



BACKGROUND

MEDIA CONTACT

Brenda Stenta
Manager - Communications & Branding
705 - 206 1022
Brenda.Stenta@algoma.com

January 10, 2019

ALGOMA STEEL INC.

Algoma Steel Inc. has a rich 100-plus year steelmaking tradition here in Sault Ste. Marie as a leading manufacturer of quality steel sheet and plate products. Not only do we boast Canada's only continuous thin slab caster that goes from liquid steel to a finished coil in 30 minutes, but we are also Canada's only discrete plate manufacturer, offering heat treat finishing capability for specialty steel grades including armour plate.

MODERNIZATION AND EXPANSION PROGRAM

By 2023, with an investment of over \$600M invested over 8 years, the Modernization and Expansion Program at Algoma Steel Inc. will have:

- Modernized operations;
- Expanded capacity; and
- Enhanced capabilities for advanced grades of steel

The program is supported by both the federal and provincial governments:

Government	Amount
Government of Canada delivered by: Federal Economic Development Agency for Southern Ontario through the Advanced Manufacturing Fund	\$60 million repayable contribution
Innovation, Science and Economic Development Canada through the Strategic Investment Fund	\$30 million repayable contribution
Government of Ontario delivered by the Ministry of Energy, Northern Development and Mines	\$60 million loan

What does this investment mean for Algoma Steel? It will:

- Strengthen Algoma Steel's competitive position and our ability to meet the needs of the domestic market;
- Enhance capability to produce more advanced steel grades and expand product mix to include lower sulphur steel grades – commonly used in rail tanker cars, shipbuilding, pipe grades; and high carbon grades in demand for energy, construction/structural and automotive applications;
- Increase productivity rates and lower costs;
- Improve ship-on-time performance, quality and reliability;
- Improve worker safety - less manual intervention, improved worker ergonomics; and
- Reduce greenhouse gas emissions and improve environmental performance.

What does this investment mean for Sault Ste. Marie, Ontario and Canada:

- Create more than 50 jobs over the life of the project
- Support and sustain over 2700 jobs at the steelworks in Sault Ste. Marie; around 3000 during the project phase
- Support more than 10,500 indirect jobs
- Generate over 40% of the GDP in Sault Ste. Marie, and infuse capital into Canada's steel supply chain

What does the Modernization and Expansion Program include?

There is an extensive list of projects included in the funded capital expenditure plan. Some highlights include:

- No. 2 Ladle Metallurgy Furnace
- Direct Strip Production Complex (DSPC) caster upgrade and capacity expansion
- Plate and Strip Mill Upgrade and Automation
- Cokemaking Revitalization and Emission Control
- Extensive Technology Upgrades across the Steelworks (29 projects)