



October 30, 2020

## NOTICE OF 10% PRICE INCREASE – January 1, 2021

Dear valued customer:

North American steel mills have recently announced a series of price increases on all flat rolled steel products effective immediately, due to rises in scrap, zinc, coal, and iron ore. Other major contributing factors are **limited domestic supply** and the continuation of protectionist **trade measures** in both Canada and the USA.

### Limited Domestic Supply:

- Stelco's blast furnace continues to be shut down – lead times longer as a result
- permanent mill closures in the US (resulting in the loss of 5.1 million tons/year)
- North American mill production is down 13.5 million tons YTD (down over 20% year to year).

### Trade Measures:

- 40-50% duties implemented in March 2020 on major importers Turkey and U.A.E, and 50-90% on Vietnam

World steel prices continue to increase. Asian and European prices were up last month, while North American prices, including the latest increases, remain at or below world pricing once transportation, transfer and any tariff costs are accounted for. We should expect further increases in both Canada and the US over the next 30-60 days given that gap.

As a result, we are implementing a 10% price increase on all products delivered on or after January 1, 2021. If you have any questions, please contact me for additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Castellano", with a long horizontal flourish extending to the right.

Ron Castellano  
Sales & Marketing Manager