplated in connection with the Primobius arrangement will, if completed, allow Stelco to become a leading lithium-ion battery recycler in North America; statements with respect to the timing of the design, construction and completion of any such electric vehicle battery recycling refinery; expectations that the licensing agreement with Primobius will enable Stelco to advance commercial lithium-ion battery feedstock sourcing agreements and commence engineering and approvals processes; statements regarding potential future acquisitions; expectations that the resolution of any litigation proceedings or actions will not have a material impact on the Company's consolidated balance sheets, statements of income or statements of cash flows; and expectations regarding industry trends, market growth rates and the Company's future growth rates, plans and impact.

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 production capacity; capital expenditures associated with accessing such production capacity; the ongoing impact of the hostilities in eastern Europe and elsewhere on the international supply chain and economy overall; the impact of COVID-19 on our business and the broader market in which we operate; the impact from inflationary cost pressures from higher energy prices and certain other high demand commodities; upgrades to our facilities and equipment; 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 and existing 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 environmental and international trade regulations; our ability to effectively negotiate labour agreements and mitigate the impact of any labour disputes; and growth in steel markets and industry trends are material factors made in preparing the forward-looking information and management's expectations contained in this MD&A and that cause actual results to differ materially from the forward-looking information disclosed in this MD&A.

KEY ASSUMPTIONS UNDERLYING OUR COKE BATTERY UPGRADE PROJECT

The estimated production volumes, environmental efficiencies and reduction of energy purchases associated with the completed Coke Battery Upgrade Project included in this MD&A are based on a number of assumptions, including, but not limited to, the following material assumptions: our ability to maintain applicable regulatory approvals and permits required in connection with the Coke Battery Upgrade Project; expectations that the facility will produce in accordance with design capacity; expectations that the market for steel does not experience a material adverse change; expectations that our customers will continue to purchase material volumes of production; the facility performing in such a manner so as to provide sufficient coke that, together with our HW coke battery, meet our production needs; and expectations that we will fully realize current and future production levels at our LEW facility.

KEY ASSUMPTIONS UNDERLYING OUR SHIPPING VOLUME ESTIMATES FOR THE FOURTH QUARTER OF 2022

The estimates with respect to our Shipping Volumes (as hereinafter defined) during the fourth quarter of 2022 referenced in this MD&A are based on a number of assumptions in addition to the foregoing assumptions, including, but not limited to, the following material assumptions: the Company's ability to continue to access the U.S. market without any adverse trade restrictions; no significant legal or regulatory developments, changes in economic conditions, or macro changes in the competitive environment affecting our business activities; upgrades to existing facilities remaining on schedule and on budget and their anticipated effect on revenue and costs being fully realized; the Company's ability to attract new customers and further develop and maintain existing customers; currency exchange and interest rates; the impact of competition; and growth in steel markets and industry trends.

We believe that our performance and our ability to achieve these shipments during the fourth quarter of 2022 depend on a number of material factors including: (i) sustained global demand growth; (ii) continued steel production capacity curtailments in China; (iii) continued fair trade practices, particularly with respect to the North American market; (iv) the COVID-19 pandemic not having an adverse impact on North American demand for our products; (v) higher interest rates not having an adverse impact on steel demand; and (vi) stable supply and demand fundamentals in the rest of the world. These factors are also subject to a number of inherent risks, challenges and assumptions.

The forward-looking information contained in this MD&A represents management's expectations as of the date of this MD&A and is 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 as required under applicable securities laws in Canada.

The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. Forward-looking information is necessarily based on a number of opinions, estimates and assumptions that management considered appropriate and reasonable as of the date such statements are made, 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, those described herein and referred to under the heading "Risk and Uncertainties" below, and see the section "Risk Factors" in the 2021 AIF for a description of the risks and uncertainties that impact our business. We caution that the list of risk factors and uncertainties is not exhaustive and other factors could also adversely affect our results. Readers are urged to consider the risks, uncertainties and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such information.

Management's Discussion and Analysis

Table of Contents

Business Overview

Stelco Holdings is the parent company of Stelco Inc. (Stelco), one of Canada's leading steel producers, and is listed on the Toronto Stock Exchange (TSX) under the symbol 'STLC'. Stelco Holdings was incorporated on September 25, 2017 under the *Canada Business Corporations Act* and is based in Hamilton, Ontario, Canada.

Stelco Holdings completed an initial public offering on November 10, 2017, and acquired all outstanding shares of Stelco from Bedrock Industries Cooperatief U.A. (formerly known as Bedrock Industries B.V. (Bedrock Industries)), which is a wholly-owned indirect subsidiary of Bedrock Industries LP (Bedrock).

Overview

Stelco was established in 1910 and is primarily engaged in the production and sale of steel products. The Company owns and operates what we believe is among the newest and the most technologically advanced integrated steelmaking facilities in North America. Stelco produces flat-rolled value-added steels, including premium-quality coated, pre-painted, cold-rolled full hard, fully processed cold-rolled and hot-rolled sheet products, as well as pig iron and 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 steel service centre, construction, automotive, energy, appliance, and pipe and tube industries across Canada and the United States. We believe our total cash costs per net ton (nt) are among the lowest in North America.

We operate from two facilities: Lake Erie Works (LEW) near Nanticoke, Ontario and Hamilton Works (HW) in Hamilton, Ontario. Our LEW facility is comprised of a coke battery, a blast furnace, a pig iron caster, two basic oxygen furnace steelmaking vessels, a steel ladle treatment system, an RHOB vacuum steel degassing facility, a twin-strand slab caster, a 6-stand hot strip mill, and three pickling lines. LEW produces hot-rolled and hot-rolled pickled steel coils that are either sold to third-parties or sent on to HW for further processing. Our HW facility is comprised of a coke battery, a 4-stand cold-rolling mill, a continuous galvanizing line, a galvanizing and galvannealing Z-Line, batch anneal furnaces and a temper mill. HW is supplied with hot-rolled pickled steel from LEW and produces high quality cold-rolled full hard, fully processed cold-rolled, and coated sheet steel products as well as metallurgical coke that is both supplied to LEW to fuel its blast furnace and sold to third-parties. We believe our rolling and finishing capabilities represent some of the most advanced in our industry and differentiate us from our North American competitors. In addition to LEW and HW, we own 50% interests in two separate joint ventures: Baycoat Limited Partnership, which complements our finishing capabilities, and D.C. Chrome Limited, which provides services related to equipment used for our rolling mills.

Our operations are strategically located near our raw material suppliers and core customers which we believe positions us to serve both Canadian and U.S. 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.

COVID-19 Pandemic

We continue to undertake comprehensive measures to protect the health of our employees and their families, and ensure the continuity of our operations to serve the needs of our customers. Some of the measures taken by the Company include, but are not limited to, a constant supply of PPE for our employees, enhanced cleaning and sanitation procedures, social distancing, hosting vaccination clinics for employees, implementing a vaccine bonus incentive program, remote working and a company-wide communication plan, which enables us to safeguard employee health while ensuring service continuity for our customers. The Company also continues to evaluate all developments and make any necessary modifications and enhancements to our COVID-19 response as new and updated information is provided by public health authorities and governments.

While COVID-19 continues to have a worldwide impact, we are confident that as one of North America's most technologically advanced steel companies we are well positioned to succeed. Our tactical flexibility business model will ensure that Stelco remains competitive, versatile and ready to capitalize on the expected economic recovery across North America.

Unfair Trade Practices

On May 17, 2019, Canada and the United States issued a joint statement agreeing to eliminate tariffs on steel and aluminum effective May 20, 2019. As a result of the understanding between the two countries, neither Canadian importers of steel from the United States, nor U.S. importers of steel from Canada are required to pay tariffs or surtaxes pursuant to these measures. While imports into both countries continue to be monitored by the respective governments, we anticipate that the Government of Canada will continue to support the businesses and workers impacted by the U.S. administration's trade measures.

On August 23, 2019, the Government of Canada announced regulatory and policy changes intended to improve the effectiveness and transparency of Canada's trade remedy system that were in effect. In connection with these changes, the Canada Border Services Agency (CBSA) has updated its policy to allow anti-dumping levels to be reviewed more frequently, which may provide the Canadian steel industry with more effective and up-to-date protection in the face of changing market circumstances. The CBSA and Global Affairs Canada have also taken steps to enhance the verification of steel import data. Furthermore, the Government of Canada has implemented regulatory amendments which are intended to provide the CBSA with greater flexibility when calculating appropriate levels of anti-dumping duties in circumstances in which price distortions may be involved.

On July 9, 2021, the Canadian International Trade Tribunal (CITT) initiated an expiry review of its order made in August 2016 concerning the dumping and subsidization of flat hot-rolled sheet and strip from Brazil, China, Ukraine and India. Under the current order, anti-dumping duty equal to 77% of the export price is applied to subject imports from Brazil, China and Ukraine, and countervailing duty equal to 3,150 rupees per metric tonne is applied to subject imports from India. On December 6, 2020, the CBSA determined that allowing the measure to expire would likely result in the resumption of dumping and subsidizing of hot-rolled sheet and strip into the Canadian market from the subject countries. The CITT held a hearing in March 2022 to determine whether the rescission of the order is likely to result in injury to the Canadian industry. On May 13, 2022, the CITT announced that it would continue the orders against Brazil, China and India and rescind the order against Ukraine. As a result, the duties applied to imports of flat hot-rolled sheet and strip from Brazil, China and India will remain in force for the next five years.

The Government of Canada has continued to consult with the steel industry and workers regarding additional improvements to Canada's trade remedy system. On April 7, 2022, as part of the federal budget, the government announced its intention to introduce amendments to the *Special Import Measures Act* and the *Canadian International Trade Tribunal Act* to ensure unfairly traded goods are subject to duties. The proposed measures will address circumvention of trade remedy findings, mandate the investigation of massive importations in all investigations by the CITT, reducing the administrative burden on users of the trade remedy system, and provide greater consideration of workers' interests in the assessment of injury. Collectively, these measures are intended to maintain a robust trade remedy system that helps ensure unfairly traded foreign imports do not damage the domestic industry.

We support the continued effort of the government to modernize and strengthen Canada's trade remedy system and will monitor developments and continue to advocate in the interest of the domestic steel industry. In addition, we continuously monitor imports of steel products into Canada and continue to support the utilization of the domestic trade remedy system when and where circumstances warrant to prevent dumped and subsidized imports from injuring our business and to aid in the stabilization of the domestic market and steel prices.

Cogen Plant

On June 18, 2020, Stelco entered into an arrangement containing a lease with an affiliate of 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 was required to fund the capital costs associated with the construction of the Cogen Plant and Stelco is required to pay DTE a fixed monthly fee pursuant to an energy services agreement (ESA) for operating the Cogen Plant for an initial term of 20 years, expiring in 2042. The Cogen Plant is expected to reduce Stelco's energy costs and further enhance the utilization of Stelco's process generated off-gases.

During the three months ended September 30, 2022, the Company recorded a $147 million right-of-use power generation asset addition with a corresponding lease liability in connection with the ESA, as the Cogen Plant construction attained substantial completion and was commissioned for operational use during the period. The total contractual fixed payments over the initial term in connection with the ESA, which includes the non-lease components of this arrangement, will be in aggregate approximately $273 million.

Sale and Leaseback of Hamilton Land and Buildings

On June 1, 2022, Stelco Inc. completed a sale and leaseback transaction with an affiliate of Slate Asset Management (Slate). Stelco Inc. sold the entirety of its interest in an approximately 800-acre parcel of land (including buildings) located on the shores of Hamilton Harbour in Hamilton, Ontario, for total cash consideration of $518 million. In conjunction with the sale, Stelco Inc. entered into long-term lease arrangements for certain portions of the lands to continue its cokemaking and value-added steel finishing operations at its HW site in Hamilton, Ontario.

Under the lease arrangements, Stelco leased back portions of the lands on which it conducts its cold-rolling, galvanizing and other finishing operations under a 35-year lease, with renewal options for five 20-year terms (Cold Mill Lease). In addition, Stelco has entered into leases in respect of its HW coke battery operations and its headquarters building (collectively, the CBO Leases). The leases are 'triple-net' leases whereby Stelco is responsible for all operating, occupancy and maintenance costs and expenses in respect of the leased premises. Upon expiration of the respective leases, Stelco is required to vacate and demolish the buildings on the premises.

In connection with the aforementioned sale and leaseback transaction, the Company recorded a gain on the sale of HW land and buildings of $260 million (including a sale and leaseback gain of $47 million associated with the CBO Leases) on the consolidated statements of income, representing the difference between the fair value consideration of $518 million received and right-of-use asset additions of $17 million less lease and other related obligations of $176 million, the carrying amount of disposed HW land and buildings of $89 million at the date of the transaction and $10 million in other lease related provision liabilities.

The right-of-use asset additions of $17 million included land and buildings in connection with the CBO Leases, however excluded the land and buildings under the Cold Mill Lease as the Company did not relinquish control of these properties or derecognize these assets from property, plant and equipment. The total cash consideration of $518 million has been allocated as $353 million in proceeds associated with the sale of HW land and buildings and a $165 million financing arrangement in connection with the Cold Mill Lease, recorded as a lease related obligation within other liabilities on the Company's consolidated balance sheets.

The Company also recorded $2 million in professional fees and transaction costs associated with the HW property sale which was recorded within selling, general and administrative expenses on the consolidated statements of income.

Repurchase and Cancellation of Common Shares

Normal Course Issuer Bid (NCIB)

On February 23, 2022, the Company received approval from the TSX to commence an NCIB. Stelco Holdings was entitled to purchase up to 4,353,418 common shares pursuant to this NCIB, which commenced on February 28, 2022 and was completed on July 21, 2022 when the aggregate repurchases under the NCIB reached the permitted amount.

The shares repurchased for cancellation under the NCIB represented approximately 6% of the 72,874,242 issued and outstanding common shares and 10% of the Company’s public float, as calculated in accordance with the TSX rules as of February 22, 2022.

Repurchases were made through the facilities of the TSX as well as through other designated exchanges and alternative trading systems in Canada in accordance with applicable regulatory requirements. The price paid for such repurchased shares was the market price of such shares at the time of acquisition or such other price as permitted by the TSX. All common shares repurchased under the NCIB were cancelled. The actual number of common shares and timing of the repurchases under the NCIB was determined by Stelco.

During the nine months ended September 30, 2022, Stelco Holdings purchased and cancelled 4,353,418 common shares at a weighted average price of $34.09 per share under the NCIB, for a total purchase price of approximately $148 million.

Substantial Issuer Bid (SIB)

On December 22, 2021, Stelco Holdings commenced an SIB (December 2021 SIB) for the purchase of up to $250 million in value of its outstanding common shares. The December 2021 SIB proceeded by way of a "modified Dutch auction", whereby, the purchase price paid by the Company for each validly deposited common share was based on the number of common shares validly deposited and the prices specified by shareholders making auction tenders. The purchase price was the lowest price which enabled the Company to purchase the maximum number of common shares not exceeding an aggregate of $250 million. On February 2, 2022, the Company repurchased and cancelled all shares validly tendered under the SIB, representing 4,441,023 common shares in total, at a price of $37.00 per share for an aggregate purchase amount of $164 million.

In September 2022, the Company completed another SIB by repurchasing and cancelling 5,165,133 common shares in total, at a price of $35.00 per share for an aggregate purchase amount of $181 million, representing the shares tendered under the initial expiration and during the extension period.

On September 22, 2022, the Company commenced another SIB for the purchase of up to 30 million of its outstanding common shares from shareholders for cash at a price of $35.00 per common share for an aggregate maximum purchase amount of $1,050 million. In November 2022, the Company repurchased and cancelled 8,226,997 common shares in total for an aggregate purchase amount of $288 million.

Common Share Special Dividend

On November 15, 2022, the Board of Directors declared a special dividend of $3.00 per common share, to be paid on December 1, 2022 to shareholders of record as of November 25, 2022. This special cash dividend represents a return of excess cash from operations arising from the Company's strong financial performance over the last several quarters.

Refer to *'Share Capital - Common Share Dividends'* section in the MD&A for further details.

Hamilton Sports Group (HSG)

On March 25, 2022, Stelco Holdings completed the acquisition of a 40% equity interest in HSG and also recorded certain professional fees in connection with the acquisition.

HSG owns the Hamilton Tiger-Cats (of the Canadian Football League) and Hamilton's Forge FC (of the Canadian Premier League), and is also the holder of license agreements in respect of Tim Hortons Field, a modern 23,000 seat multipurpose stadium located centrally in Hamilton, Ontario.

Innovation, Science and Economic Development Canada Funding Commitment

On August 13, 2019, the Government of Canada announced that Stelco received a funding commitment from Innovation, Science and Economic Development Canada (ISED Canada) of up to $49.9 million (the Contribution). The Contribution is being made available to the Company under the Strategic Innovation Fund, which was designed by the Government of Canada to, among other things, encourage research and development in Canada, facilitate growth and expansion of firms, and advance industrial research and technology. The ultimate amount of the Contribution that Stelco will receive is dependent upon qualified expenditures made by the Company in connection with certain capital projects, as agreed with ISED Canada. Subject to the terms of the funding agreement, fifty percent (50%) of the Contribution is non-refundable and the remainder is a non-interest bearing loan, which is repayable over an eight-year period beginning January 1, 2024.

As of September 30, 2022, the Company has received an aggregate of $44.9 million in cash proceeds in connection with the Contribution. Management believes that investment in these capital projects will allow the Company to produce additional advanced steel products, lower its overall production costs and improve its environmental footprint.

Strategy

Our strategy is to maximize total shareholder returns while maintaining a conservative capital structure. In order to accomplish this strategy, we are focused on six strategic objectives: (i) operating safely and sustainably; (ii) expanding and serving our customer base; (iii) optimizing production from our assets; (iv) maintaining a strong balance sheet; (v) maximizing profitability and cash flows; and (vi) growing our business. These strategic objectives are supported by the entrepreneurial culture that underpins our return-based approach to operating our business. This culture is driven by our leadership team's ownership mentality and significant ownership interest in the Company, which is unique amongst North American publicly traded steel companies. We believe pursuing these strategic objectives will allow us to generate sustainable long-term returns for our shareholders.

Operate Safely and Sustainably

Our business upholds a social contract with both our employees and the communities in which we operate. The health and safety of our employees is always at the core of our strategy, and we believe that a job done safely is a job well done. We intend to build on our success in this area and continue to focus on ensuring our employees return home safely each and every day. We also intend to continue investing in our facilities to reduce our carbon footprint and improve the environmental sustainability of our operations. Through investments in research and development as well as emerging technologies, we intend to reduce emissions, improve efficiency, and in turn generate positive returns for our valued stakeholders.

Expand and Serve our Customer Base

We remain committed to serving our customers through strategic investments, expanding the current steel products we offer, and delivering those products more efficiently through improved logistics capabilities. We expect to continue working closely with our customer base to identify and develop the next generation of steel products to serve both their needs and those of the end-users of our products.

Optimize Production from our Assets

As a result of historical underutilization, we have excess capacity in certain of our steel production processes. We believe we can utilize this excess capacity to grow our revenues and lower our costs per ton. We actively pursue initiatives that can be implemented with limited investment to improve asset utilization. In addition to utilizing excess capacity, we are continuing to pursue initiatives such as capturing, recycling, and selling the by-products generated in our production process. We believe we can deliver organic growth from these types of low-capital, high-return projects.

Maintain a Strong Balance Sheet

We believe maintaining financial discipline leads to the delivery of sustainable, long-term shareholder returns and will ensure Stelco is well-positioned to manage the cyclical nature of the steel industry. We are committed to maintaining a strong balance sheet with sufficient liquidity and financial flexibility to support our operational and strategic initiatives. This will allow us to finance selective capital expenditure programs aimed at improving our product mix to focus on more advanced steel products, including additional advanced high strength steel (AHSS) and ultra high strength steel (UHSS) grades. Unlike many of our integrated peers, we are not encumbered by significant and uncapped liabilities associated with pensions and other post-employment benefits. We seek to maintain a capital structure with low financial leverage that is largely free from legacy liabilities in order to ensure maximum free cash flow generation.

Maximize Profitability and Cash Flow

Our production and sales efforts are focused on products and end-markets that we consider to have the highest potential for profitability and growth. We are currently focused on expanding our technical capabilities in order to produce additional AHSS and UHSS grades and a broader range of fully-processed cold-rolled products. We believe these products, which are geared toward the automotive and construction end-markets, will enable us to deliver higher margins and generate increased cash flow. Additionally, we seek to aggressively maintain our low-cost position by controlling the cost of our raw material inputs by entering into long-term supply contracts at either fixed or floating prices and regularly reviewing these contracts with a view toward improving terms, and through other cost saving initiatives focused on operating efficiencies and generating returns for our shareholders. We have also focused on improving our working capital velocity through initiatives aimed at optimizing inventory levels and accounts receivable. We believe we can maximize our profitability and cash flow generation by pursuing these initiatives.

The Company's sales strategy is focused on maximizing profits, including regaining higher margin business, increasing our expansion into additional markets outside Canada with respect to hot-rolled, cold-rolled and coated coil sales, and assessing opportunities to introduce new products.

Grow our Business

We take a disciplined approach to our capital investments with a focus on return-based metrics. Our management team has a proven track record of value creation through an opportunistic and disciplined approach to acquisitions. By maintaining a strong balance sheet, we can selectively pursue organic and strategic opportunities when market conditions are favourable to us. We have adopted this return-based approach to evaluate opportunities for our business as we seek to expand our capabilities. We evaluate and consider strategic opportunities based on strictly defined financial criteria focused on pursuing projects with the highest cash-on-cash returns and fastest payback. We believe this will position us to grow our business through complementary acquisitions and other investments to maximize shareholder returns.

Non-IFRS Performance Measures

In this MD&A, we refer to certain non-IFRS measures which we use in addition to International Financial Reporting Standards (IFRS) measures to evaluate the financial condition and results of operations of the business. We use non-IFRS measures that are typically used by our competitors in the North American steel industry, including "Adjusted Net Income", ''Adjusted EBITDA'', ''Adjusted EBITDA per net ton'', ''Average Selling Price per net ton'' and ''Shipping Volume" to provide supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS financial measures. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Our management uses these non-IFRS financial measures in order to facilitate operating performance comparisons from period-to-period, to prepare annual operating budgets and forecasts, and drive performance through our management compensation program.

These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. Reconciliation of these measures to IFRS can be found in the '*Review of Non-IFRS Measures*' section of this MD&A.

Adjusted Net Income and Adjusted Net Income per common share (diluted)

Adjusted Net Income is defined as net income or loss for the period adjusted for the impact of impairment charges related to intangibles, property, plant and equipment and investments; acquisitions/disposition gains or losses and related transaction costs; gains or losses on derivative instruments; remeasurement impacts related to employee benefit commitment obligations; adjustment for other significant non-routine, non-recurring and/or non-cash items; and the tax effect of the adjusted items. In this MD&A, the Company adjusted for the following non-routine, non-recurring, and/or non-cash items: (i) gain on sale of land and buildings, (ii) remeasurement of employee benefit commitment, (iii) gain/loss from commodity-based swaps, (iv) gain/loss on derivative asset, (v) transaction-based and other corporate-related costs, (vi) certain share-based compensation expenses, and (vii) other costs. Management believes adjusting net income by excluding the impact of specified items may be more reflective of ongoing operational results and uses this measure internally to assist with the planning and forecasting of future operating results. Management is of the view that Adjusted Net Income is a useful measure of our performance because the aforementioned adjusting items do not reflect the underlying operating performance of our core business and are not necessarily reflective of future operating results. Adjusted Net Income is intended to provide additional information only and does not have a standardized definition under IFRS and therefore may not be comparable to similar measures presented by other companies.

Adjusted Net Income per common share (diluted) is defined as Adjusted Net Income divided by the weighted average number of diluted shares outstanding during the period.

Adjusted EBITDA and Adjusted EBITDA as a percentage of total revenue

Adjusted EBITDA is defined as net income or loss for the period before finance costs, finance income, income tax expense or recovery, depreciation and amortization and the impact of certain non-routine, non-recurring, and/or non-cash items. In this MD&A, the Company adjusted for the following non-routine, non-recurring, and/or non-cash items: (i) gain on sale of land and buildings, (ii) gain/loss from commodity-based swaps, (iii) gain/loss on derivative asset, (iv) transaction-based and other corporate-related costs, (v) certain share-based compensation expenses, and (vi) other costs. Adjusted EBITDA is used by management, investors, and securities analysts to measure operating performance of the Company and is a supplement to our Consolidated Financial Statements presented in accordance with IFRS. Adjusted EBITDA is a helpful measure of operating performance before non-operating financial items such as finance costs, finance income and income tax expense or recovery, as well as depreciation and amortization which are non-cash expenses. Adjusted EBITDA also removes the impact of certain non-routine, non-recurring, and/or non-cash items to enable management, investors and securities analysts to gain a clearer understanding of the underlying financial performance of the Company. Adjusted EBITDA is also helpful to facilitate comparison of operating performance on a consistent basis from period-to-period and to provide a more complete understanding of factors and trends impacting our business. While management considers Adjusted EBITDA to be a meaningful measure for assessing the underlying financial performance of the Company, Adjusted EBITDA is a non-IFRS measure and does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies.

Adjusted EBITDA as a percentage of total revenue is defined as Adjusted EBITDA divided by total revenue for the period.

Adjusted EBITDA per net ton

We monitor Adjusted EBITDA per nt, defined as Adjusted EBITDA (defined above) divided by Shipping Volume (defined below), as a key indicator of performance during the period. Generally, Adjusted EBITDA per nt is used by management, investors, and securities analysts to measure profitability on a per ton basis, while excluding the impacts of finance costs and finance income, income tax expense or recovery, and depreciation and amortization, as well as the impacts of certain non-routine, non-recurring, and/or non-cash items. Adjusted EBITDA per nt is also helpful to facilitate comparison of per unit profitability on a consistent basis from period-to-period and to provide a more complete understanding of factors and trends impacting our business. Adjusted EBITDA per nt is a non-IFRS measure and does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies.

Average Selling Price per net ton

We believe another key measure of performance is Average Selling Price per nt, which is defined as revenue from steel products divided by Shipping Volume (defined below) in the period. Average Selling Price per nt is used by management, investors, and securities analysts to measure sales price on a per unit basis. Average Selling Price per nt is helpful in isolating a key driver in the generation of revenue, selling price, and helps facilitate the comparison of sales performance relative to peers. Average Selling Price per nt is also helpful in comparing performance from period-to-period and understanding factors and trends impacting our business. Average Selling Price per nt is a non-IFRS measure and does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies.

Shipping Volume

Shipping Volume represents the total volume of steel products shipped in the respective period measured in nt. Steel product shipments include hot-rolled, cold-rolled and coated coils, as well as other steel products. Other steel product shipments include pig iron, slabs and non-prime steel products such as secondary steel. Shipping Volume is used by management, investors, and securities analysts to measure quantities of products sold in the period and isolate a key element in the generation of revenue. Measuring Shipping Volume helps facilitate comparison of sales performance relative to peers and comparison of performance from period-to-period. It also provides a more complete understanding of factors and trends impacting our business. Shipping Volume is a non-IFRS measure and does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies.

Selected Financial Information

The following table provides selected information for the period as indicated:

(millions of Canadian dollars, except where otherwise noted)	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Financial results				
Total revenue	**$ 846**	$ 1,354	**$ 2,789**	$ 2,937
Gross profit	**234**	783	**1,087**	1,368
Selling, general and administrative expenses	**17**	13	**49**	38
Net income	**158**	614	**974**	1,096
Adjusted Net Income [1]	**163**	629	**787**	1,184
Adjusted EBITDA [1]	**245**	787	**1,111**	1,382
Per common share (diluted)				
Net income	**$ 2.33**	$ 7.42	**$ 13.63**	$ 12.64
Adjusted Net Income [1]	**$ 2.40**	$ 7.60	**$ 11.02**	$ 13.65
Common share dividends declared and paid	**$ 0.30**	$ 0.20	**$ 0.90**	$ 0.40
Operating results				
Average Selling Price per nt (in dollars per nt) [1]	**$ 1,162**	$ 1,808	**$ 1,363**	$ 1,360
Adjusted EBITDA per nt (in dollars per nt) [1]	**357**	1,108	**568**	670
Shipping Volume (in thousands of nt) [1]	**686**	710	**1,957**	2,064
Hot-rolled	**502**	542	**1,401**	1,499
Coated	**115**	123	**343**	405
Cold-rolled	**20**	11	**59**	52
Other [2]	**49**	34	**154**	108

As at	**September 30, 2022**	December 31, 2021
Financial position		
Total assets	**$ 3,670**	$ 3,237
Total non-current liabilities	**763**	541

1 The definition and reconciliation of these non-IFRS measures are included in the 'Non-IFRS Performance Measures' and 'Review of Non-IFRS Measures' sections of this MD&A.
2 Includes pig iron and non-prime steel sales.

Review of Quarterly Financial Results

For the third quarter of 2022, Stelco realized net income of $158 million compared to $614 million for the same period during 2021, representing a decrease of $456 million which is primarily due to the net effect of the following:

- $549 million decrease in gross profit, resulting from $508 million lower revenue from sale of goods and a $41 million increase in cost of goods sold;
- $38 million change in deferred tax expense; and
- $4 million higher selling, general and administrative expenses; partly offset by
- $103 million lower current income tax expense;
- $22 million change in finance income and other losses;
- $9 million decrease in finance costs; and
- $1 million increase in share of income from joint ventures.

For the first nine months of 2022, Stelco realized net income of $974 million compared to $1,096 million for the same period during 2021, representing a decrease of $122 million which is primarily due to the net effect of the following:

- $281 million decrease in gross profit, resulting from $148 million lower revenue from sale of goods and a $133 million increase in cost of goods sold;
- $117 million change in deferred tax expense;
- $72 million increase in current income tax expense;
- $11 million in higher selling, general and administrative expenses; and
- $8 million increase in other costs; partly offset by
- $260 million gain on sale of land and buildings;
- $77 million decrease in finance costs;
- $29 million change in finance income and other losses; and
- $1 million increase in share of income from joint ventures.

Revenue

The majority of our revenue from the sale of goods is derived from hot-rolled, cold-rolled and coated steel products. A substantial portion of the Company’s revenue is derived from spot sales rather than through fixed-price contracts with customers. In addition, sales of other products such as coke and by-products (including kish, tar, slag, mill scale, dross, light oil and ammonia) are included in revenue. Our revenues include sales to customers from the steel service centre, appliance, automotive, energy, construction, and pipe and tube industries in Canada and the United States.

In the first nine months of 2022, Stelco was impacted by weaker industry dynamics than were experienced in the first nine months of 2021 as well as volatile pricing that declined from the beginning of the year through early-March before rising again until late-April, at which point the benchmark CRU price again began to fall. The brief March-April period of rising prices was primarily caused by steel raw material supply concerns and energy price increases due to the conflict in eastern Europe. However, overall macro-economic headwinds had a greater impact during most of the period, in part due to slowing growth globally and in North America specifically, resulting in part from inflationary cost pressures from higher energy prices and certain other high demand commodities, along with higher interest rates and generally tighter monetary policies.

Our steel selling prices remain dependent on market pricing that is affected by supply and demand dynamics globally, prices of key raw materials including iron ore, metallurgical coal and scrap steel, energy prices, and international steel trade activity. Volatile steel prices cause fluctuations in our financial results. We expect that our Shipping Volume during the fourth quarter of 2022 will be in line with our Q3 2022 realized level.

Q3 2022

Revenue decreased by $508 million or 38%, from $1,354 million for the three months ended September 30, 2021 (Q3 2021) to $846 million in Q3 2022, primarily due to a decrease in the market price of steel and lower steel shipments. Average Selling Price per nt decreased by 36% or $646 per nt, from $1,808 per nt in Q3 2021 to $1,162 per nt in Q3 2022. Our Shipping Volumes decreased by 3% to 686 thousand nt in Q3 2022 compared to 710 thousand nt in Q3 2021.

The sales product volume mix of our hot-rolled, coated, cold-rolled and other steel products represented approximately 73%, 17%, 3% and 7%, respectively, of total Shipping Volumes in Q3 2022, whereas in Q3 2021 our mix was approximately 76%, 17%, 2% and 5%, respectively. Also impacting revenue were non-steel sales which decreased to $49 million in Q3 2022, from $70 million in Q3 2021, mostly due to the sale of iron oxide during Q3 2021.

YTD 2022

Revenue decreased by $148 million or 5%, from $2,937 million for the nine months ended September 30, 2021 (YTD 2021) to $2,789 million in YTD 2022, primarily due to lower steel shipments, partly offset by an increase in the market price of steel, which was influenced by strong prices in March and April of 2022. Our Shipping Volumes decreased 5% to 1,957 thousand nt from 2,064 thousand nt YTD 2021. Average Selling Price per nt increased by $3 per nt, from $1,360 per nt YTD 2021 to $1,363 per nt YTD 2022.

The mix of our hot-rolled, coated, cold-rolled and other steel products represented approximately 72%, 17%, 3% and 8%, respectively, of our total Shipping Volumes YTD 2022, whereas in YTD 2021 it was approximately 73%, 20%, 2% and 5%, respectively. Also impacting revenue were non-steel sales which decreased to $121 million YTD 2022, from $129 million YTD 2021.

Gross profit

Gross profit reflects revenue from sale of goods less cost of goods sold. Cost of goods sold includes product-related costs, labour costs, employment benefits and other operating costs such as repairs and maintenance, freight and depreciation.

Q3 2022

Gross profit decreased by $549 million, from $783 million in Q3 2021 to $234 million in Q3 2022 mainly due to lower revenue of $508 million for the period as discussed above and higher cost of goods sold of $41 million. The increase in cost of goods sold was due to the following: $51 million increase from steel product sales in connection with higher raw material costs (in particular iron ore, zinc and alloys) and utilities costs incurred during the period partly offset by lower steel shipments, and $8 million higher overhead and other costs (which includes approximately $8 million in labour-related expenses), partly offset by an $18 million decrease in cost of non-steel product sales.

YTD 2022

Gross profit decreased by $281 million, from $1,368 million in YTD 2021 to $1,087 million YTD 2022 mainly due to lower revenue of $148 million for the period as discussed above and higher cost of goods sold of $133 million. The increase in cost of goods sold was due to the following: $128 million increase resulting from steel product sales (similar to Q3 2022 as described above), and $14 million higher overhead and other costs, partly offset by a $9 million decrease in cost of non-steel product sales.

Selling, general and administrative expenses (SG&A)

	Three months ended September 30,		Nine months ended September 30,	
(millions of Canadian dollars)	**2022**	2021	**2022**	2021
Employee salary and benefits expense	**$ 5**	$ 5	**$ 15**	$ 14
Management fees [1]	**3**	4	**11**	7
Share-based compensation expense	**4**	1	**8**	6
Professional, consulting and legal fees	**2**	1	**6**	4
Other [2]	**3**	2	**9**	7
	$ 17	$ 13	**$ 49**	$ 38

1 Represents management fees to Bedrock Industries ManagementCo Inc.
2 Includes corporate, public company, travel and certain COVID-19 related costs such as additional employee PPE, enhanced sanitization and other cleaning services.

Q3 2022

SG&A increased by $4 million or 31% from $13 million in Q3 2021 to $17 million in Q3 2022, primarily due to the following: $3 million increase in share-based compensation expense (which includes the impact from a fair value remeasurement of outstanding share-based awards) and a $1 million increase in professional, consulting and legal fees, partly offset by a $1 million decrease in management fees.

YTD 2022

SG&A increased by $11 million or 29%, from $38 million in YTD 2021 to $49 million in YTD 2022, primarily due to the following: $4 million increase in management fees, $2 million increase in share-based compensation expense, $2 million increase in professional, consulting and legal fees, and $1 million in higher employee salary and benefits expenses.

Finance costs

(millions of Canadian dollars)	Three months ended September 30, 2022	2021	Nine months ended September 30, 2022	2021
Accretion of employee benefit commitment	**$ 8**	$ 11	**$ 31**	$ 30
Interest on loans and borrowings	**10**	8	**25**	24
Foreign exchange loss (gain)	**(9)**	3	**(16)**	(6)
Accretion expense related to lease and other related obligations	**7**	1	**10**	2
Remeasurement of employee benefit commitment	**—**	3	**1**	79
Other	**1**	—	**1**	—
	$ 17	$ 26	**$ 52**	$ 129

Q3 2022

Finance costs decreased by $9 million or 35%, from $26 million in Q3 2021 to $17 million in Q3 2022, primarily due to the following: $12 million related to the period-over-period impact of foreign exchange translation on U.S. dollar denominated working capital during the period, $3 million related to the remeasurement impact from our employee benefit commitment obligation, and $3 million lower accretion expense associated with our employee benefit commitment obligation, partly offset by $6 million higher accretion expense related to lease and other related obligations in connection with the Company's CBO Leases, Cold Mill Lease and ESA (refer to the '*Business Overview*' section in this MD&A for further details), and a $2 million increase in interest on loans and borrowing.

YTD 2022

Finance costs decreased by $77 million or 60%, from $129 million in YTD 2021 to $52 million in YTD 2022, primarily due to the following: $78 million decrease related to the remeasurement impact from our employee benefit commitment obligation and $10 million related to the period-over-period impact of foreign exchange translation on U.S. dollar denominated working capital during the period, partly offset by $8 million higher accretion expense related to lease and other related obligations (similar to Q3 2022 as described above), $1 million higher accretion expense associated with our employee benefit commitment obligation, and $1 million increase in interest on loans and borrowings.

The Company's remeasurement of employee benefit commitment is related to a change of estimate in connection with the timing and magnitude of projected future cash flows and funding requirements of the employee benefit commitment which are revisited at each balance sheet date to determine the carrying amount of amortized cost. Due to the long-term nature of the underlying assumptions, the employee benefit commitment is highly sensitive to changes in these assumptions. Refer to note 19 of the Consolidated Financial Statements for further details.

Finance and other income (loss)

(millions of Canadian dollars)	Three months ended September 30, 2022	2021	Nine months ended September 30, 2022	2021
Gain (Loss) on derivative asset [1]	**$ —**	$ (13)	**$ (15)**	$ (6)
Finance income	**10**	—	**13**	—
Gain (Loss) on commodity-based swaps	**—**	—	**—**	(27)
Other income (loss)	**(1)**	—	**(1)**	1
	$ 9	$ (13)	**$ (3)**	$ (32)

[1] Refer to note 5 on the Consolidated Financial Statements for further details.

Commodity-based swaps

During 2020, Stelco entered into a series of commodity-based swaps with U.S.-based financial institutions as part of a strategy to lessen the Company's exposure to hot-rolled coil steel market price volatility in connection with existing and future sales orders from customers. Stelco did not enter into these contracts for trading or speculative purposes. No similar contracts are in place currently nor have any been entered into since Q1 2021.

During the three and nine months ended September 30, 2021, the Company recorded nil and a loss of $27 million, respectively, within finance and other income (loss) in connection with these swap contracts.

Other costs

	Three months ended September 30,		Nine months ended September 30,	
(millions of Canadian dollars)	**2022**	2021	**2022**	2021
Demolition costs [1]	**$ 2**	$ 2	**$ 7**	$ 3
Write-down of construction in progress [2]	**—**	1	**4**	1
Other	**1**	—	**1**	—
	$ 3	$ 3	**$ 12**	$ 4

1 Represents demolition costs for certain buildings (and other assets) not connected to the Company's ongoing operations.
2 Includes certain capital projects that are no longer being pursued by the Company, representing aborted construction in progress costs without future benefit to Stelco.

Deferred taxes

During the three and nine months ended September 30, 2022, the Company recorded a deferred tax expense of $27 million and $61 million (three and nine months ended September 30, 2021 - deferred tax recovery of $11 million and $56 million), respectively. As at September 30, 2022, the Company has recorded a net deferred tax asset of $16 million (December 31, 2021 - $78 million).

Deferred tax assets are recognized for all deductible temporary differences, the carry-forward of unused tax credits, any unused tax losses and other tax attributes, to the extent that it is probable that taxable income will be available against such items and can be utilized within their respective expiry periods. In evaluating the Company's ability to utilize any deferred tax assets, Stelco considers information such as projected future taxable income and results of recent operations. In projecting future taxable income, the Company prepares forecasts based on available operational and financial information (including steel and input prices, and foreign exchange), considers future capital expenditure requirements, and includes other significant assumptions that are consistent with Stelco's future business plans. Refer to note 8 of the Consolidated Financial Statements for further details.

Review of Non-IFRS Measures

Adjusted Net Income

The following table provides a reconciliation of net income to Adjusted Net Income:

	Three months ended September 30,		Nine months ended September 30,	
(millions of Canadian dollars)	**2022**	2021	**2022**	2021
Net income	**$ 158**	$ 614	**$ 974**	$ 1,096
Add back/(Deduct) following items:				
Gain on sale of land and buildings [1]	**—**	—	**(260)**	—
Loss on derivative asset [2]	**—**	13	**15**	6
Other costs [3]	**3**	3	**12**	4
Share-based compensation [4]	**3**	—	**6**	—
Transaction-based and other corporate-related costs	**—**	—	**2**	1
Remeasurement of employee benefit commitment [5]	**—**	3	**1**	79
Loss from commodity-based swaps	**—**	—	**—**	27
Total adjusted items before tax	**6**	19	**(224)**	117
Tax impact of above items	**(1)**	(4)	**37**	(29)
Total adjusted items after tax	**5**	15	**(187)**	88
Adjusted Net Income	**$ 163**	$ 629	**$ 787**	$ 1,184

1 Refer to '*Business Overview - Sale and Leaseback of Hamilton Land and Buildings*' section in this MD&A for further details.
2 Refer to note 5 in the Consolidated Financial Statements for further details.
3 Other costs primarily includes the write-down of certain capital projects that are no longer being pursued by the Company, representing aborted construction in progress costs without future benefit to Stelco, and demolition costs for certain buildings (and other assets) not connected to the Company's ongoing operations.
4 Share-based compensation represents costs in connection with the Company's Total Shareholder Return Based Incentive Program which commenced during the first quarter of 2022.
5 Remeasurement of employee benefit commitment for change in the timing of projected cash flows and future funding requirements.

Q3 2022

Adjusted Net Income for the quarter was $163 million compared to $629 million for Q3 2021, representing a decrease of $466 million, primarily due to the net effect of the following:

- $549 million decrease in gross profit;
- $38 million change in deferred taxes; and

- $1 million higher selling, general and administrative expenses (adjusted for $3 million in share-based compensation expense); partly offset by
- $103 million decrease in current income taxes;
- $9 million higher finance and other income (adjusted for $13 million loss on derivative asset in Q3 2021);
- $6 million decrease in finance costs (adjusted for a $3 million remeasurement charge from the employee benefit commitment in Q3 2021); and
- $3 million decrease related to the tax impact of the adjusted items noted in the table above.

YTD 2022

Adjusted Net Income in YTD 2022 was $787 million compared to $1,184 million in YTD 2021, a decrease of $397 million, primarily due to the net effect of the following:

- $281 million decrease in gross profit;
- $117 million change in deferred taxes;
- $72 million increase in current income taxes;
- $4 million higher selling, general and administrative expenses (adjusted for $6 million in share-based compensation expense and $1 million higher transaction-based and other corporate-related costs); and
- $1 million increase in finance costs (adjusted for a $78 million remeasurement change from the employee benefit commitment); partly offset by
- $11 million higher finance and other income (adjusted for a $9 million higher loss on derivative asset and $27 million loss on commodity-based swaps YTD 2021); and
- $66 million change related to the tax impact of the adjusted items noted in the table above.

For discussion and analysis of our financial results, refer to *'Review of Quarterly Financial Results'* section in this MD&A.

Adjusted EBITDA

The following table provides a reconciliation of net income to Adjusted EBITDA for the periods indicated:

(millions of Canadian dollars, except where otherwise noted)	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Net income	**$ 158**	$ 614	**$ 974**	$ 1,096
Add back/(Deduct) following items:				
Gain on sale of land and buildings [1]	**—**	—	**(260)**	—
Income tax expense (recovery):				
Current	**22**	125	**197**	125
Deferred	**27**	(11)	**61**	(56)
Depreciation	**24**	17	**64**	50
Finance costs	**17**	26	**52**	129
Loss on derivative asset [2]	**—**	13	**15**	6
Finance income and other	**(9)**	—	**(12)**	—
Other costs [3]	**3**	3	**12**	4
Share-based compensation [4]	**3**	—	**6**	—
Transaction-based and other corporate-related costs	**—**	—	**2**	1
Loss from commodity-based swaps	**—**	—	**—**	27
Adjusted EBITDA	**$ 245**	$ 787	**$ 1,111**	$ 1,382
Adjusted EBITDA as a percentage of total revenue	**29 %**	58 %	**40 %**	47 %

1 Refer to '*Business Overview - Sale and Leaseback of Hamilton Land and Buildings*' section in this MD&A for further details.
2 Refer to note 5 in the Consolidated Financial Statements for further details.
3 Other costs primarily includes the write-down of certain capital projects that are no longer being pursued by the Company, representing aborted construction in progress costs without future benefit to Stelco, and demolition costs for certain buildings (and other assets) not connected to the Company's ongoing operations.
4 Share-based compensation represents costs in connection with the Company's Total Shareholder Return Based Incentive Program which commenced during the first quarter of 2022.

Q3 2022

Adjusted EBITDA for the quarter was $245 million compared to $787 million for Q3 2021, representing a decrease of $542 million which is primarily due to the net effect of the following:

- $542 million decrease in gross profit (adjusted for $7 million in higher depreciation expense); and
- $1 million higher selling, general and administrative expenses (adjusted for $3 million in share-based compensation expense).

YTD 2022

Adjusted EBITDA YTD 2022 was $1,111 million compared to $1,382 million in YTD 2021, representing an decrease of $271 million which is primarily due to the net effect of the following:

- $267 million decrease in gross profit (adjusted for $14 million in higher depreciation expense); and
- $4 million higher selling, general and administrative expenses (adjusted for $6 million share-based compensation expense and $1 million higher transaction-based and other corporate-related costs).

For discussion and analysis of our financial results, refer to 'Review *of Quarterly Financial Results'* section in this MD&A.

Review of Balance Sheets

The following table provides selected balance sheet information as at the date indicated:

(millions of Canadian dollars)

	September 30, 2022	December 31, 2021
Cash	**$ 1,395**	$ 955
Trade and other receivables	**234**	412
Inventories	**700**	617
Derivative asset	**111**	126
Property, plant and equipment, net	**1,159**	1,008
Deferred tax asset	**16**	78
Total assets	**$ 3,670**	$ 3,237
Trade and other payables	**722**	717
Other liabilities	**470**	133
Income taxes payable	**52**	252
Asset-based lending facility (ABL)	**72**	84
Obligations to independent employee trusts	**468**	595
Total liabilities	**$ 1,812**	$ 1,799
Total equity	**$ 1,858**	$ 1,438

As reflected in the selected balance sheet information above, between December 31, 2021 and September 30, 2022, the Company's trade and other receivables decreased from $412 million to $234 million (representing a decline of $178 million or 43%), derivative asset decreased from $126 million to $111 million (representing a change of $15 million or 12%) (refer to note 5 of the Consolidated Financial Statements for further details), deferred tax asset decreased from $78 million to $16 million (refer to note 8 of the Consolidated Financial Statements for further details), trade and other payables increased from $717 million to $722 million (representing a change of $5 million or 1%) which includes the impact of our inventory monetization arrangement discussed further below, other liabilities increased from $133 million to $470 million (representing a change of $337 million or 253%) including the impact of lease related liability additions in connection with the ESA (refer to the *'Business Overview*' section in this MD&A for further details) and the HW land and building sale and leaseback transaction discussed further below, income taxes payable decreased from $252 million to $52 million (representing a change of $200 million or 79%), which includes the impact of $397 million in income tax payments in YTD 2022, total liabilities increased from $1,799 million to $1,812 million (representing a change of $13 million), and total equity increased from $1,438 million to $1,858 million (representing a change of $420 million or 29% due to retained earnings, net of common share dividends paid and share repurchases).

Our inventories increased by 13% from $617 million at December 31, 2021 to $700 million at September 30, 2022, primarily due to an increase in raw materials from receipts of iron ore, metallurgical coke and the impact of higher costs in connection with coal purchases during 2022, partly offset by sales and shipments of steel and non-steel products during the period. Our raw materials inventories typically increase between April and December during the shipping season on the Great Lakes, and decrease in the first quarter as we consume materials without receiving shipments.

Property, plant and equipment increased to $1,159 million at September 30, 2022 from $1,008 million at December 31, 2021, due to the following significant changes: capital additions of $310 million, partly offset by disposals of $94 million in connection with the sale of HW land and buildings and depreciation expense of $64 million for the period. Our capital additions for the period include right-of-use asset additions related to the leaseback of portions of the HW land and buildings and the Cogen Plant, costs related to the Coke Battery Upgrade Project, boiler assets related to the Cogen Plant, normative projects at our hot strip mill and steelmaking facilities, other assets under lease and capital assets relating to operations.

During the first nine months of 2022, the Company repaid approximately $20 million net, under the inventory monetization arrangement (IMA), in connection with receipts, production and consumption of raw materials, metallurgical coke and slabs financed under this arrangement, in addition to impacts from foreign exchange. As at September 30, 2022, amounts utilized under this arrangement amounted to $423 million (December 31, 2021 - $414 million) and are recorded within trade and other payables on the Company's consolidated balance sheets.

Other liabilities increased to $470 million at September 30, 2022 from $133 million at December 31, 2021 primarily due to lease-related liability additions of $176 million in connection with the property sale and leaseback transaction and $147 million related to the ESA from the Cogen Plant attaining substantial completion during the period. In June 2022 Stelco completed a sale and leaseback transaction with Slate, in which Stelco sold the entirety of its interest in an approximately 800-acre parcel of land (including buildings) located on the shores of Hamilton Harbour in Hamilton, Ontario, for total cash consideration of $518 million. In conjunction with the sale, Stelco entered into long-term lease arrangements for certain portions of the lands to continue its cokemaking and value-added steel finishing operations at its HW site in Hamilton, Ontario, refer to '*Business Overview - Sale and Leaseback of Hamilton land and buildings'* section in this MD&A for further details.

Our ABL indebtedness decreased from $84 million at December 31, 2021 to $72 million at September 30, 2022, due to scheduled monthly repayments totaling $12 million on the non-revolving term loan. Amounts available to be drawn under the revolving ABL will vary from time to time, based upon a borrowing base determined with reference to Stelco's trade receivables and certain inventory balances, as well as amounts outstanding under the non-revolving portion of the ABL. Refer to note 11 of the Consolidated Financial Statements for further details.

Review of Cash Flows

The following section provides an overview analysis of cash flows for the respective periods as indicated:

(millions of Canadian dollars) Nine months ended September 30,		2022		2021
Cash, beginning of period	**$**	**955**	$	59
Cash provided by (used in):				
Operating activities		**616**		976
Investing activities		**212**		(177)
Financing activities		**(431)**		(448)
Effect of foreign exchange rate changes on cash		**43**		—
Cash, end of period	**$**	**1,395**	$	410

Cash provided by Operating Activities

For the first nine months of 2022, cash provided by operating activities totaled $616 million compared to $976 million for the same period of 2021. Cash provided by operating activities for the period was impacted by lower gross profit primarily due to lower revenue from the sale of goods and an increase in cost of goods sold. Also impacting the effect of lower gross profit realized during the period was the net effect from changes in working capital and other operating items, in particular the timing impact from trade receivable collections, inventories, derivative liabilities, income taxes payable and employee benefit commitment compared to the same period of 2021. Refer to note 21 of the Consolidated Financial Statements for further details.

Cash provided by (used in) Investing Activities

For the first nine months of 2022, cash provided by investing activities included proceeds from the sale of HW land and buildings of $353 million (refer to '*Business Overview - Sale and Leaseback of Hamilton land and buildings'* section in this MD&A for further details), partly offset by capital expenditures of $136 million primarily related to growth and normative capital projects, including our Coke Battery Upgrade Project, boiler assets related to the Cogen Plant, and other capital assets relating to operations, as well as an investment in HSG of $15 million.

Cash used in Financing Activities

For the first nine months of 2022, cash used in financing activities totaled $431 million, which includes $495 million for the repurchase and cancellation of 13,959,574 common shares during the first nine months of 2022 through multiple SIBs and an NCIB, $62 million in dividends paid to common shareholders, IMA net repayments of $20 million, $12 million in principal payments on the ABL term loan, and lease and other related obligations principal repayments of $8 million, partly offset by $165 million in proceeds from a financing arrangement in connection with the Cold Mill Lease. Refer to '*Business Overview - Sale and Leaseback of Hamilton land and buildings'* section in this MD&A for further details.

Results of Operations

For the nine months of 2022, the Company continued to sell a high proportion of its product mix in hot-rolled coils, which was supported by strong production, in part due to the higher hot metal production capability and more consistent steel production resulting from the blast furnace upgrade and reline project completed during the fourth quarter of 2020. Also, the Company realized higher pig iron production and sales due to the Company's deployment of its tactical flexibility strategy, which capitalized on the aforementioned increased hot metal capacity.

We continue to identify opportunities and undertake strategic investments intended to reduce costs and improve profitability, despite recent market inflationary pressures on certain key inputs to our steel production such as natural gas, coal and alloys. The Company remains focused on maximizing profits, including through our tactical flexibility strategy which allows us to vary our production of various steel products depending on market conditions, selling prices and end-market demand. This strategy dictates that our product mix, while broadly similar, will vary from quarter to quarter as will the breakdown of our sales between Canada and the U.S.

During April 2022, the Company completed a project to rehabilitate the LEW coke battery, which included upgrading the coke oven end flues (the Coke Battery Upgrade Project) for a total cost of approximately $186 million as at September 30, 2022, and continues to expect that this capital investment will improve the integrity and efficiency of the LEW coke oven battery, with the potential of further increasing our production capability by up to 50 thousand nt of coke per annum while also helping us to meet our environmental compliance objectives and providing waste gases that we will recycle into our other operations, thereby reducing energy purchases and emissions. We had previously idled one half of the battery in July 2019 and the remaining ovens in the first quarter of 2021. We have consumed all of the third-party coke purchased during the outage.

As previously noted, Stelco, as a low cost advanced integrated steel producer in North America with flexible shipping and production capabilities, will continue to seek new opportunities in the domestic and international steel markets and expects to continue to maximize profitability and cash flows in the near term.

Capital Resources and Liquidity

The liquidity and capital resources of the Company are dependent upon a number of factors including, without limitation, market and economic conditions and the impact of these conditions on the demand and price of steel products, raw material costs, other production costs, the ability to fund necessary capital projects, employee life and health trust (ELHT) funding requirements and labour negotiations and disputes.

Our principal uses of funds are for operating expenses, capital expenditures, finance costs and debt service. Management believes that cash on hand, cash generated from operations, together with amounts available under our ABL, receivables purchase agreement (RPA), and IMA, and the availability of debt and equity capital in the public markets, will be sufficient to meet our future operating expenses, capital expenditures and debt service costs, and to support the growth of our business (primarily through working capital and capital expenditures), repay short-term obligations, and deploy for general corporate purposes.

Our ability to fund future operating expenses, capital expenditures and debt service costs will depend on our future operating performance which may be affected by general economic, financial and other factors including factors beyond our control, including demand and pricing of steel products. From time to time, our management team reviews acquisition opportunities and, if suitable opportunities arise, may make selected acquisitions to further implement our business strategy.

The Company has significant working capital requirements related to inventories due to the lead time of acquiring raw materials, the quantities of raw materials that are required to produce semi-finished steel and the amount of time required to process semi-finished steel into finished products. Additionally, because the Company's principal raw materials, specifically iron ore pellets and metallurgical coal, are brought in by vessel and barge, we typically build our raw materials inventory ahead of the winter months and the closure of international waterways. This working capital requirement is characteristic of many companies within the steel industry.

As at September 30, 2022, management believes that the Company's overall liquidity and operating cash flow will be sufficient to meet the Company's anticipated cash requirements for capital expenditures, working capital, debt obligations and other commitments, based on the following:

- $1,395 million in cash;
- $250 million available for advances under the ABL facility;
- Liquidity on certain raw material purchases, slabs, and metallurgical coke inventories provided by the IMA;
- $13 million purchase limit remaining under the RPA with a Schedule II bank which provides Stelco with improved liquidity on certain customers' trade receivables on an uncommitted revolving basis; and
- A steel demand and pricing environment enabling positive future cash generation from operations.

Credit Facility and Other Arrangements

Asset-Based Lending Facility (ABL)

As at	**September 30, 2022**	December 31, 2021
Revolving	**$ —**	$ —
Non-revolving term loan	**72**	84
Asset-based lending facility	**$ 72**	$ 84

The amount available to be drawn under the ABL varies from time to time, based upon a borrowing base determined with reference to eligible trade receivables, certain inventory and cash collateral, and excludes certain trade receivables that have been sold under the RPA and inventory that has been monetized under the IMA discussed further in note 9 in the Consolidated Financial Statements. At September 30, 2022, the amount available for advances under the ABL was $250 million (December 31, 2021 - $240 million), which includes the available borrowing base less outstanding letters of credit of $22 million (December 31, 2021 - $20 million), non-revolving term loan principal outstanding of $73 million (December 31, 2021 - $85 million) and a minimum excess availability requirement of $30 million (December 31, 2021 - $30 million). No amounts were drawn and outstanding under the revolving portion of the ABL at September 30, 2022 (December 31, 2021 - nil).

The weighted average finance rate that would have been applicable to drawn amounts under the ABL for the three and nine months ended September 30, 2022 was 5.96% and 4.47% (three and nine months ended September 30, 2021 - 2.99% and 3.75%), respectively, and the Company was in compliance with the financial covenants pursuant to the ABL agreement as at and during the three and nine months ended September 30, 2022.

Pursuant to the terms of the ABL agreement, Stelco Inc., which is the borrower, is restricted from making dividend payments or other distributions to its shareholder Stelco Holdings, unless certain conditions specified in the ABL agreement are satisfied, including, among other conditions:

i) Stelco must not be in default under the ABL agreement; and

ii) Stelco must have excess availability of 20% or greater under the terms of the ABL agreement at all times during the 30 consecutive days immediately preceding the date of any such payment and after giving effect to any such payment.

Inventory Monetization Arrangement (IMA)

As at	**September 30, 2022**	December 31, 2021
Inventory monetization arrangement	**$ 423**	$ 414

The weighted average finance rate for the IMA for the three and nine months ended September 30, 2022 was 5.40% and 4.31% (three and nine months ended September 30, 2021 - 3.65% and 4.04%), respectively, and the finance costs of $5 million and $12 million (three and nine months ended September 30, 2021 - $4 million and $11 million), respectively, are recorded on the consolidated statements of income. The IMA is secured by inventory with a carrying value of $513 million (December 31, 2021 - $454 million) serving as collateral.

Amendment to the IMA

On February 25, 2022, Stelco entered into an amended IMA, which included the following significant terms:

i) an extended term with an expiry date of January 31, 2023;

ii) adjusted volume limits of eligible inventory, consistent with the Company's projected operating levels;

iii) finance rate of SOFR plus a margin of 3.125% (previously LIBOR plus a margin of 3.5%); and

iv) an option for Stelco to terminate the arrangement early on December 31, 2022.

Unless otherwise amended, extended or renewed, amounts advanced under the amended IMA are required to be repaid when the facility expires on January 31, 2023. The Company was in compliance with the financial covenants pursuant to the inventory monetization agreement as at and for the three and nine months ended September 30, 2022.

Receivables Purchase Agreement

In June 2019, Stelco entered into an RPA with a Schedule II bank (the Purchaser), enabling Stelco, from time to time, to sell certain customer trade receivables to the Purchaser on an uncommitted revolving basis. Under the terms of the RPA, Stelco administers and processes the collection of receivables and remits those collections to the Purchaser. The Company has derecognized the trade receivables sold under the RPA from the consolidated balance sheets as substantially all of the risks and rewards for such receivables have been transferred to the Purchaser.

In December 2021, the Company amended the RPA to transition the finance rate benchmark from LIBOR to SOFR, effective January 4, 2022, plus a margin of 1.84% on an equivalent economic basis.

As at September 30, 2022, Stelco's available purchase limit remaining under the RPA was $13 million (December 31, 2021 - $1 million).

Share Capital

The Company's authorized share capital includes an unlimited number of common shares with no par value and an unlimited number of preferred shares issuable in series. No preferred shares have been issued to date. The common shares are entitled to dividends, as and when declared by the Board of Directors. The following common shares were issued and outstanding at each respective date:

As at		**September 30, 2022**		December 31, 2021
Common shares				
Outstanding (in thousands)		**63,355**		77,315
Carrying amount (in millions of Canadian dollars)	**$**	**365**	$	446

Refer to note 13 of the Consolidated Financial Statements for further details.

Repurchase and cancellation of common shares

SIB

During the first nine months of 2022, Stelco Holdings repurchased and cancelled 9,606,156 common shares through two SIBs. Refer to the '*Business Overview – Repurchase and cancellation of common shares*' section in this MD&A for further details.

NCIB

During the first nine months of 2022, Stelco Holdings repurchased and cancelled 4,353,418 common shares pursuant to an NCIB. Refer to the '*Business Overview – Repurchase and cancellation of common shares*' section in this MD&A for further details.

Dividend Policy

The Company's primary objective is to deploy capital in a disciplined manner that creates value for our shareholders. We evaluate our capital allocation policies on an on-going basis to ensure that we are maximizing returns for our shareholders. Any determination to pay dividends in the future will be at the discretion of our Board of Directors and will depend on many factors, including, among others, our financial condition, current and anticipated cash requirements, contractual restrictions and financing agreement covenants, solvency tests imposed by applicable corporate law and other factors that our Board of Directors may deem relevant.

Accordingly, management and the Board of Directors regularly review the Company's rate of dividends to ensure an appropriate level thereof.

Common Share Dividends

Common share dividends declared and paid in 2022 were as follows:

(millions of Canadian dollars, except per share amounts) Record date	Payment date		Cash dividend per common share		Total common share dividends
March 4, 2022	March 9, 2022	$	0.30	$	22
May 16, 2022	May 20, 2022		0.30		21
September 6, 2022	September 9, 2022		0.30		19

Subsequent to September 30, 2022, the Board of Directors approved and declared a special dividend of $3.00 per common share and a dividend of $0.42 per common share, both payable on December 1, 2022, to shareholders of record as of November 25, 2022. The dividend amount of $0.42 per common share represents a 40% increase from the prior level.

The dividends have been declared as "eligible dividends" for purposes of the *Income Tax Act (Canada)*.

Share-based compensation

Long-term incentive plan

Stelco Holdings' amended and restated long-term incentive plan (LTIP) is designed to promote the alignment of senior management, employees and consultants of the Company with shareholder interests and the creation of sustainable shareholder value, and facilitate recruitment, motivation and retention of executives and key talent.

Under the terms of the LTIP, the maximum number of common shares that may be subject to treasury-settled awards under the LTIP or any other share-based compensation arrangements adopted by Stelco Holdings is 2.5 million common shares. No participant may be granted, in any calendar year, share-based awards with respect to more than 5% of the issued and outstanding common shares of Stelco Holdings.

For the three and nine months ended September 30, 2022, the Company recorded a share-based compensation expense of $4 million and $8 million (three and nine months ended September 30, 2021 - $1 million and $6 million), respectively, in selling, general and administrative expenses on the consolidated statements of income related to the vesting, service and periodic fair value remeasurements, of awards granted under the LTIP.

Restricted share units (RSUs)

The following table summarizes the changes in the Company's outstanding RSUs:

(RSUs in total) Nine months ended September 30, 2022	
Balance, beginning of period	**112,698**
Granted	**135,635**
Vested and cash settled	**(48,183)**
Balance, end of period	**200,150**

On February 28, 2022, 130,967 RSUs were granted to certain employees, including members of the Company's Executive Leadership Team (ELT), with a grant date fair value of $36.33 per RSU, with one-third of the total grant amount vesting on January 1 of each of 2023, 2024 and 2025.

In addition, 4,668 RSUs were granted during the nine months ended September 30, 2022, with an average grant date fair value of $39.72 per RSU in respect of dividend equivalent units issued pursuant to the terms of the LTIP.

As at September 30, 2022, there were 200,150 outstanding and unvested RSUs (December 31, 2021 - 112,698 RSUs) under the Company's LTIP, for which the Company recorded a liability of $3 million (December 31, 2021 - $3 million) in other liabilities.

Stock appreciation rights (SARs)

The following table summarizes the changes in the Company's outstanding SARs:

(SARs in total) Nine months ended September 30, 2022	
Balance, beginning of period	**100,001**
Exercised and cash settled	**(20,000)**
Balance, end of period [1]	**80,001**

[1] Includes 30,000 SARs that are fully vested and exercisable.

As at September 30, 2022, there were 80,001 SARs outstanding (December 31, 2021 - 100,001 SARs), for which the Company recorded a liability of $2 million (December 31, 2021 - $2 million) in other liabilities.

Deferred share units (DSUs)

The following table summarizes the changes in the Company's outstanding DSUs:

(DSUs in total) Nine months ended September 30, 2022	
Balance, beginning of period	**135,467**
Granted	**27,336**
Balance, end of period	**162,803**

As at September 30, 2022, there were 162,803 vested and outstanding DSUs (December 31, 2021 - 135,467 DSUs) under the Company's LTIP, for which the Company recorded a liability of $6 million (December 31, 2021 - $6 million) in other liabilities.

Total shareholder return (TSR) based incentive program (TSR Incentive Program)

On February 23, 2022, the Company's Board of Directors approved a TSR Incentive Program. Under the terms of the TSR Incentive Program, upon the TSR reaching specified target thresholds of 50%, 75% and 100%, and, subject to the discretion of the Board of Directors, participants in the program will receive RSUs issued in accordance with the terms of the LTIP. TSR is measured based on the total shareholder return percentage increase from (i) the 30-day volume weighted average price of the common shares on the TSX ending immediately prior to February 23, 2022 to (ii) the day on which the volume weighted TSR over a period of 90 calendar days reaches one of the specified TSR thresholds.

The TSR Incentive Program is a cash-settled share-based compensation plan, which is measured at fair value through income or loss at each reporting date. The fair value of the TSR Incentive Program was estimated using a Monte-Carlo simulation which takes into account the market value of the Company's common shares and a wide range of possible share price outcomes. The Monte-Carlo simulation assumptions used to estimate the fair value of the TSR Incentive Program at the respective dates are noted below:

As at,	**September 30, 2022**	February 23, 2022
Common share price	**$ 34.41**	$ 34.50
Term (in years)	**3.25**	3.85
Common share expected volatility	**56.00%**	52.96%
Expected risk-free interest rate	**3.67%**	1.75%
Expected dividend yield	**3.49%**	3.48%

During the three and nine months ended September 30, 2022, the Company recorded $3 million and $6 million, respectively, in share-based compensation expense and no RSUs were granted by Stelco Holdings under the LTIP in connection with the TSR Incentive Program. The share-based compensation expense in connection with the TSR Incentive Program is recognized over the term of the program and varies based on changes in the Company's common share price and the performance of the share price in relation to the specified target thresholds.

Commitments and Contingencies

Employee Benefit Commitments

- On emergence from the CCAA on June 30, 2017, Stelco had funding commitments with certain pension and other post-employment benefit (OPEB) trusts. Stelco committed to pay up to a maximum of $400 million to fund five main defined benefit pension plans previously sponsored by Stelco (Main Pension Plans). On June 5, 2018, Stelco entered into the Amended OPEB Funding Agreement, replacing the Original OPEB Funding Agreement, and committed to fixed contributions of approximately $494.5 million over 25 years to the ELHTs created for receiving, holding and distributing funds on account of OPEBs for legacy employees of Stelco. In addition, Stelco agreed to pay a portion of its free cash flows (as defined) and certain estimated tax-related savings amounts to the ELHTs.
- Certain estimated components of the employee benefit commitments are tied to Stelco’s future cash flow generation and certain tax-related savings amounts. The carrying value of the employee benefit funding commitment liability recognized by the Company on its consolidated balance sheet is determined based upon the present value of those future payments as estimated by management. Changes in the magnitude or timing of those estimated future cash payments may result in the employee benefit commitment liability balances being adjusted upward or downward in future periods. If such adjustments to the liability carrying value were to occur, the Company would also recognize a corresponding expense (or income) item in its consolidated statements of income as an element of finance cost. Management will assess estimates of future cash flows related to these employee benefit funding arrangements each period.
- Refer to note 12 to the Consolidated Financial Statements for estimated remaining payments under the employee benefit commitment at September 30, 2022.
- Bedrock had guaranteed certain minimum contributions to the Main Pension Plans up to a maximum amount of $160 million. The amount of such guarantee was reduced based upon, among other things, certain contributions being made to the Main Pension Plans over time. In Q2 2022, the Bedrock guarantee terminated in connection with the Company completing the funding of certain minimum contributions aggregating to $160 million.

Other Commitments

- Stelco has entered into fixed price coal contracts with certain third party suppliers for a portion of its anticipated 2022 purchases, reducing Stelco's commodity price risk in connection with this raw material.
- On April 30, 2020, Stelco entered into an eight-year pellet sale and purchase agreement (the Pellet Agreement) with United States Steel Corporation (U.S. Steel) which runs until January 31, 2028. The Pellet Agreement provides for the supply of substantially all of Stelco's anticipated requirements of iron ore pellets at Lake Erie Works over the term of the Pellet Agreement. The Pellet Agreement superseded and replaced the previous iron ore pellet supply agreement with U.S. Steel, which was set to expire on January 31, 2022.
- Union Agreements - On August 22, 2022, Stelco announced that it had renewed five-year collective bargaining agreements with each of its USW locals. As a result, Stelco has collective bargaining agreements with USW Local 8782, USW Local 8782(b) and USW Local 1005, each for a term of 5 years ending June 30, 2027.

Licensing and Option Agreements

On December 30, 2021, the Company executed licensing and option agreements with Primobius GmbH (Primobius) to commercialize Primobius's proprietary advanced electric vehicle battery recycling and processing technologies in North America. The option agreement grants Primobius (the EV Option) the right to acquire between 25% and 50% equity in a wholly owned subsidiary of Stelco that would perform these activities. If the EV Option is not exercised by Primobius, Stelco will still have the exclusive rights to utilize Primobius's proprietary technology in Canada, the United States and Mexico to recycle lithium-ion batteries removed from end-of-life electric vehicles, and Primobius will be entitled to a gross revenue royalty.

The EV Option is scheduled to expire on December 31, 2022, and the licensing agreement requires that Stelco complete an engineering and commercial study that is subject to certain minimum internal rates of return targets and acceptance by Primobius. The fair value of the purchase consideration for the license intangible asset, as defined in the licensing and option agreements, is immaterial as at September 30, 2022.

Leases

Stelco has leases on land and buildings, power generation equipment, certain machinery, equipment (which includes information technology related equipment and service contracts), vehicles and railcars, with lease terms ranging from one to 35 years. As at September 30, 2022, the Company had lease and other related obligations with a carrying amount of $368 million (December 31, 2021 - $44 million) on its consolidated balance sheet.

Sale and Leaseback of Hamilton Land and Buildings

In June 2022, Stelco completed a sale and leaseback transaction with Slate, in which Stelco sold the entirety of its interest in an approximately 800-acre parcel of land (including buildings) located on the shores of Hamilton Harbour in Hamilton, Ontario, for total cash consideration of $518 million. In conjunction with the sale, Stelco entered into long-term lease arrangements for certain portions of the lands to continue its cokemaking and value-added steel finishing operations at its HW site in Hamilton, Ontario. Refer to '*Business Overview - Sale and Leaseback of Hamilton Land and Buildings*' section in this MD&A for further details.

In connection with the aforementioned sale and leaseback transaction, the Company recorded lease and other related obligations of $176 million, which included the CBO Leases additions of $11 million, and the Cold Mill Lease financial liability of $165 million within other liabilities on the consolidated balance sheets.

Cogen Plant

During the three months ended September 30, 2022, the Company recorded a $147 million right-of-use power generation asset addition with a corresponding lease liability in connection with the ESA, as the Cogen Plant construction attained substantial completion and was commissioned for operational use during the period. Refer to '*Business Overview - Cogen Plant*' section in this MD&A for further details.

The total contractual fixed payments over the initial 20-year term in connection with the ESA, which includes the non-lease components of this arrangement, will be in aggregate approximately $273 million.

Claims and Litigation

The Company is involved in claims and litigation arising in the normal course of business. While the final outcome of such legal proceedings and actions cannot be predicted with certainty, it is the opinion of management that the resolution of such proceedings and actions will not have a material impact on the Company's consolidated balance sheets, statements of income, or statements of cash flows.

Contractual Obligations

The following table sets out a summary of our future contractual obligations as at September 30, 2022:

	Payments due by period				
(millions of Canadian dollars)	**Total**	**2022 [1]**	**2023-2024**	**2025-2026**	**Thereafter**
Trade payables	$ **290**	$ **290**	$ **—**	$ **—**	$ **—**
Inventory monetization arrangement	**423**	**423**	**—**	**—**	**—**
Lease and other related obligations	**962**	**11**	**87**	**81**	**783**
Boiler project financing arrangement	**30**	**—**	**2**	**3**	**25**
Strategic Innovation Fund loan [2]	**22**	**—**	**3**	**6**	**13**
Purchase obligations - non-capital [3]	**485**	**324**	**66**	**60**	**35**
Purchase obligations - capital	**124**	**67**	**57**	**—**	**—**
Asset-based lending facility:					
Non-revolving - term loan [2]	**83**	**4**	**37**	**42**	**—**
Obligations to independent employee trusts [4]	**813**	**55**	**182**	**70**	**506**
Total contractual obligations	$ **3,232**	$ **1,174**	$ **434**	$ **262**	$ **1,362**

[1] Represents the remaining three months of 2022, with exception of the inventory monetization arrangement payments which are dependent on the timing of consumption of the raw materials and semi-finished products monetized under the arrangement up to the expiry date of January 31, 2023.
[2] Includes interest payable or accretion impact until maturity date.
[3] Purchase obligations - non-capital includes contractual commitments for the purchase of raw materials, energy and material processing.
[4] Represents estimated undiscounted cash flows related to obligations to independent employee trusts.

The Company's contractual obligations can be funded by existing cash-on hand, cash flow from operations and the revolving portion of the ABL credit facility.

Related Party Transactions

Parties are considered to be related if one party has the ability to control, jointly control or exercise significant influence over the other party in making financial or operating decisions. The definition includes subsidiaries, joint ventures, investments in associates, among other entities and persons.

Stelco is party to a management services agreement with Bedrock Industries ManagementCo Inc. (Bedrock Management) under which Stelco receives senior management, commercial, business development, operating, financial, human resources, and executive recruitment services, as well as other services that may be required from time to time. Fees for services are based upon actual costs incurred by Bedrock Management up to $5 million, and any services above $5 million are subject to a 2% charge-back. The Company has incurred expenses of $3 million and $11 million for the three and nine months ended September 30, 2022 (three and nine months ended September 30, 2021 - $4 million and $7 million), respectively, in management services provided by Bedrock Management. Refer to note 26 of the Consolidated Financial Statements for further details.

During August 2021, the Company repurchased common shares from LG Bedrock Holdings LP for a total purchase price of $398 million.

Subsidiaries

Transactions between Stelco Holdings and its subsidiaries meet the definition of related party transactions. These transactions are eliminated on consolidation and are not disclosed in this MD&A.

Key Management Personnel

The Company's key management personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. Key management personnel are defined as those individuals having authority and responsibility for planning, directing and controlling the activities of the Company and include the ELT and the Board of Directors. The ELT is comprised of the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and General Counsel & Corporate Secretary of the Company.

Remuneration of the Company's Board of Directors and ELT for the respective periods is as follows:

	Board of Directors				**ELT**			
	Three months ended September 30,		Nine months ended September 30,		Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
Management and director fees	**$ —**	$ —	**$ 1**	$ 1	**$ 3**	$ 4	**$ 11**	$ 7
Share-based compensation expense (recovery)	**—**	—	**(1)**	2	**4**	1	**8**	3
Salaries and benefits	**—**	—	**—**	—	**1**	2	**4**	4
Total	**$ —**	$ —	**$ —**	$ 3	**$ 8**	$ 7	**$ 23**	$ 14

Selected Quarterly Information

(millions of Canadian dollars, except where otherwise noted)	**2022**			2021				2020
As at and for the three months ended[1]	**Q3**	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Financial results								
Total revenue	**$ 846**	$1,037	$ 906	$1,186	$1,354	$ 918	$ 665	$ 424
Steel products	**797**	984	887	1,155	1,284	877	647	356
Non-steel products	**49**	53	19	31	70	41	18	68
Gross profit	**234**	452	401	673	783	404	181	57
Selling, general and administrative expenses	**17**	12	20	20	13	11	14	18
Net income (loss)	**158**	554	262	513	614	363	119	(47)
Adjusted Net Income [2, 3, 4]	**163**	356	268	525	629	383	172	45
Adjusted EBITDA [2, 4]	**245**	464	402	673	787	410	185	60
Per common share (diluted)								
Net income (loss)	**$ 2.33**	$ 7.67	$ 3.52	$ 6.64	$ 7.42	$ 4.09	$ 1.34	$ (0.53)
Adjusted Net Income [2, 4]	**$ 2.40**	$ 4.93	$ 3.61	$ 6.79	$ 7.60	$ 4.32	$ 1.94	$ 0.51
Common shareholder dividends declared and paid	**$ 0.30**	$ 0.30	$ 0.30	$ 0.30	$ 0.20	$ 0.10	$ 0.10	$ —
Financial position								
Total assets	**3,670**	3,612	2,923	3,237	2,618	2,136	1,774	1,779
Total non-current liabilities	**763**	635	547	541	521	566	755	651
Operating results								
Average Selling Price per nt (in dollars per nt) [2, 4]	**1,162**	1,453	1,493	1,845	1,808	1,292	959	728
Adjusted EBITDA per nt (in dollars per nt) [2, 4]	**357**	685	677	1,075	1,108	604	274	123
Shipping Volume (in thousands of nt) [2]	**686**	677	594	626	710	679	675	489
Hot-rolled	**502**	483	416	474	542	490	467	373
Coated	**115**	117	111	93	123	142	140	64
Cold-rolled	**20**	20	19	11	11	9	32	15
Other	**49**	57	48	48	34	38	36	37

1 Period end date refers to the following: "Q4" - December 31, "Q3" - September 30, "Q2" - June 30, and "Q1" - March 31.
2 The definition and reconciliation of these non-IFRS measures are included in the "Non-IFRS Performance Measures" and "Review of Non-IFRS Measures" sections of this MD&A.
3 Adjusted Net Income for Q2 2021 and Q1 2021 has been amended to reflect the removal of deferred taxes as an adjusted item. In connection with Stelco recognizing a current tax expense in Q3 2021, the Company recorded the tax impact for reconciling items within Adjusted Net Income which included the impact of both current and deferred taxes on Adjusted Net Income for the respective periods.
4 Refer to each quarter's respective MD&A for the reconciliation of non-GAAP financial measures for the quarterly periods of 2022, 2021 and 2020.

Trend Analysis

The steel industry is cyclical in nature and the demand and pricing for North American steel fluctuates based on many factors, including the strength of the economies in North America, particularly the automotive sector, exchange rates and the influence of steel sourced from offshore. Stelco is impacted by the cyclical nature of the steel industry, in addition to a substantial portion of the Company's revenue is derived from spot sales rather than through fixed-price contracts with customers, which may cause variances in its revenue and gross profit over the respective quarterly periods. The following discussion reflects the Company's trend analysis in a chronological order.

Revenue:

- increased $241 million or 57% from $424 million in Q4 2020 to $665 million in Q1 2021. The increase in revenue reflects 186 thousand nt or 38% higher Shipping Volumes from Q4 2020 to 675 thousand nt in Q1 2021 and a 32% increase in Average Selling Price per nt which increased $231/nt from $728/nt in Q4 2020 to $959/nt in Q1 2021, partly offset by $50 million in lower non-steel sales mostly related to lower metallurgical coke sales
- increased $253 million or 38% from $665 million in Q1 2021 to $918 million in Q2 2021. The increase in revenue reflects a 35% increase in Average Selling Price per nt which increased $333/nt from $959/nt to $1,292/nt in Q2 2021, 4 thousand nt or 1% higher Shipping Volumes from Q1 2021 to 679 thousand nt in Q2 2021 and $23 million in higher non-steel sales mostly related to higher metallurgical coke and pellet fines sales

- increased $436 million or 47% from $918 million in Q2 2021 to $1,354 million in Q3 2021. The increase in revenue reflects a 40% increase in Average Selling Price per nt which increased $516/nt from $1,292/nt to $1,808/nt in Q3 2021, 31 thousand nt or 5% higher Shipping Volumes from Q2 2021 to 710 thousand nt in Q3 2021 and $29 million in higher non-steel sales mostly related to higher iron oxide sales, partly offset by lower metallurgical coke sales
- decreased $168 million or 12% from $1,354 million in Q3 2021 to $1,186 million in Q4 2021. The decrease in revenue reflects lower Shipping Volumes of 84 thousand nt or 12% from Q3 2021 to 626 thousand nt in Q4 2021 and $39 million decrease in non-steel sales mostly related to lower iron oxide sales, partly offset by an increase in Average Selling Price per nt of $37/nt or 2% from $1,808/nt to $1,845/nt in Q4 2021
- decreased $280 million or 24% from $1,186 million in Q4 2021 to $906 million in Q1 2022. The decrease in revenue reflects a decrease in Average Selling Price per nt of $352/nt or 19% from $1,845/nt in Q4 2021 to $1,493/nt in Q1 2022, lower Shipping Volumes of 32 thousand nt or 5% from Q4 2021 to 594 thousand nt in Q1 2022 and $12 million decrease in non-steel sales mostly related to lower metallurgical coke sales
- increased $131 million or 14% from $906 million in Q1 2022 to $1,037 million in Q2 2022. The increase in revenue reflects higher Shipping Volumes of 83 thousand nt or 14% from Q1 2022 to 677 thousand nt in Q2 2022 and a $34 million increase in non-steel sales mostly related to higher metallurgical coke sales, partly offset by a decrease in Average Selling Price per nt of $40/nt or 3% from $1,493/nt in Q1 2022 to $1,453/nt in Q2 2022
- decreased $191 million or 18% from $1,037 million in Q2 2022 to $846 million in Q3 2022. The decrease in revenue reflects a decrease in Average Selling Price per nt of $291/nt or 20% from $1,453/nt in Q2 2022 to $1,162/nt in Q3 2022 and a $4 million decrease in non-steel sales, partly offset by higher Shipping Volumes of 9 thousand nt or 1% from Q2 2022 to 686 thousand nt in Q3 2022

Gross profit:

- for Q4 2020 increased compared to Q3 2020 mainly due to higher Shipping Volumes, Average Selling Price per nt and non-steel sales of metallurgical coke as described above, and lower depreciation expense during the period
- for Q1 2021 increased compared to Q4 2020 mainly due to higher Average Selling Price per nt and Shipping Volumes, partly offset by lower non-steel sales of metallurgical coke, as described above, during the period
- for Q2 2021 increased compared to Q1 2021 mainly due to higher Average Selling Price per nt and Shipping Volumes, and higher non-steel sales, as described above, during the period
- for Q3 2021 increased compared to Q2 2021 mainly due to higher Average Selling Price per nt and Shipping Volumes, and higher non-steel sales, as described above, during the period
- for Q4 2021 decreased compared to Q3 2021 mainly due to lower Shipping Volumes, and lower non-steel sales, partly offset by higher Average Selling Price per nt, as described above, during the period
- for Q1 2022 decreased compared to Q4 2021 mainly due to lower Average Selling Price, Shipping Volumes, and non-steel sales, as described above, during the period
- for Q2 2022 increased compared to Q1 2022 mainly due to higher Shipping Volumes, and higher non-steel sales, partly offset by lower Average Selling Price, as described above, during the period
- for Q3 2022 decreased compared to Q2 2022 mainly due to lower Average Selling Price, and lower non-steel sales, partly offset by higher Shipping Volumes, as described above, during the period

Since 2020, SG&A has primarily consisted of employee salary and benefit related costs, professional fees, management fees, and share-based compensation related costs.

Net income (loss):

- of $119 million for Q1 2021 improved compared to $(47) million in Q4 2020 primarily due to higher gross profit as described above, lower selling, general and administrative expenses, reduced losses on commodity-based swaps and a deferred tax recovery, partly offset by higher finance costs during the period
- of $363 million for Q2 2021 improved compared to $119 million in Q1 2021 primarily due to higher gross profit as described above, lower selling, general and administrative expenses, reduced losses on commodity-based swaps and lower finance costs, partly offset by lower deferred tax recovery during the period
- of $614 million for Q3 2021 improved compared to $363 million in Q2 2021 primarily due to higher gross profit as described above and lower finance costs, partly offset by current income taxes recorded during the period, higher loss from the derivative asset and an increase in selling, general and administrative expenses
- of $513 million for Q4 2021 decreased compared to $614 million in Q3 2021 primarily due to lower gross profit as described above, higher finance costs, higher selling, general and administrative expenses, and higher current income taxes recorded during the period, partly offset by higher deferred income tax recovery and lower loss from the derivative asset

- of $262 million for Q1 2022 decreased compared to $513 million in Q4 2021 primarily due to lower gross profit as described above, and lower deferred tax recovery recorded during the period, partly offset by lower current income taxes and a decrease in finance costs
- of $554 million for Q2 2022 increased compared to $262 million in Q1 2022 primarily due to higher gross profit as described above, a gain on sale of HW land and buildings, lower selling, general and administrative expense and lower finance costs recorded during the period, partly offset by higher current and deferred taxes and a fair value loss on derivative asset
- of $158 million for Q3 2022 decreased compared to $554 million in Q2 2022 primarily due to lower gross profit as described above, a gain on sale of HW land and buildings in Q2 2022, higher selling, general and administrative expense and higher finance costs recorded during the period, partly offset by lower current and deferred taxes and higher finance income

Significant Accounting Policies

Stelco Holdings' Consolidated Financial Statements have been prepared by management in accordance with IAS 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (IASB). The Consolidated Financial Statements comprise the financial statements of Stelco Holdings and its subsidiaries. Under IFRS, additional disclosures are required in the annual financial statements and therefore, the Consolidated Financial Statements and accompanying notes should be read in conjunction with the 2021 Annual Financial Statements.

The Consolidated Financial Statements have been prepared using consistent accounting policies and methods used in the preparation of the 2021 Annual Financial Statements, except for the significant accounting policies described in note 2 of the Consolidated Financial Statements.

Disclosure Controls and Procedures (DCP)

The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Company have designed or caused to be designed under their direct supervision the Company’s DCP to provide reasonable assurance that: (i) material information relating to the Company is made known to management by others, particularly during the period in which the annual and interim filings are being prepared; and (ii) information required to be disclosed by the Company in its annual and interim fillings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time period specified in securities legislation. The CEO and CFO, together with certain other members of the Company's senior management team, have established DCPs so that any material information affecting the Company is made known to the Company's CEO and CFO on a timely basis to enable decisions regarding the required disclosure.

Internal Controls over Financial Reporting (ICFR)

The Company has established adequate ICFR to provide reasonable assurance regarding the reliability of the Company’s financial reporting and the preparation of the financial statements for external purposes in accordance with IFRS. Management, including the Company's CEO and CFO, has assessed or caused an assessment under their direct supervision, of the design of the Company's ICFR using the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework (2013).

There were no changes in the Company's ICFR during the nine months ended September 30, 2022 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

Risk and Uncertainties

We believe our performance and future success depend on a number of factors. For a discussion of risk factors that have been identified by the Company refer to the 2021 AIF which is available through the Company's profile on the SEDAR website at www.sedar.com.

Corporate Information

Executive Management

Alan Kestenbaum
Chief Executive Officer

Paul D. Scherzer
Chief Financial Officer

Sujit Sanyal
Chief Operating Officer

Paul Simon
General Counsel & Corporate Secretary

Board of Directors

Alan Kestenbaum
Executive Chairman and
Chief Executive Officer, Stelco Holdings Inc.

Heather Ross [1,2,3]
Lead Director

Monty Baker [2,4,7]
Corporate Director

Michael W. Dees [3,7]
Partner, Lindsay Goldberg

Michael Mueller [3,5,7,8]
Corporate Director

Indira Samarasekera [6]
Corporate Director

Daryl Wilson
Corporate Director [2,8]

1 Chair of the Governance and Nominating Committee
2 Member of the Audit Committee
3 Member of the Compensation Committee
4 Chair of the Compensation Committee
5 Chair of the Audit Committee
6 Chair of the Environmental, Health and Safety Committee
7 Member of the Governance and Nominating Committee
8 Member of the Environmental, Health and Safety Committee

Auditors

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Transfer Agent and Registrar

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Stock Exchange Listing

The Toronto Stock Exchange
Stelco Holdings Inc. trading symbol: STLC

Shareholder Information

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Shareholder and Investor Contact

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