



## **NEWS RELEASE**

Friday, December 30, 2017

### **Essar Steel Algoma Secures Term Sheet for Iron Ore Supply**

**SAULT STE. MARIE, ONTARIO** – Essar Steel Algoma Inc. (“Algoma”) announced today that the Ontario Superior Court of Justice has approved a Term Sheet between Algoma and Cliffs Mining Company (“Cliffs”) for the supply of iron ore pellets from January 1, 2017 through December 31, 2020, with a proviso for a one year extension. The Term Sheet, when combined with the existing Pellet Sale and Purchase Agreement provides surety of supply for 70% of Algoma’s pellet requirements.

Essar Steel Algoma Chief Executive Officer Kalyan Ghosh commented on today’s ruling, “This Term Sheet comes as a result of a competitive process that secures the economic provision of this critical raw material for Algoma. It represents an important milestone in moving Algoma towards a successful restructuring and emergence from CCAA proceedings.”

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#### **Essar Steel Algoma**

Essar Steel Algoma Inc. is based in Sault Ste. Marie, Ontario. As a fully integrated steel producer, the Company derives its revenues primarily from the manufacture and sale of hot and cold rolled steel products including sheet and plate.

Essar Steel Algoma Inc. filed for creditor protection under the Companies’ Creditors Arrangement Act on November 9, 2015. The Sale and Investment Solicitation Process was launched on February 11, 2016. Relevant documents, including the Restructuring Support Agreement, can be found on the Monitor’s website at [www.ey.com/ca/essaralgoma](http://www.ey.com/ca/essaralgoma) and on the Prime Clerk website at <http://cases.primeclerk.com/EssarSteel>.

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