

**FORM 51-102F3**  
***MATERIAL CHANGE REPORT***

**1. Name and Address of Company**

Tree Island Steel Ltd. (the "**Company**" or "**Tree Island**")  
3933 Boundary Road  
Richmond, British Columbia  
V6V 1T8

**2. Date of Material Change**

July 3, 2018

**3. News Release**

On July 3, 2018, Tree Island issued a news release through the newswire services of Globe Newswire. A copy of the press release is attached as Schedule "A".

**4. Summary of Material Change**

On July 3, 2018, the Company announced that it had successfully renewed its senior banking facility, on more favorable terms, with Wells Fargo Capital Finance Corporation Canada ("**Wells Fargo**"). The five year senior secured banking facility (the "**Facility**") has been increased from \$60 million to \$80 million, comprising of a \$60 million revolving facility and a \$20 million term loan for financing existing machinery and equipment and future capital expenditures.

**5. Full Description of Material Change**

On July 3, 2018, the Company announced that it had successfully renewed its senior banking facility, on more favorable terms, with Wells Fargo. The five year Facility has been increased from \$60 million to \$80 million, pursuant to the terms of an amendment to the second amended and restated credit agreement dated July 1, 2018 between Tree Island, Wells Fargo and certain other parties (the "**Facility Amendment**"). The Facility is comprised of a \$60 million revolving facility (the "**Revolver**") and a \$20 million term loan (the "**Term Loan**").

Pursuant to the terms of the Facility, up to \$60 million may be borrowed under the Revolver in Canadian and/or US dollars. Interest is charged at variable rates based on the Canadian and/or US Prime rate and the applicable benchmark interbank rate. The amount advanced under the Revolver at any time is limited to a defined percentage of inventories, accounts receivable and real estate, less certain reserves. The existing term debt will be rolled into the new Term Loan, with up to \$10 million available to finance future capital expenditures. The Facility is secured by a first charge over Tree Island's assets supported by the appropriate guarantees, pledges and assignments, and requires that certain covenants be met by Tree Island.

For further details, the Facility Amendment has been filed by the Company under its profile on SEDAR at [www.sedar.com](http://www.sedar.com).

**6. Reliance on subsection 7.1(2) of National Instrument 51-102**

Not Applicable.

**7. Omitted Information**

Not Applicable.

**8. Executive Officer**

Nancy Davies  
Chief Financial Officer  
3933 Boundary Road  
Richmond, British Columbia  
V6V 1T8  
604-523-4587

**9. Date of Report**

July 11, 2018.

## Schedule "A"



### FOR IMMEDIATE RELEASE

#### Tree Island Completes Early Renewal / Five Year Extension of its Banking Facility

- **Banking Facility Increased from \$60.0 Million to \$80.0 Million**
- **Five Year Banking Facility Matures June 2023**

**VANCOUVER, BRITISH COLUMBIA** — July 3, 2018 – Tree Island Steel Ltd. (the “Company” or “Tree Island”) (TSX:TSL) announced today, that it has successfully renewed its senior banking facility, on more favourable terms, with Wells Fargo Capital Finance Corporation Canada (“Wells Fargo”). The five year Senior Secured Revolving Facility (the “Facility”) has been increased to \$80 million, comprised of a \$60 million revolver and a \$20 million term loan for financing existing machinery and equipment and future capital expenditures.

Under the terms of the Facility, interest is charged at variable rates based on the Canadian and/or US Prime rate and the applicable benchmark interbank rate. For the revolving facility, up to \$60 million may be borrowed in Canadian and/or US dollars with the amount advanced under the revolving facility limited to a defined percentage of inventories, accounts receivable and real estate, less certain reserves. In addition, up to \$20 million may be borrowed as term debt, in Canadian and/or US dollars. The existing term debt will be rolled into a new term loan; with up to \$10 million available to finance future capital expenditures.

The Facility is secured by a first charge over Tree Island’s assets supported by guarantees and pledges and requires that certain covenants be met by Tree Island.

Dale R. MacLean, President and CEO of Tree Island, commented, “We are pleased to be continuing our long relationship with Wells Fargo who have been instrumental in supporting our Company since 2010.”

“This renewed five year \$80 million credit facility provides Tree Island with prudent and effective use of funds for the working capital and expansion capital needs of Tree Island,” commented Amar Doman, Chairman of the Board of Directors of Tree Island.

#### **About Tree Island Steel**

Tree Island Steel, headquartered in Richmond, British Columbia, since 1964, through its four operating facilities in Canada and the United States, produces wire products for a diverse range of industrial, residential construction, commercial construction and agricultural applications. Its products include galvanized wire, bright wire; a broad array of fasteners, including packaged, collated and bulk nails; stucco reinforcing products; concrete reinforcing mesh; fencing and other fabricated wire products.

The Company markets these products under the Tree Island<sup>®</sup>, Halsteel<sup>®</sup>, K-Lath<sup>®</sup>, TI Wire<sup>®</sup> and Tough Strand<sup>®</sup> brand names.

For more information, please contact:

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