Community Open House

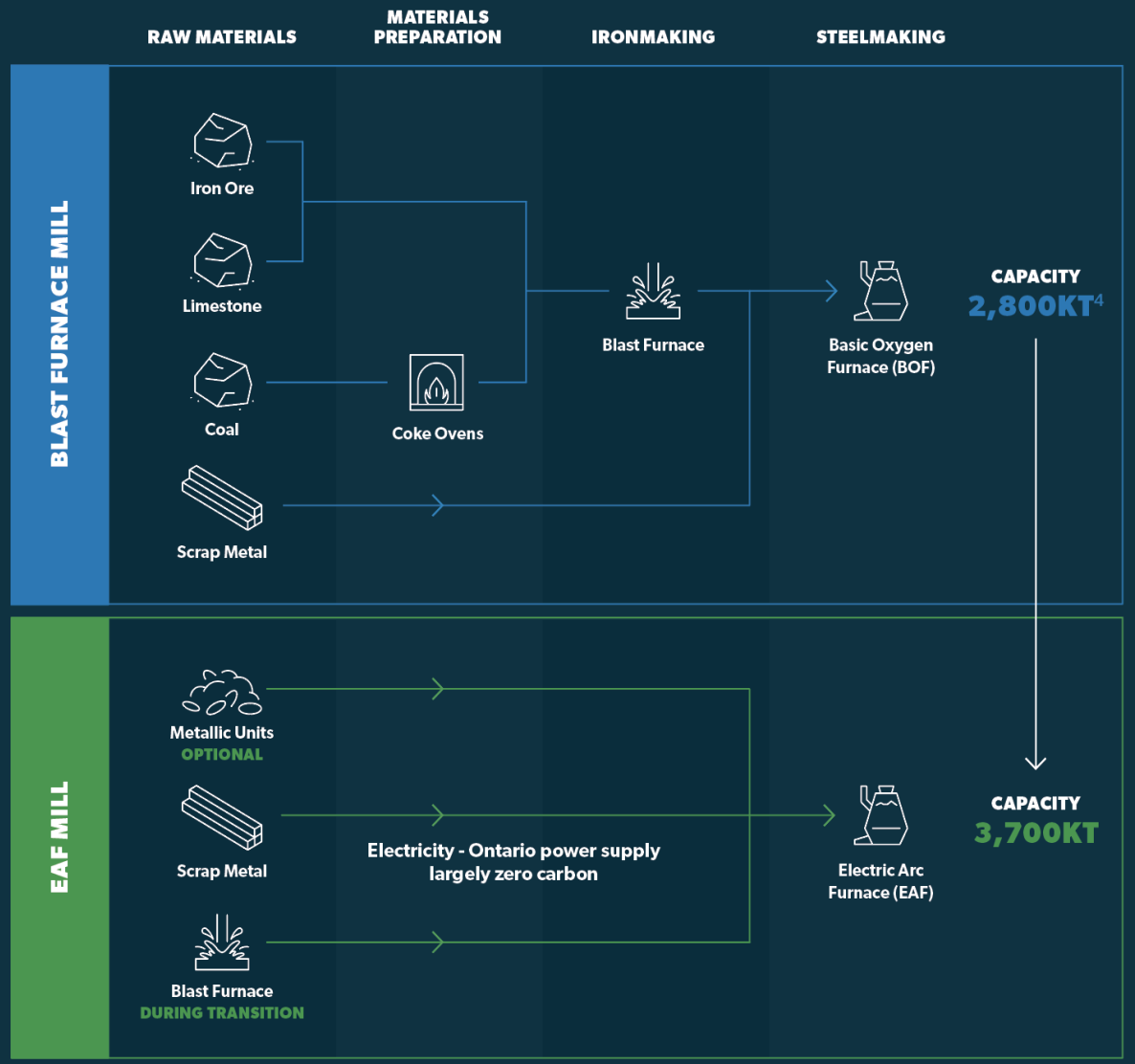
June 11, 2025

A Generational Investment Unlocking Significant Value

Expected Benefits

- Adds ~700kt of finished steel capacity aligning steelmaking capacity to rolling capacity.
- ~70% fewer total CO_2 emissions (annual reduction of 3 million tonnes of CO_2).
- More flexible operations capable of responding dynamically to market conditions.
- Reduced sustaining CapEx.
- Improves employee productivity (as measured in tons per employee).

Transforms Algoma Steel into a North American green steel producer.



(4) Excludes BF#6 which is currently idled.

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EAF Local Economic Impact by the Numbers

51
Local Suppliers Engaged

500
Construction Jobs Created

$880M
Project Commitments

Project spend as of March 31, 2025 **$824M**

$213M Community spend as of May 31, 2025

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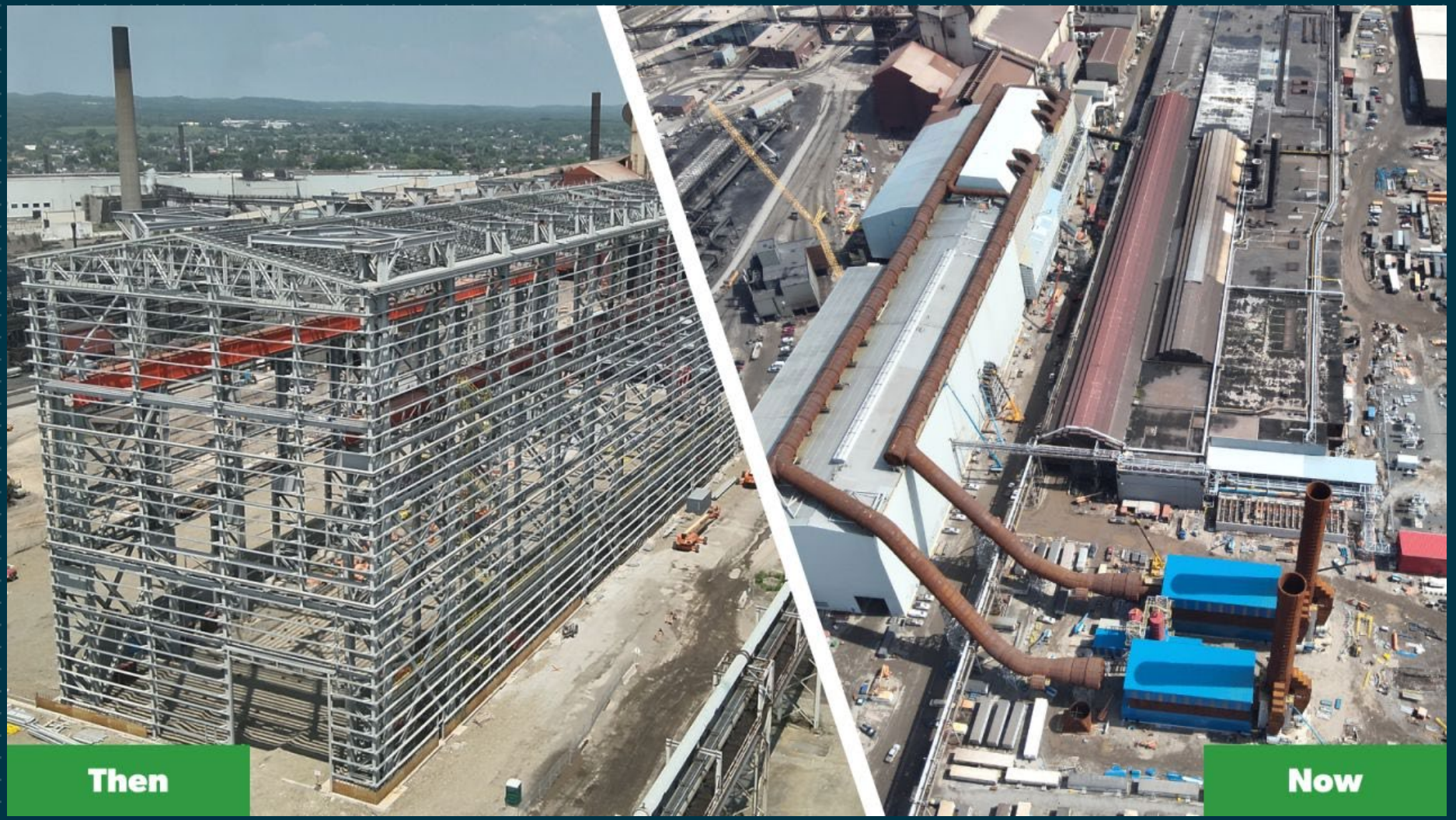
EAF Transformation Project Updates



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EAF Transformation Project Updates

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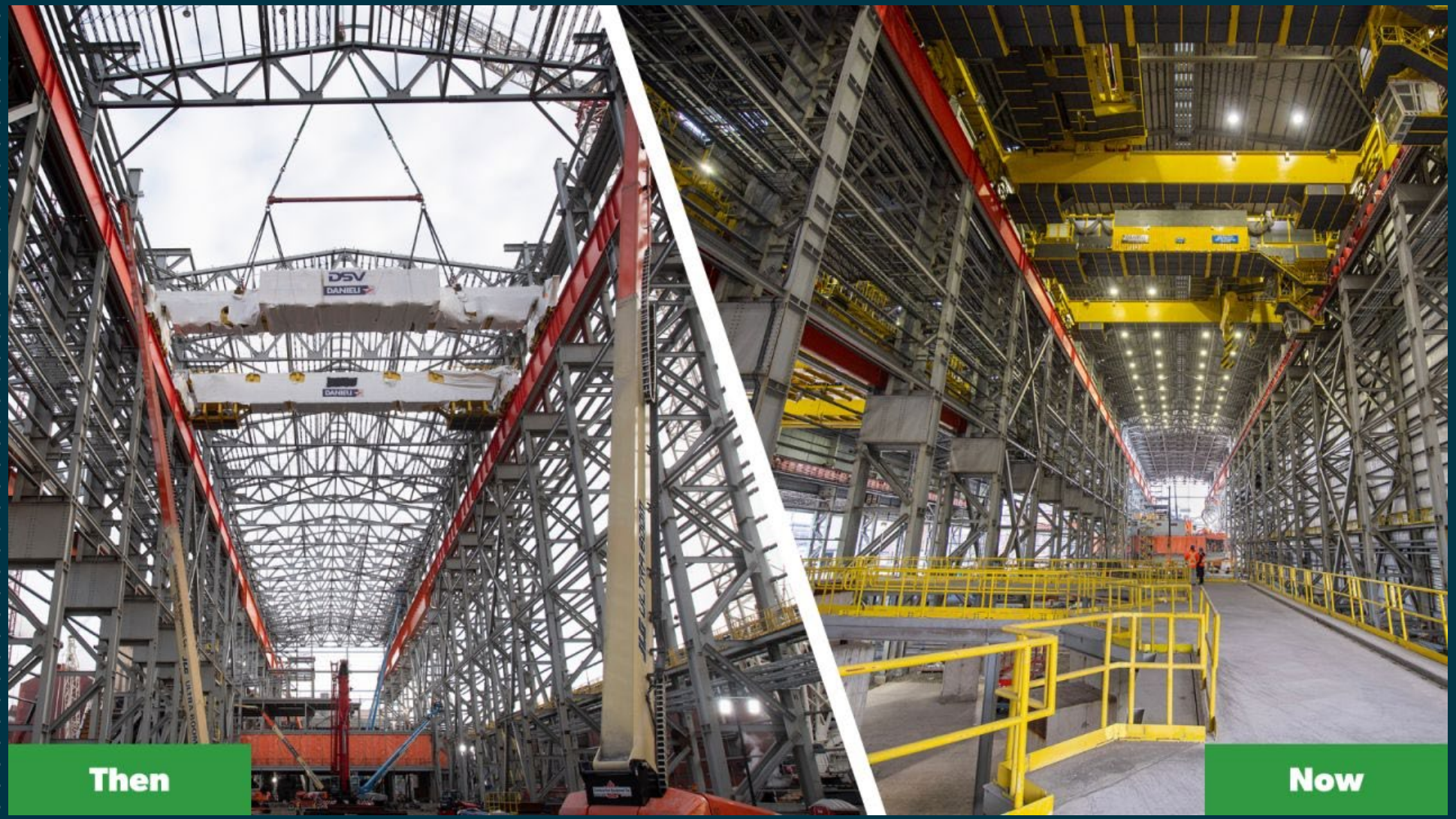
EAF Transformation Project Updates



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EAF Transformation Project Updates

The Furnace Takes Its Place Inside the Engineered Furnace Enclosure

Water Treatment Plant Commissioned

Fume Treatment Plant Commissioned

EAF Electrical Substation Tested and Energized

We are proud to share that our EAF Melt Shop Building has received the **Award of Excellence in the Institutional/Industrial Project category** presented by the Canadian Institute of Steel Construction.

ALGOMA STEEL INC.

Powering Algoma's Planned Transformation

	PHASE 1 2025–2026E ✓ SECURED	PHASE 2 2026–2028E ✓ APPROVED	PHASE 3 2029–2030E
POWER CONFIGURATION	Lake Superior Power (LSP) (110MW) + Existing 115KV Transmission (150MW)	Lake Superior Power (LSP) (110MV) OPTIONAL + Existing 115KV Transmission (150MW) + Local 230KV Transmission (0–300MV)	Existing 115KV Transmission (150MV) + Local 230KV Transmission (0–300MV) + Regional Bulk Transmission Upgrade (300MV)
PRODUCTION CONFIGURATION	Scrap Metal, Metallic Units → EAF Cold Charge Blast Furnace DURING TRANSITION	Scrap Metal, Metallic Units → EAF Cold Charge Algoma has the flexibility to operate a Blast Furnace depending on economics	Scrap Metal, Metallic Units → EAF Cold Charge
SHIPMENT CAPACITY	2.4M NT Cold Charge Up to 3.0M NT with Blast Furnace	2.4M NT Cold Charge without LSP 2.4–3.0M NT Cold Charge with LSP	3.0M + NT Cold Charge Unconstrained

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Benefits of the 230kV Line for all of Sault Ste. Marie

Enhanced Power Reliability

→ The new infrastructure will reduce the risk of outages and ensuring a stable power supply for both residential and industrial customers.

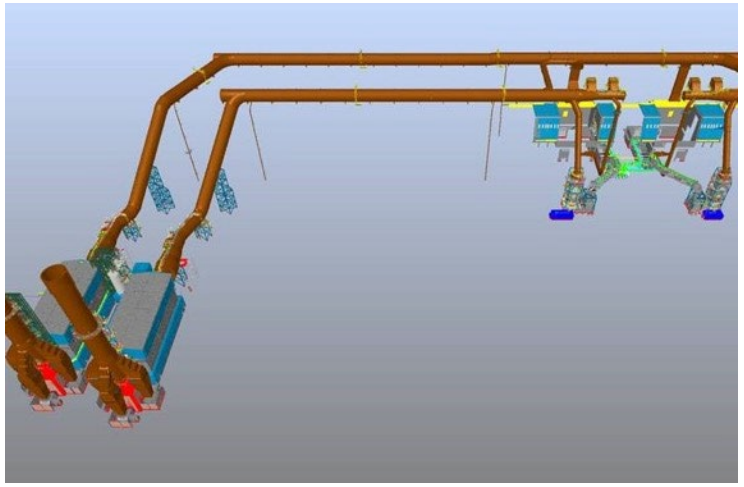
Growth Opportunities

→ This project is designed to ensure Sault Ste. Marie is prepared for it's immediate and long term transmission needs.

Increased Transmission Capacity

→ Upgrading to a 230kV transmission system represents a significant modernization of the region's power infrastructure, ensuring Sault Ste. Marie can meet future power demands, adapt to technological advancements, and provide a necessary foundation to attract more industrial and other investments as the community grows.

Electric Arc Furnace Environmental Controls



Fume Treatment Plants

The fume treatment plants capture air and dust emissions from the process.

Water Treatment Plant

The water treatment plant conserves water usage by recycling non-contact water from the process.

Engineered Furnace Enclosures

These enclosures feature large doors which seal shut before the arcing process begins, containing any sound, sparks or dust particles.

Algoma Steel's Shrinking Environmental Footprint: Long-Term Advantages of Electric Arc Steelmaking

		Reduction[1]	% Reduction
GHG EMISSIONS	CO_2	3.0mm tonnes	70%
	CO_2/NT PRODUCTION	1.33 tonnes	75%
SO_X EMISSIONS		4,060 tonnes	82%
NO_X EMISSIONS		1,604 tonnes	52%
STACK & FUGITIVE EMISSIONS		Complete elimination of Stack and Fugitive Emissions	100%

- Algoma expected to become one of the leading producers of green steel in North America.
- Improves competitiveness for government spending programs where ESG is a criteria.
- Improves profile with select customers who are similarly ESG focused.
- Improves employee engagement.
- Reduction of greenhouse gas emissions may provide for lower annual repayment on the SIF loan.

Greenwashing Disclaimer: The projected carbon emissions reductions presented in this document are based on calculations derived from legacy data. These projections utilize international standards and benchmarks for electric arc steelmaking (EAF) and related processes. While every effort has been made to ensure accuracy, these calculations may not fully reflect the latest technological advancements, operational changes, or real-time emissions data. Actual reductions in carbon emissions may vary based on site-specific factors, new innovations, and evolving industry practices. This information should not be interpreted as a definitive guarantee of future environmental performance or sustainability outcomes.

Transition to Electric Arc Furnace Steelmaking: Environmental Compliance Approvals

1. **Environmental Compliance Approval 1920-DDDQCS for air and noise** was issued on April 17, 2025.

2. **Environmental Compliance Approval 5691-CJKG54 for industrial sewage** was issued on February 29, 2024.

These environmental compliance approvals cover all of the new equipment related to the EAF transition including both Electric Arc Furnaces, Fume Treatment Plant and Water Treatment Plant.

EAF Air and Noise ECA Conditions

- 1) EAF Source Testing
- 2) Noise Abatement Projects and Acoustic Audits
- 3) Updated Best Management Plan for Fugitive Dust
- 4) Continuation of Ambient Air Quality Monitoring
- 5) Development of a Public Engagement Plan
- 6) Adherence to the Abatement Plan

Alternate Standard Requests

New Standards will govern the operating transition to electric arc steelmaking

- Algoma steel has prepared an Abatement Plan, which has been accepted by the MECP, to bridge the gap until an alternate standard is available under O.Reg. 419. The Abatement Plan is now a part of the EAF Environmental Compliance Approval.
- The Abatement Plan is an evolving emissions management plan which aligns with industry best practices and future requirements of the Industry Technical Standard.
- A separate ERO posting will be issued for the alternative standard when available and an ECA amendment will be required to align with the alternative standard.

Community Air Monitoring

Algoma's Ambient Air Quality Monitoring Program was expanded in 2022

- Recently expanded AAQMP to include three new permanent community air monitoring stations installed with all new equipment and a new meteorological station which were operational since Dec. 2022.
- Stations are located at Bonney St., 4th Avenue and Cathcart St.
- Site selection based on Ministry of Environment, Conservation and Parks (MECP) air dispersion modelling, MECP criteria for air monitoring station siting and local land availability.
- Stations monitor for: TRS, SO2, PM10, PM2.5, TSP, Metals, VOC's, PAH's.
- Real time monitoring data are published on Algoma's public website.

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Cokemaking Emissions Performance

Key Performance Indicators related to Cokemaking Emissions:

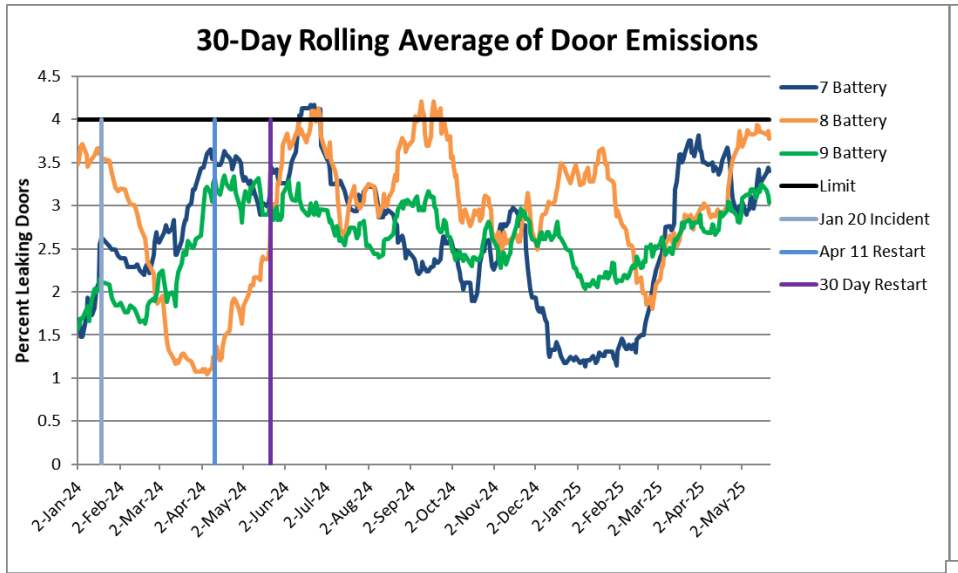
- → average intensity of pushing emissions
- → average duration of charging emissions
- → % lid leaks
- → % off-takes leaks
- → % door leaks
- → Performance is monitored and calculated daily for each battery

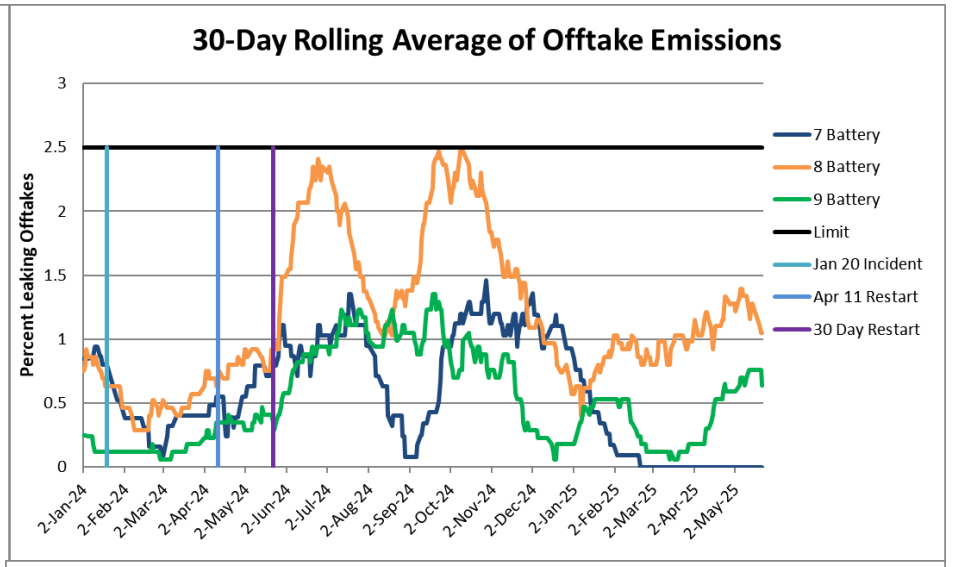
Progressive Annual Reduction

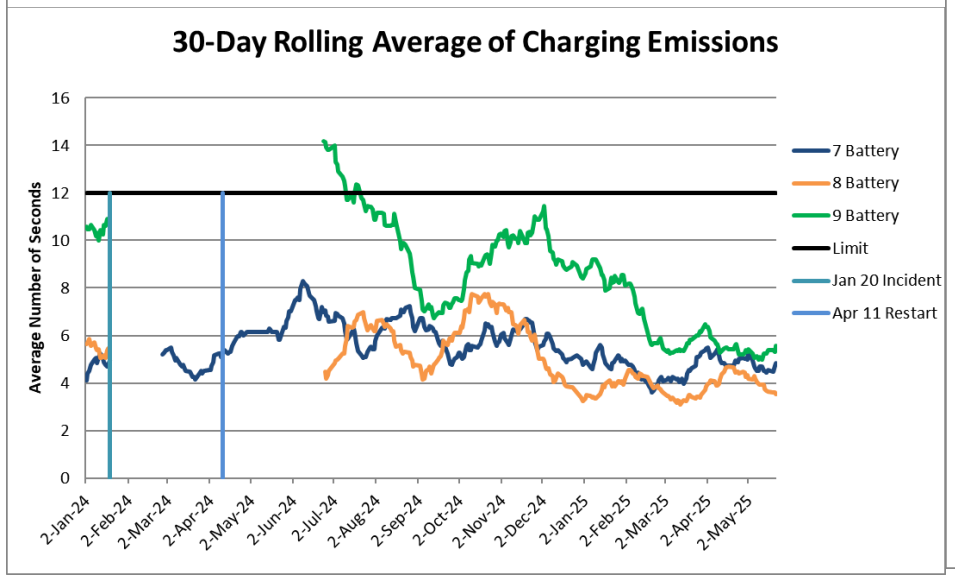
30 Day Rolling Average %					
Implementation Date	Doors	Lids	Off-takes	Charging Emissions	Pushing Opacity (%)
July 2, 2015	38	0.8	25	12 sec	50
Jan. 1, 2016	22.5	0.8	15	12 sec	50
Jan. 1, 2017	7	0.8	4.2	12 sec	50
Jan. 1, 2019	7	0.8	4.2	12 sec	40
Jan. 1, 2020 onward	**4**	**0.4**	**2.5**	**12 sec**	**30**

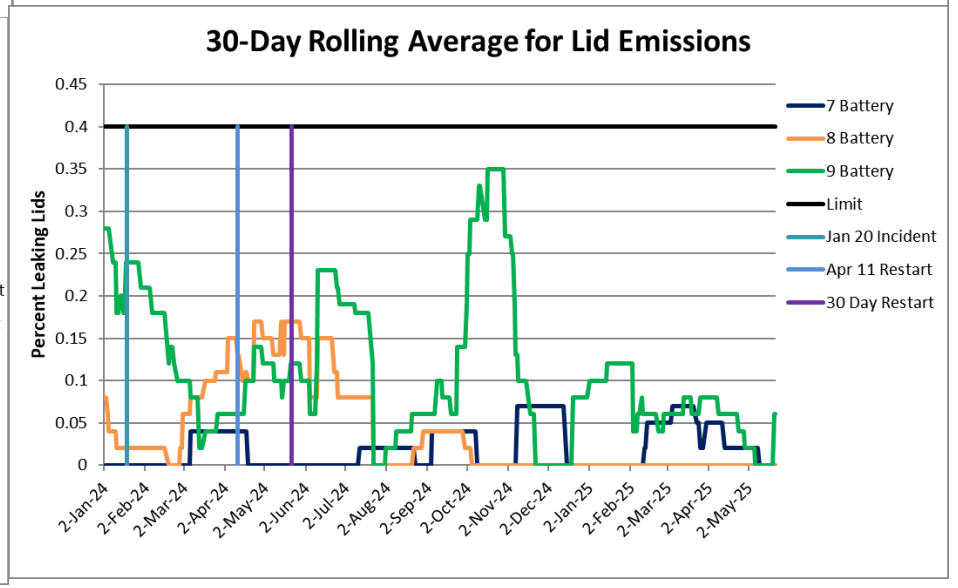
Algoma Steel is meeting the current leak limits on all three batteries.

Cokemaking Emissions Performance









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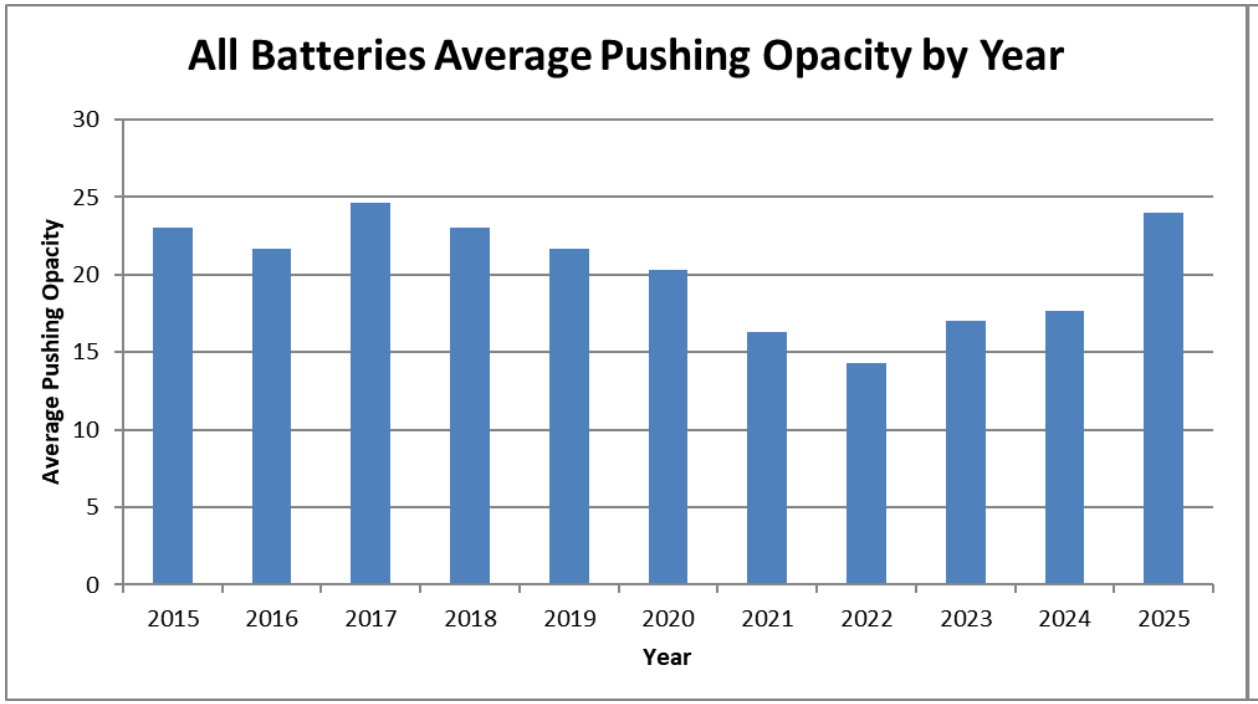
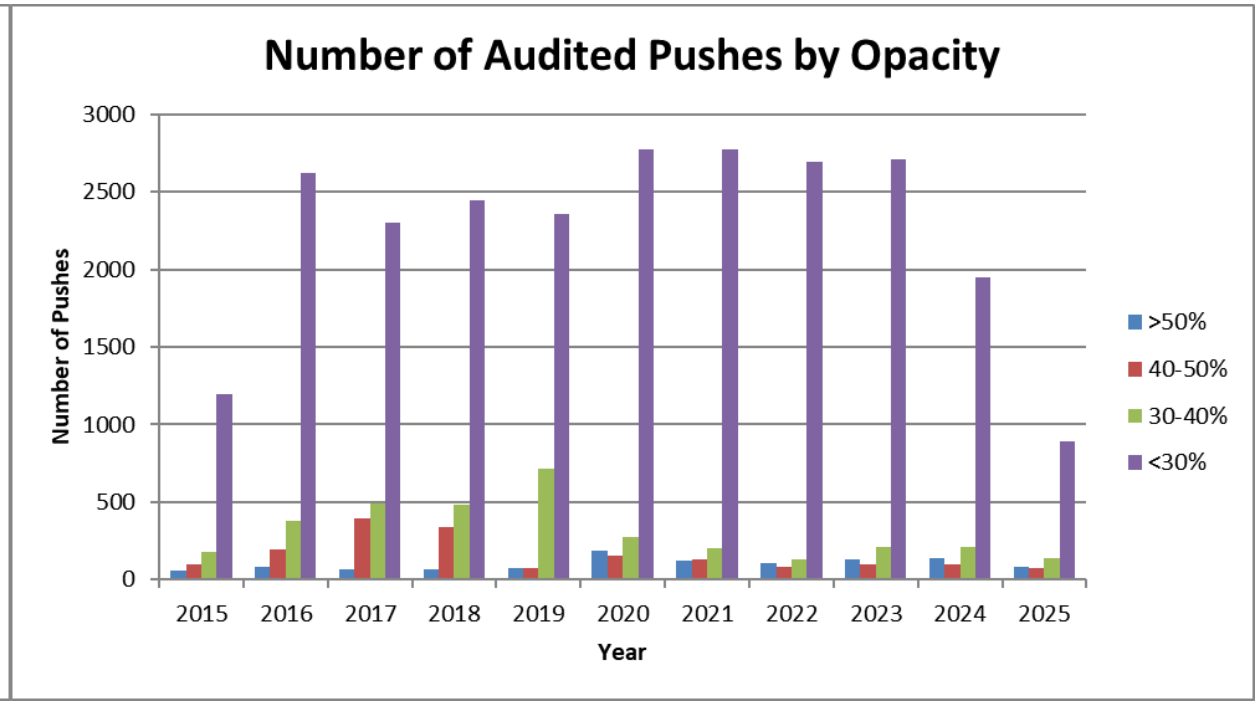
Cokemaking Emissions Performance





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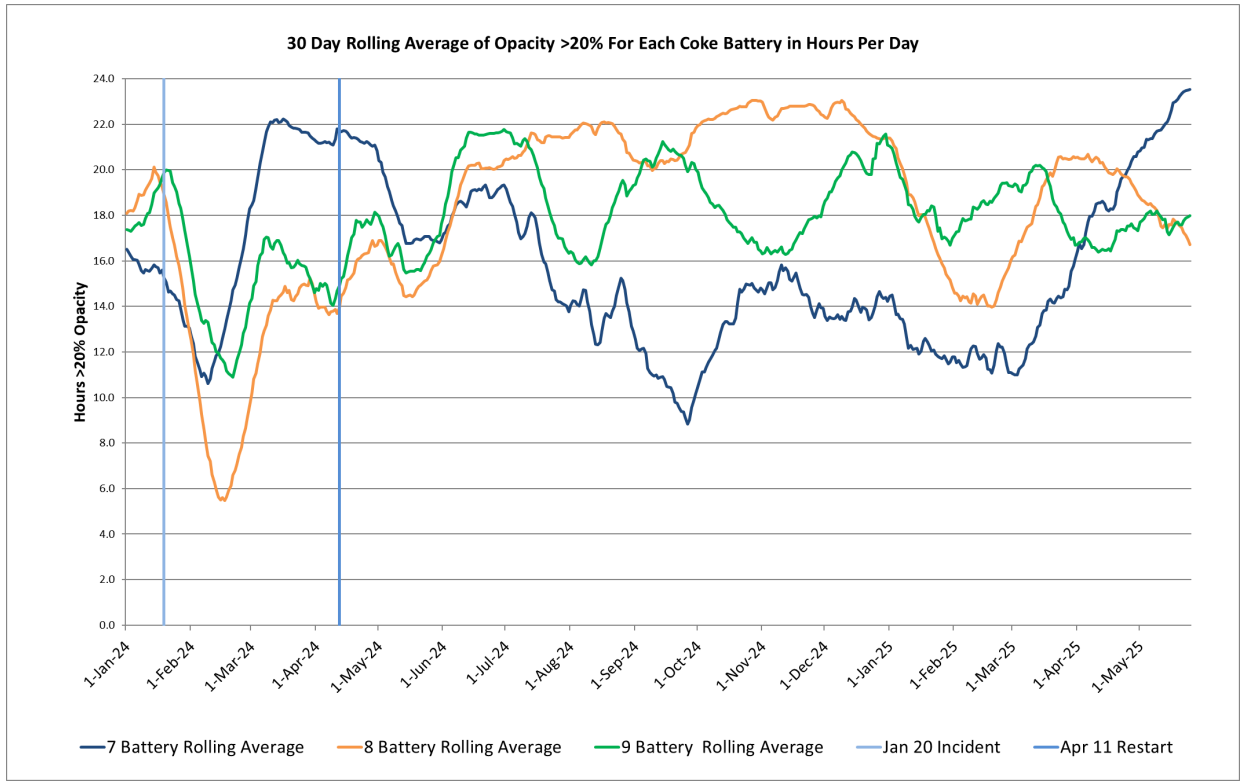
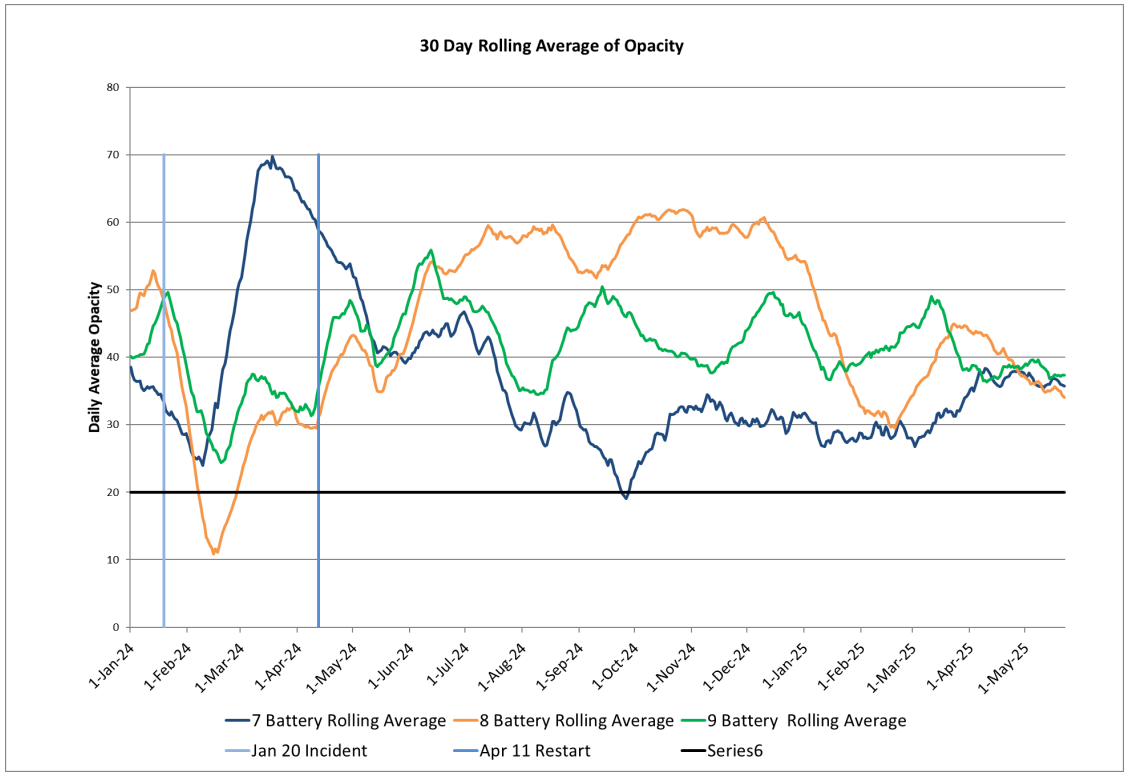
Cokemaking Stack Opacity





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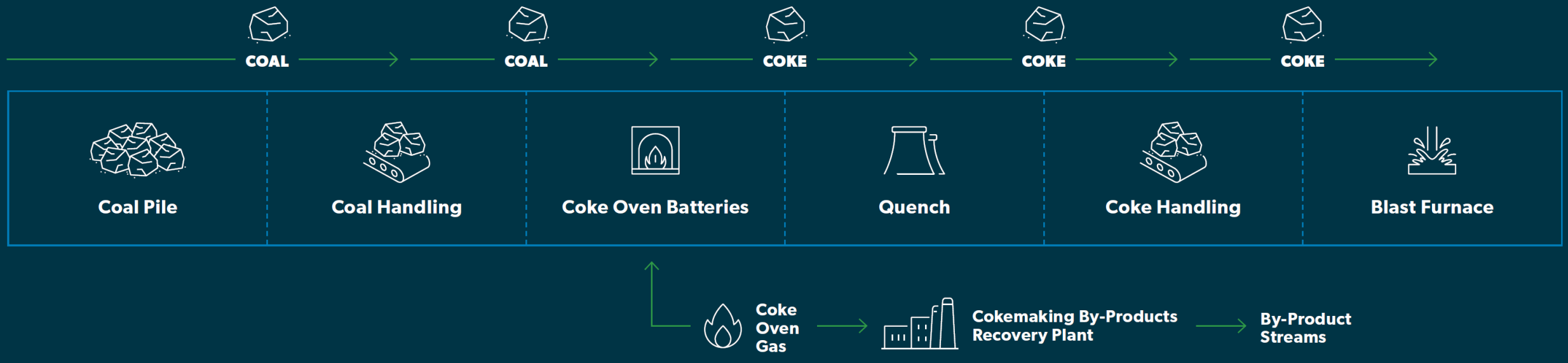
Cokemaking Process Flow



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#7 Battery Update

- As a significant milestone in our transition to Electric Arc Steelmaking, Battery #7 at our coke-making facility is being permanently shut down this week.
- #7 battery is our least efficient battery and we do not expect its shutdown to result in any increase to operating cost.

Shoreline Stabilization, Sawmill Bay Dredging, and Site Greening

Algoma's shoreline stabilization project consists of a four year plan to **install 4.1 km of shoreline protection** along the St. Mary's River to prevent future erosion. As of December 2024, the project is valued at $4.07 million.

The project will resume this summer with the placement of the clean rip-rap and armour stone. Dredging work was undertaken in September and will resume in 2025 to improve vessel access to Sawmill Bay Dock.

The Site Greening initiative is expected to proceed this summer in parallel with completing the armor stone placement. Clean soils are currently on site, and will be used to create seasonal surface water ponding areas, and naturalized green buffer strips vegetated with select native plants and tree species. The focus for the Site Greening initiative this year is along the River Road.

Community Engagement

Algoma Steel is committed to being a good neighbor.

- Quarterly Community Liaison Committee meetings.
- We were proud to once again sponsor and judge the Rotaryfest Science Fair.
- Algoma Steel was honoured to serve as the keynote speaker for the Jane Goodall: *Reasons for Hope* Educational Outreach Series, connecting with over 200 local students on the importance of Sustainability.
- We welcomed Grade 11 and 12 students from St. Mary's College's Manufacturing Process class for an engaging and educational site.
- Proudly sponsored the Economic Impact Award (Business and Individual categories) at the Chamber of Commerce Business Awards.

ALGOMA STEEL INC.

Update on the Collaborative Algoma University Phytoremediation Project

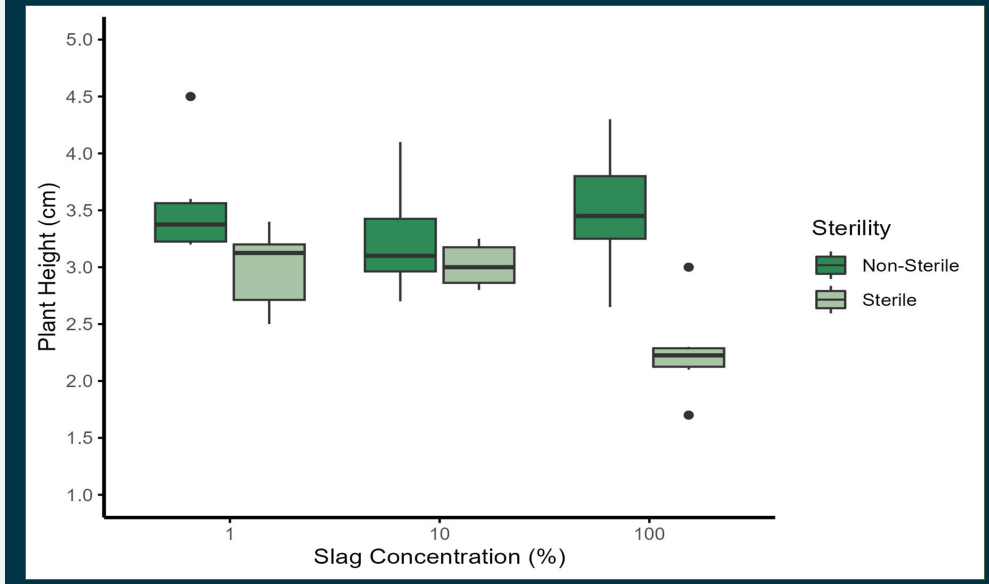
Plant–microbe interactions in steel slag: can the slag microbiome drive growth outcomes?

Study: Quincy grew lettuce (a test plant) in soil mixed with different amounts of slag — both with and without microbes — to see what helped or hurt growth.

Results: Microbes made a difference. Plants grew better in non-sterile slag (with microbes) than in sterile slag. Surprisingly, the highest concentration of slag had the strongest microbial benefit.

What's next?: We're working on figuring out which microbes are doing the heavy lifting — and how they can help us use industrial waste in greener, smarter ways.

Results



Box plot showing the effects of slag concentration and sterility on L. sativa height after 40 days (n = 6). Plants in non-sterile slag grew significantly taller (3.4 ± 0.20 cm) than those in sterile slag (2.8 ± 0.11 cm; $F_{1,35}$ = 20.8, p < 0.001). The two-way ANOVA revealed a significant sterility x slag concentration interaction ($F_{2,35}$ = 4.1, p < 0.03), with the greatest microbial benefit at 100% slag.

ALGOMA STEEL INC.

Thank you to our CLC Committee Members

- Algoma Public Health
- Batchewana First Nation
- Chippewa County Health Department
- City of Sault Ste. Marie
- Garden River First Nation
- Ministry of Environment, Conservation & Parks
- SSM Tribe of Chippewa Indians
- St. Mary's River RAP Coordinator
- United Steel Workers Local 2251