



EVRAZ NORTH AMERICA PLANS CAPITAL INVESTMENTS AT FACILITIES IN WESTERN CANADA

REGINA, Saskatchewan (March 6, 2019) – EVRAZ North America President and Chief Executive Officer Conrad Winkler today praised the Government of Canada’s actions aimed at protecting the Canadian steel industry.

EVRAZ North America will receive C\$40 million from Innovation, Science and Economic Development Canada’s Strategic Innovation Fund (SIF) steel and aluminum program created last year to help bolster the competitiveness of the industry in Canada.

"This government recognizes the challenges facing Canadian steel producers and the thousands of employees working in steel mills across the county, including 1,200 right here in Regina," Winkler said. "Partnerships such as the Strategic Innovation Fund are crucial to our job-creating, long-term investments."

Federal Public Safety and Emergency Preparedness Minister Ralph Goodale joined Mr. Winkler at EVRAZ Regina Wednesday to announce the SIF contribution as part of EVRAZ’s North America’s planned, multi-year C\$112 million investment into equipment upgrades and expansion at the company’s mills in Regina and Red Deer, Alberta.

When completed, the improvements will further boost EVRAZ North America’s steelmaking capacity, reduce emissions, and improve efficiency. The company previously invested more than C\$200 million in expansion and upgrades in Regina between 2015 and 2017.

"We are proud to be a leading producer of engineered steel products, a company with talented, engaged employees and one that is a partner to our valued customers across North America," said Mr. Winkler. "We applaud the ongoing efforts of the government of Canada to stand up for the Canadian steel industry and the jobs it supports."

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About EVRAZ North America

EVRAZ North America is a wholly owned subsidiary of EVRAZ plc, one of the largest vertically integrated steel and mining businesses in the world. EVRAZ North America is a leading North American producer of engineered steel products for rail, energy and industrial end markets. Headquartered in Chicago, Ill., the company has six production sites located in the United States (Portland, Oregon; Pueblo, Colorado) and Canada (Regina, Saskatchewan; Calgary, Camrose and Red Deer, Alberta).

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EVRAZ North America in Canada

As the largest producer of large diameter pipe in North America and largest Oil Country Tubular Goods (OCTG) producer in Western Canada, EVRAZ North America has mills in Regina, SK, and Calgary, Camrose and Red Deer, Alberta. With more than **2,100 employees in Canada**, 95 percent of our steel is made from recycled material obtained from 15 recycling centers across Canada.

Capital Investments in Canada

The \$40 million in Strategic Innovation Funds will be part of a **\$112 million investment** over the next three years in EVRAZ North America facilities in Regina and Red Deer, Alberta focused on upgrades to steelmaking infrastructure that will improve quality, boost efficiency, reduce emissions and increase capacity.

- **Electric Arc Furnace Power Increase:** Regina's electric arc furnace is used to melt scrap metal that is recycled into steel. The project will replace electrical transformers and associated power distribution equipment, including building a new substation feeding the facility's 138kV SaskPower hydro line. Additional investments will be made improving scrap handling equipment.
- **Reheat Furnace Throughput Increase:** The reheat furnace at the Regina rolling mill is used to heat steel slab to temperatures of more than 1,200 degrees Celsius for production into coil and plate. The investment in upgraded burner equipment will increase and expand the production capability of the reheat furnace while reducing NOx emissions.
- **Red Deer Heat Treat Expansion:** EVRAZ North America is installing a state-of-the-art heat treat line that will greatly increase our capability to provide premium alloy grade quality in the OCTG product range meeting the evolving needs of our customers.
- **Red Deer Threader Line Upgrade:** Upgrades to our API threading equipment will allow EVRAZ North America to grow our thread product range for OCTG while improving quality and operational efficiencies.

Investments at these facilities will be made between 2019 and 2021.

"With this SIF partnership, we can move forward with these investments that will allow EVRAZ North America to maintain and grow its position as an industry-leading supplier for our valued customers in Canada's energy economy,"

- Conrad Winkler, president and CEO, EVRAZ North America