

FORM 62-103F1

REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS

(This Amended Early Warning Report amends and replaces the Early Warning Report of the Acquiror dated December 1, 2020.)

1. Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

Common shares ("**Common Shares**") of Tree Island Steel Ltd. (the "**Issuer**"), which has its head office at 3933 Boundary Road, Richmond, British Columbia, V6V 1T8.

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place

The transactions that triggered the requirement to file this report took place through the facilities of the Toronto Stock Exchange, the NEO Exchange and Chi-X Canada (collectively, the "**Exchanges**").

2. Identity of the Acquiror

2.1 State the name and address of the acquiror.

Arbutus Distributors Ltd. (the "**Acquiror**"), a private investment and holding company controlled by Mr. Peter Bull, was incorporated under the laws of British Columbia and has its head office at Suite 200, 2780 Granville Street, Vancouver, British Columbia, V6J 3J3.

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

From May 11, 2020 to November 30, 2020 (the "**Reporting Period**"), the Acquiror acquired ownership of a total of 600,100 Common Shares (the "**Acquired Shares**") through normal course purchases through the facilities of the Exchanges on the dates, at the prices and for the consideration set out in the Schedule attached to this report.

2.3 State the name of any joint actors.

Not applicable.

3. Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror's securityholding percentage in the class of securities.

During the Reporting Period, the Acquiror acquired ownership and control of a total of 600,100 Common Shares, representing approximately 2.103% of the Common Shares issued and outstanding as of the date of this report.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.

The Acquiror acquired ownership of, and control over, the Acquired Shares referred to in Item 3.1 above.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

Immediately before the Reporting Period, the Acquiror owned and exercised control and direction over 5,864,250 Common Shares, representing approximately 20.554% of the issued and outstanding Common Shares as of the date of this report (and 20.329% of the Common Shares issued and outstanding immediately before the Reporting Period). Immediately after the Reporting Period, the Acquiror owned and exercised control and direction over 6,464,350 Common Shares, representing approximately 22.657% of the issued and outstanding Common Shares as of the date of this report.

Each statement in this report of the percentage of the issued and outstanding Common Shares owned by the Acquiror is based on the disclosure of the number of issued and outstanding Common Shares contained in the public disclosure documents filed by the Issuer on SEDAR.

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

The Acquiror owns, and exercises control and direction over, a total of 6,464,350 Common Shares, representing approximately 22.657% of the Common Shares issued and outstanding as of the date of this report.

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not applicable.

(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not applicable.

3.6 If the Acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.

Not applicable.

- 3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

Not applicable.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

Not applicable.

4. *Consideration Paid*

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total

Refer to the Schedule attached to this report.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.

Not applicable.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

Note applicable.

5. *Purpose of the Transaction*

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;

- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;
- (f) a material change in the reporting issuer's business or corporate structure;
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

The Acquiror acquired the Acquired Shares for investment purposes. Depending on its evaluation of the business, prospects and financial condition of the Issuer, the market for the Issuer's securities, general economic conditions and other factors, the Acquiror may acquire additional securities of the Issuer, or may sell some or all of the securities of the Issuer which it holds, in the open market, by private agreement or otherwise.

Except as noted above, the Acquiror currently has no plans or intentions that relate to, or would result in, the matters listed in clauses (a) to (k) above. Depending on market conditions, the Issuer's business and financial condition and other relevant factors, the Acquiror and/or its affiliates may develop such plans or intentions in the future.

6. *Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer*

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Not applicable.

7. Change in material fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

On August 31, 2019, the Acquiror and The Futura Corporation withdrew their non-binding proposal to acquire Common Shares .which was disclosed in the Early Warning Report filed by the Acquiror on June 28, 2019.

8. Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

The Acquiror relied on the normal course purchase exemption set out in Section 4.1 of National Instrument 62-104 – “Take over Bids and Issuer Bids” with respect to its acquisition of the Acquired Shares.

9. Certification

I, as the Acquiror, certify that the statements made in this report are true and complete in every respect.

December 3, 2020

Arbutus Distributors Ltd.

Per: (signed) Peter M. Bull
Name: Peter M. Bull
Title: Director

SCHEDULE
Acquisition of the Acquired Shares

Date	Number of Common Shares	Weighted Average Price Per Common Share	Total Value (Canadian Dollars)
May 11, 2020	10,000	\$1.460	\$14,600.00
May 12, 2020	319,100	\$1.499	\$478,250.45
June 10, 2020	11,600	\$1.9924	\$23,111.84
June 16, 2020	57,900	\$2.050	\$118,695.00
August 5, 2020	160,700	\$2.000	\$321,400.00
November 30, 2020	40,800	\$2.469	\$100,743.36
Total	600,100	\$1.761	\$1,056,800.65