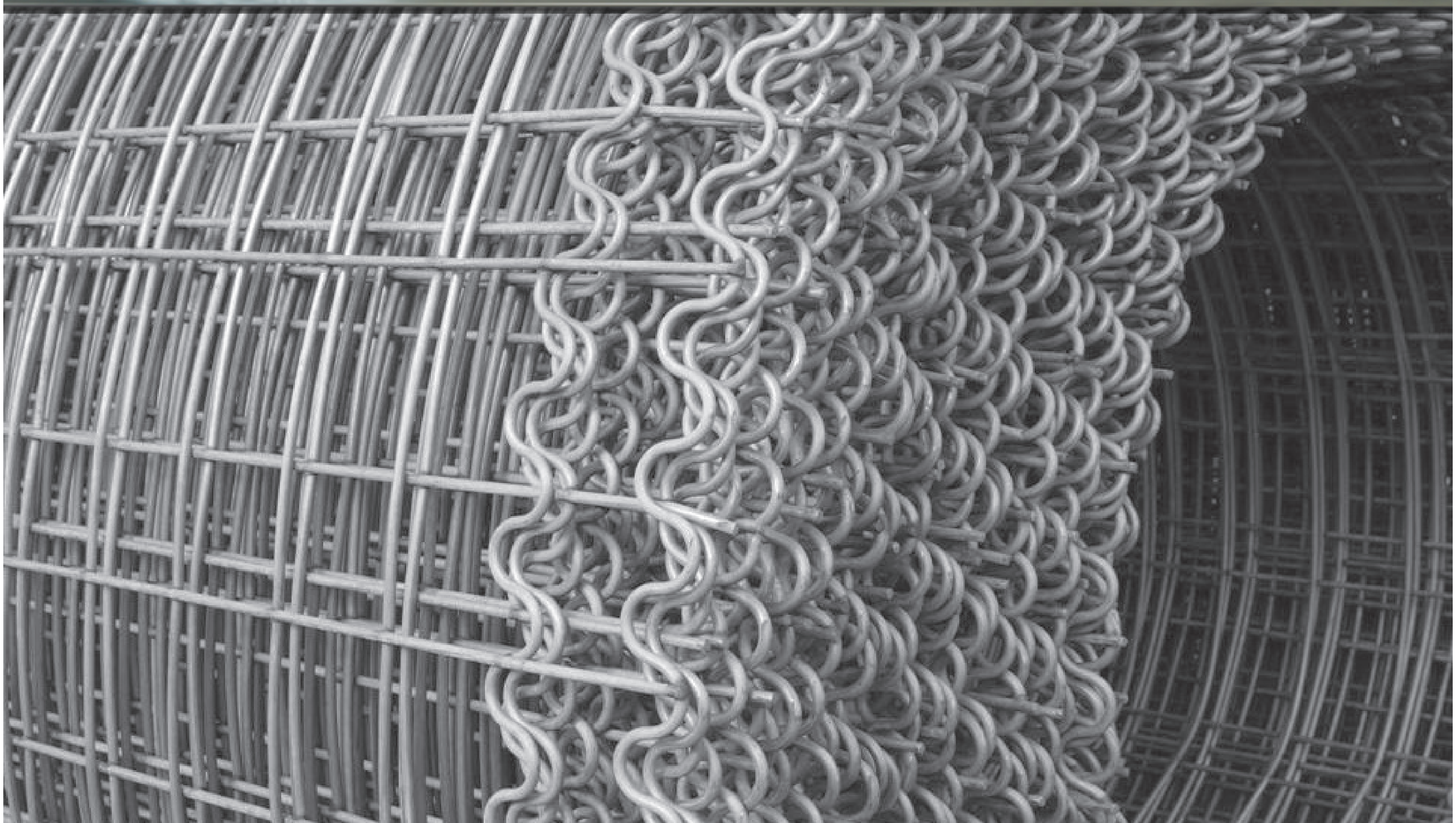
TREE ISLAND STEEL

WIRE & WIRE PRODUCTS

ESTABLISHED IN 1964



Annual Report

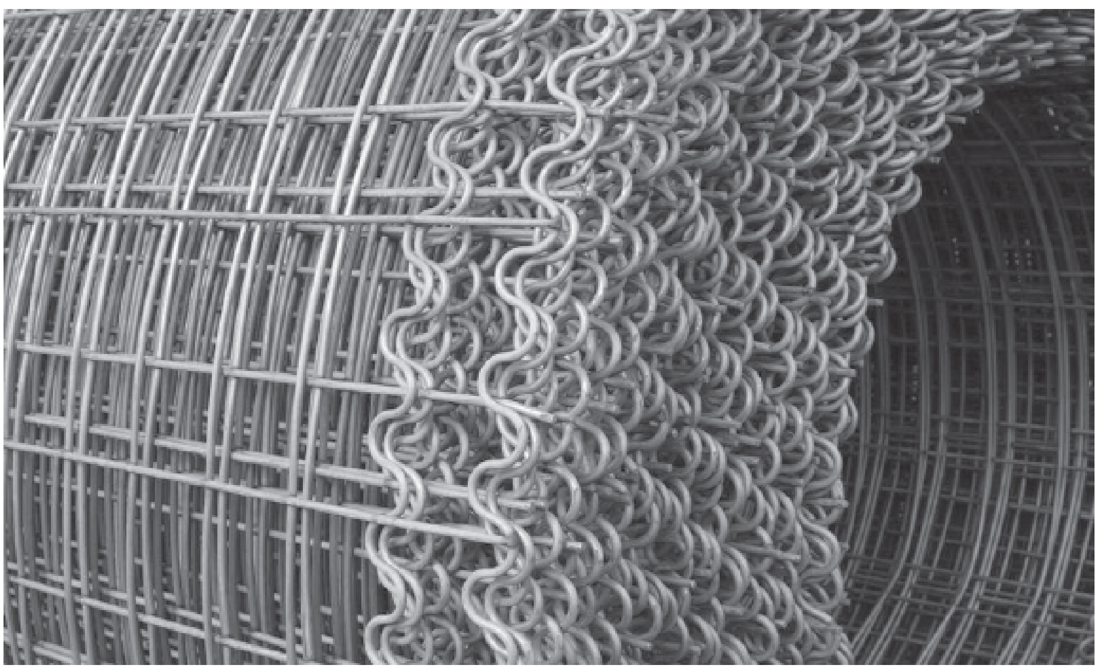
December 31, 2020

Since 1964, Tree Island Steel has been making products from steel wire for a diverse range of customers for industrial, construction, agricultural, and specialty applications.

Our products include welded wire mesh, fencing, galvanized wire, bright wire, a broad array of fasteners, stucco reinforcing products, and other fabricated wire products. We market these products under the Tree Island®, Halsteel®, True Spec®, K-Lath®, TI Wire®, Tough Strand® and ToughPanel™ brand names.

Listed on the Toronto Stock Exchange ("TSX"), our shares trade under the symbol TSL.

MANAGEMENT DISCUSSION AND ANALYSIS **2**
CONSOLIDATED FINANCIAL STATEMENTS **17**
SHAREHOLDER INFORMATION........**back cover**



Flex Pipe Mesh

TO OUR SHAREHOLDERS

Letter to Shareholders

2020 highlighted the critical importance of employee safety and wellbeing, as we navigated through the impact of COVID-19 on global health, end-market and customer markets, and then the gradual recovery. We continue to focus on employee safety, directly aligning our health and safety programs with the respective health authorities and government mandates.

As 2020 progressed, we experienced an increase in market demand, supported by the economic recovery. While remaining cautious regarding the long-term effects of the pandemic, we anticipate continued recovery in the markets and geographies we serve, supporting investments we have made in our people, equipment and infrastructure.

Looking into 2021, our priorities remain the same. We closely manage our cost structure and align our business operations with market demand and opportunities, while actively pursuing competitive advantages available to us. Our outlook for a sustained recovery remains positive, as businesses recover to support increased demand for products and services. As part of this opportunity, we continue to review and orient our product offerings and market focus to adapt to demand.

We are passionate about the Tree Island brand as a North American leader in the supply of premium quality wire and wire products in multiple market sectors. We thank all of our employees, customers and stakeholders for their continued engagement and support.

Sincerely,

Remy Stachowiak,
President and COO, Tree Island Steel

MANAGEMENT DISCUSSION AND ANALYSIS

December 31, 2020

The following is a discussion of the financial condition and results of operations of Tree Island Steel ("Tree Island" or the "Company") and its wholly owned operating subsidiary Tree Island Industries (together with Tree Island Steel, referred to as "Tree Island"). This discussion is current to March 4, 2021 and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2020. Tree Island's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and are reported in Canadian dollars. Additional information relating to Tree Island, including the audited consolidated financial statements and Annual Information Form ("AIF") for the year ended December 31, 2020, can be found at www.sedar.com or on Tree Island's website at www.treeisland.com.

1 FORWARD LOOKING STATEMENTS AND RISK

This management's discussion and analysis ("MD&A") includes forward-looking information with respect to Tree Island, including our business, operations and strategies, as well as financial performance and conditions. The use of forward-looking words such as, "may," "will," "expect" or similar variations generally identify such statements. Any statements that are not statements of historical fact should be considered to be forward-looking statements. Although we believe that the forward-looking statements are reasonable, they involve risks and uncertainties, including the risks and uncertainties discussed under the heading "Risks Relating to the Company's Business" in the Company's AIF for the year ended December 31, 2020.

The forward-looking statements contained herein reflect management's current beliefs and are based upon certain assumptions that management believes to be reasonable based on the information currently available to management. By their very nature, forward looking statements involve inherent risks and uncertainties, both general and specific, and a number of factors could cause actual events or results to differ materially from the results discussed in the forward-looking statements. In evaluating these statements, prospective investors should specifically consider various factors including the risks outlined in the Company's most recent annual information form and management discussion and analysis which may cause actual results to differ materially from any forward looking statement. Such risks and uncertainties include, but are not limited to: general economic, market and business conditions, the impact of COVID-19 on the company, its customers and vendors, the cyclical nature of our business and demand for our products, financial condition of our customers, competition, volume and price pressure from import competition, deterioration in the Company's liquidity, disruption in the supply of raw materials, volatility in the costs of raw materials, transportation costs, foreign exchange fluctuations, leverage and restrictive covenants, labour relations, trade actions, dependence on key personnel and skilled workers, intellectual property risks, energy costs, un-insured loss, credit risk, operating risk, management of growth, changes in tax, environmental and other legislation, and other risks and uncertainties set forth in our publicly filed materials.

This MD&A has been reviewed by the Board of Directors of Tree Island and its Audit Committee, and contains information that is current as of the date of this MD&A, unless otherwise noted. Events occurring after that date could render the information contained herein inaccurate or misleading in a material respect. Readers are cautioned not to place undue reliance on this forward-looking information and management of Tree Island undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise except as required by applicable securities law.

2 NON-IFRS MEASURES

References in this MD&A to "EBITDA" are to provide an EBITDA that we define as operating income and adding back total depreciation, foreign exchange gains or losses. EBITDA is not a measure recognized by IFRS and does not have a standardized meaning prescribed by IFRS. We believe that providing an EBITDA is an important supplemental measure for evaluating our performance. You are cautioned that our definition of EBITDA should not be construed as an alternative to net income or loss determined in accordance with IFRS, nor should it be used as an indicator of performance, cash flows from operating, investing and financing activities, as a measure of liquidity or cash flows. Our method of calculating EBITDA may differ from methods used by other issuers and, accordingly, our definition of EBITDA may not be comparable to similar measures presented by other issuers.

3 TREE ISLAND STEEL

Since 1964, Tree Island has been making products from steel wire for a diverse range of customers and applications. Tree Island, following a conversion from an income trust to a corporate entity, was incorporated under the laws of Canada on August 2, 2012, and the units of the income fund were converted to common shares in Tree Island.

There were 28,503,514 Shares outstanding as of December 31, 2020 and 28,481,272 shares outstanding as of March 4, 2021.

3.1 ORGANIZATIONAL STRUCTURE

Our corporate structure has the following primary entities: Tree Island Industries ("TI Canada") which is our Canadian operating company as well as the ultimate parent company to our operations in the United States, which are managed through our U.S. operating subsidiary, Tree Island Wire. ("TI USA").

3.2 PRODUCTS

Tree Island is a manufacturer and supplier of premium quality wire products for a broad range of applications. Our goal is to match the appropriate wire product with our customers' needs. We achieve this by manufacturing most of our products at our own manufacturing facilities, while outsourcing others from qualified manufacturers. We market these products to customers in Canada, the United States and internationally.

We market our products under the following brands:

Our manufactured products offer: consistent, high quality that meet or exceed customers' needs, ASTM standards and applicable codes; broad range of applications; short lead times; technical support and excellent customer service.

The products we source from other suppliers are generally limited to commodity items, or items we do not produce. Products within this group meet general industry specifications, but are not customized to individual customer requirements. Outsourced products allow us to enhance our relationship with those customers that require competitively priced commodity products. These products typically create complementary pull through for our manufactured products.

3.3 MARKETS

The following summarizes the markets, key product groups, the specific end-use markets, and regions we serve with of our products:

Markets	Brand	Key Product Groups	Specific End-Use Markets	Regions
Industrial	Tree Island®, TI Wire®	Bright/galvanized/annealed low and high carbon wire	Wire fabricating, industrial applications, OEM manufacturing	North America and International
Agricultural	Tree Island®, ToughStrand®, ToughPanel™	Game fence and farm fence Vineyard wire, barbed wire and livestock panels	Agriculture, farming	North America
Commercial Construction	Tree Island®, TI Wire®	Welded wire mesh and concrete reinforcing products	Commercial construction, mining, infrastructure projects	North America and International
Residential Construction	Tree Island®, Halsteel®, K-Lath®, True Spec®, ToughPanel™	Collated, bulk and packaged nails, stucco reinforcing mesh and welded wire panels	Construction and renovation for new and existing homes	North America

3.4 SEASONALITY

Our operations are impacted by the seasonal nature of the various industries we serve, primarily the construction and agriculture industries. Accordingly, revenues, sales volumes and operating results for interim quarters are not necessarily indicative of the results that may be expected for the full fiscal year.

4 FULL YEAR 2020 BUSINESS OVERVIEW AND DEVELOPMENT

4.1 BUSINESS OVERVIEW

For the year ended December 31, 2020, revenues increased by $15.5 million to $215.9 million when compared to 2019. The increase is primarily due to higher shipped volumes, with growth in our Agricultural, Industrial and Residential Construction segment sales. While the Company was not directly affected by operational shutdowns, our suppliers and customers may have been impacted by the pandemic. As the end-markets gradually recovered, and started to re-open in the later part of the year, we experienced an increase in demand. Gross profit increased to $25.9 million, from $17.8 million, and gross margin was higher at 12.0%, as compared to 8.9% in 2019. The increased gross profit for the period is primarily the result of higher sales volume, improved efficiencies, operating leverage from increased volumes and cost management. The higher gross margins also resulted in an EBITDA of $17.8 million, compared to $7.6 million during the same period in 2019.

During 2020 our new fence machine came online. This investment continues to support our long-term objectives and strengthen our market and cost leadership positions in our agricultural market segment and provides our customers with a one-stop shop experience for a more complete product offering.

4.2 COVID-19 DEVELOPMENT

2020 highlighted the critical importance of employee safety and wellbeing, as we carefully navigated through the impact of COVID-19 on global health, end-market and customer impacts, and the gradual recovery with the reopening of the economy. Throughout, we continued to focus on employee safety, directly aligning our health and safety programs with the respective health authorities and government mandates in the jurisdictions that we operate.

As 2020 progressed, we experienced an increase in market demand, supported by the economic recovery. While remaining cautious regarding the long-term effects of the pandemic, we anticipate recovery in the markets and geographies we serve, supporting investments we have made in our people, equipment and infrastructure, to deliver improved financial results.

5 RESULTS FROM OPERATIONS

($'000 unless otherwise stated)

	Year Ended December 31, 2020	2019	2018
Revenue	215,894	200,405	235,306
Cost of sales	(184,008)	(176,407)	(205,977)
Depreciation	(6,036)	(6,227)	(3,492)
Gross profit	25,850	17,771	25,837
Selling, general and administrative expenses	(13,954)	(15,757)	(16,646)
Operating income	11,896	2,014	9,191
Foreign exchange gain (loss)	(173)	(676)	706
Gain (loss) on property, plant and equipment	5	5	(664)
Restructuring and other expenses	(217)	(1,901)	(903)
Changes in financial liabilities recognized at fair value	-	(1)	(67)
Financing expenses	(4,335)	(4,662)	(3,500)
Income (loss) before income taxes	7,176	(5,221)	4,763
Current income tax (expense) recovery	(1,647)	(14)	(332)
Deferred income tax (expense) recovery	(398)	45	(1,838)
Net income (loss)	5,131	(5,190)	2,593
Net income/ (loss) per share	0.18	(0.18)	0.09
Dividends per share	0.08	0.08	0.08

Financial position as at:	December 31, 2020	2019	2018
Total assets	146,549	159,122	158,449
Total non-current financial liabilities	71,236	85,627	71,725

6 EBITDA

($'000 unless otherwise stated)

	Year Ended December 31, 2020	2019	2018
Operating income (loss)	11,896	2,014	9,191
Add back depreciation	6,036	6,227	3,492
Foreign exchange gain (loss)	(173)	(676)	706
EBITDA[1]	17,759	7,565	13,389

[1] *See definition of EBITDA in Section 2* NON-IFRS MEASURES*.*

7 COMPARISON OF RESULTS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

($'000 unless otherwise stated)	**2020**	**2019**	**Variance Fav/(Unfav)**	
SALES	215,894	200,405	15,489	7.7%

The increase in revenues over the prior year, by 7.7%, is primarily attributable to higher sales volumes in our Agricultural, Industrial and Residential Construction segments. This comes as result of increased market demand especially in the second half of 2020.

Revenue by Market Segment
($'000 unless otherwise stated)

	Years Ended December 31,					
	2020		2019		Variance	
	Revenue	% of Total	Revenue	% of Total	Amount	%
Industrial	77,359	35.8%	67,358	33.6%	10,001	5.0%
Commercial	47,102	21.8%	51,348	25.6%	(4,246)	(2.1%)
Agricultural	32,068	14.9%	27,134	13.5%	4,934	2.5%
Residential	59,365	27.5%	54,565	27.3%	4,800	2.4%
Total revenue	215,894	100.0%	200,405	100.0%	15,489	7.7%

Revenues generated from the Commercial market segment, primarily impacting Canada, decreased in 2020 over the same period last year as a result of lower demand, following the pandemic-related temporary closures and restrictions of operations for certain customers and projects. U.S. revenues increased due to increasing demand in products compared to the prior year, particularly the Industrial markets. Additionally, Agricultural product demand was higher in 2020 than the prior year.

Revenue by Location
($'000 unless otherwise stated)

	Years Ended December 31,					
	2020		2019		Variance	
	Revenue	% of Total	Revenue	% of Total	Amount	%
United States	138,022	63.9%	120,497	60.1%	17,525	14.5%
Canada	70,207	32.5%	72,528	36.2%	(2,321)	(3.2%)
International	7,665	3.6%	7,380	3.7%	285	3.9%
Total	215,894	100.0%	200,405	100.0%	15,489	7.7%
Average C$/U.S.$	1.3540		1.3269			

($'000 unless otherwise stated)	**2020**	**2019**	**Variance Fav/(Unfav)**	
COST OF SALES	184,008	176,407	(7,601)	(4.3%)

The cost of goods sold increased when compared to prior year due to higher sales volumes in the year, offset by lower raw material costs.

($'000 unless otherwise stated)	2020	2019	Variance Fav/(Unfav)	
GROSS PROFIT	25,850	17,771	8,079	45.5%

Gross profit increased to $25.9 million, from $17.8 million, and gross margin was higher at 12.0%, as compared to 8.9% in 2019. The increased gross profit for the period is primarily the result of higher sales volume, improved efficiencies, operating leverage from increased volumes and cost management.

($'000 unless otherwise stated)	2020	2019	Variance Fav/(Unfav)	
SG&A EXPENSES	13,954	15,757	1,803	11.4%

SG&A expenses are lower when compared to prior year, the result of cost reduction actions taken.

($'000 unless otherwise stated)	2020	2019	Variance Fav/(Unfav)	
FINANCING EXPENSES	4,335	4,662	327	7.0%

Financing expenses decreased primarily from reduced interest on the Senior Credit Facility due to lower balances which was offset by an increase due to non-recurring accretion charge of $1.3 million related to the settlement of the long term debt during the period (see section 9.4 of this MD&A).

Financing Expense

($'000 unless otherwise stated)	Years Ended December 31,			
			Variance Fav / (Unfav)	
	2020	2019	Amount	%
Interest on senior credit facility	703	1,637	934	57.1%
Interest on lease liability	1,347	1,417	70	4.9%
Other interest and financing costs	587	805	218	27.1%
Deferred financing costs	19	36	218	47.2%
Subtotal cash interest	2,656	3,895	1,239	31.8%
Long term debt accretion	1,679	767	(912)	(118.9%)
Total financing expenses	4,335	4,662	327	7.0%

($'000 unless otherwise stated)	2020	2019	Variance Fav/(Unfav)	
FOREIGN EXCHANGE	(173)	(676)	503	74.4%

Our Canadian operation, whose functional currency is the Canadian dollar, has a portion of its assets, liabilities, sales and expenses denominated in currencies other than the Canadian dollar, in particular the U.S. dollar. With raw material costs being denominated in U.S. dollars, having a significant portion of our sales also being denominated in U.S. dollars creates a natural partial hedge. Foreign currency forward contracts are used to manage a portion of the remaining currency risk. Foreign exchange gains and losses are unpredictable in nature and therefore can vary significantly over time. As at December 31, 2020, the Company did not have any U.S. dollar currency forward contracts outstanding.

($'000 unless otherwise stated)	2020	2019	Variance Fav/(Unfav)	
INCOME TAX RECOVERY (EXPENSE)	(2,045)	31	(2,076)	(6,696.8%)

The income tax expense for 2020 is based on a statutory rate of 27% for Canadian taxable income and 21% for U.S. based taxable income applied to the income of the respective subsidiaries before taxes, with adjustments for permanent differences between accounting and taxable income. The increase in tax expense is due to the increase in income before income taxes.

($'000 unless otherwise stated)	**2020**	**2019**	**Variance Fav/(Unfav)**	
NET INCOME (LOSS)	5,131	(5,190)	10,321	198.9%

The net income over the prior year is attributable to the higher gross profit and lower SG&A expenses compared to prior year.

8 FINANCIAL CONDITION AND LIQUIDITY

8.1 WORKING CAPITAL

A summary of the composition of our working capital as at December 31, 2020 compared to 2019 is provided below:

Working Capital
($'000 unless otherwise stated)

	As at December 31,	
	2020	2019
Cash	1,245	907
Accounts receivable	24,819	24,250
Inventories	46,808	55,034
Other current assets	3,209	3,759
Total current assets	76,081	83,950
Accounts payable and accrued liabilities	(17,770)	(18,402)
Dividends payable	(570)	(577)
Other current liabilities	(1,480)	(238)
Total current liabilities	(19,820)	(19,217)
Net working capital	56,261	74,583

Our business requires an ongoing investment in working capital, comprised primarily of accounts receivable and inventories, financed primarily by credit in the form of accounts payable and accrued liabilities. Our largest investment in working capital is in our inventories. We have arrangements with our key suppliers to provide us with financing or trade credit for the purchase of the raw materials needed for our operations.

Our investment in working capital fluctuates from quarter-to-quarter based on factors such as seasonal sales demand, strategic purchasing decisions taken by management, and the timing of collections from customers and payments made to our suppliers. The construction and agricultural markets are seasonal in nature. As a result, sales and working capital requirements may be higher in the first three quarters when demand is historically highest.

Accounts receivable as at December 31, 2020 was slightly higher than the same period last year, reflecting the increase in sales in Q4 2020 compared to the same period in the prior year.

Inventory levels were lower as at December 31, 2020 when compared to the same period in 2019 as a result of increased sales in the year, improving the turnover of inventory, planned reduction in levels of raw materials, and other inventories on hand.

Our objective for managing the investment in working capital is to maximize the turnover of productive current assets, being accounts receivable and inventories. We work with our key vendors to use vendor credit when available on advantageous terms.

We manage our inventories with an emphasis on a continuous inflow of raw materials to meet our production needs balanced with strategic purchases, barring unforeseen events such as the pandemic, impacting potential end markets. We have also established processes to regularly adjust the production levels of finished goods stocked in our warehouses so that we can both satisfy customer needs, growth requirements and meet our objective of maintaining adequate inventories on hand.

We manage our accounts receivable and the related credit risk by focusing on the credit worthiness of customers by assigning credit scores supplied by a third party and through direct monitoring of their financial well-being on a continual basis. We have established guidelines for customer credit limits and appropriate precautions are taken to improve collectability or limit increasing credit exposure. We maintain provisions for potential credit losses (allowance for doubtful accounts) and such losses to date have been within our expectations.

8.2 CASH FLOW

Cash Flow
($'000 unless otherwise stated)

	Years Ended December 31,	
	2020	2019
Cash provided by operating activities	15,744	5,127
Working capital adjustments	8,939	21,085
Net cash provided by (used in) operating activities	24,674	26,212
Net cash used in investing activities	(1,922)	(1,942)
Advance on (repayment of) senior term loans	5,245	(1,970)
Repayment of long-term debt	(7,895)	(2,224)
Lease interest paid	(1,347)	(1,417)
Interest paid	(1,400)	(2,504)
Advance on (repayment of) senior revolving facility	(12,451)	(11,634)
Dividend paid	(2,297)	(2,320)
Lease principal paid	(1,607)	(1,714)
Share buybacks	(631)	(721)
Other	(16)	(86)
Net cash provided by (used in) financing activities	(22,399)	(24,590)
Exchange rate changes on foreign cash balances	(15)	(50)
Increase (decrease) in cash balances	338	(370)

For the 2020 year, net cash from operating activities has decreased compared to prior year, as a result of a smaller reduction of inventory in 2020 when compared to 2019. The net cash used in investing activities was from capital investments which are further described in Section 9. The net cash used by financing activities was mainly due to repayments on the senior revolving facility, long terms debt and lease obligations.

8.3 SENIOR CREDIT FACILITY

On July 1, 2018, the Company renewed its senior secured committed banking facility, maturing in June of 2023, which enables the Company to borrow up to $80.0 million in Canadian and/or U.S. funds. Interest payable on funds borrowed in Canadian currency is at variable rates. Interest payable on funds borrowed in U.S. currency is at variable rates. For the revolving facility, up to $60 million may be borrowed at any time in Canadian and/or U.S. dollars with the amount advanced under the revolving facility limited to a defined percentage of inventories, accounts receivable, machinery and equipment, and real estate, less certain reserves. In addition, up to $20 million may be borrowed as term debt, in Canadian and/or U.S. dollars for financing existing machinery and equipment and future term debt requirements.

The Senior Credit 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. The Senior Credit Facility has defined covenants, the primary one being based on the remaining funds within the Senior Credit Facility that is available ("Availability Test"). Only if this amount falls below a certain threshold, then other covenants, which include a defined fixed charge coverage ratio, are tested. In addition, there are other restrictive covenants that limit the discretion of management with respect to certain business matters.

On September 17, 2020, the Company advanced from its senior facility a new eight year term debt of $7.2 million and the funds were used to settle the long-term debt agreement in full (see note 9.2 of the audited consolidated financial statements).

As at December 31, 2020 the Company was in compliance with its covenants on the Senior Credit Facility.

8.4 LONG TERM DEBT AGREEMENT

As noted above, the long-term debt agreement was settled in full, on September 17, 2020, using funds from the term debt advanced under the Company's senior facility. As part of the settlement, all encumbrances were discharged and released. The difference between the value on the financial statements and the amount paid is $1.3 million and is recognized as accretion. See Note 10 in the audited consolidated financial statements for further detail.

9 CAPITAL EXPENDITURES AND CAPACITY

For the full year ended December 31, 2020, we made capital expenditures of $1.9 million. These expenditures were for capital maintenance activities and new manufacturing equipment.

10 CONTRACTUAL OBLIGATIONS AND COMMITMENTS

As of December 31, 2020, we were committed to the contracts, operating leases and debt repayments (including scheduled interest payments on interest bearing debt) set out below, which will be financed through working capital and our Senior Credit Facility.

The production materials include raw materials, such as wire rod and zinc, and finished goods. The raw materials, wire rod and zinc, are used in the day-to-day operations of our manufacturing facilities and are in the normal course of our business activities. Finished goods are purchased for resale without further processing and are also in the normal course of our business activities. All committed production materials are to be delivered prior to the end of Q2 2021.

From time to time, we make investments to update, replace or make additions to our existing capital assets, which includes, but is not limited to, the buildings we occupy and capital equipment. These investments are in the normal course of our business activity. For the capital assets we have committed to purchase but have not yet received, amounts remaining to be paid are purchase commitments.

From time to time, the Company enters into U.S. dollar currency forward contracts for periods consistent with a portion of U.S. dollar currency transaction exposures, generally from one to three months. These are not designated as cash flow, fair value or net investment hedges. As of December 31, 2020, the Company did not have any U.S. dollar currency forward contracts outstanding.

Contractual Obligations and Commitments

($'000 unless otherwise stated)

	2021	2022	2023	2024	2025	Thereafter	Total
Production materials	40,175	-	-	-	-	-	40,175
AP and accrued liabilities	17,770	-	-	-	-	-	17,770
Other current liabilities	97	-	-	-	-	-	97
Dividends	570	-	-	-	-	-	570
Lease liabilities	2,837	2,888	2,542	2,409	2,374	31,676	44,725
Senior revolving facility	-	-	-	25,398	-	-	25,398
Senior term loans (principal)	633	2,825	2,825	2,825	2,825	2,775	14,708
Senior term loans (interest)	116	408	322	237	152	97	1,332
Total financial liabilities	22,023	6,121	5,689	30,869	5,351	34,548	104,600
Total obligations and commitments	62,198	6,121	5,689	30,869	5,351	34,548	144,775

11 COMPARISON OF RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2020 and 2019

($'000 unless otherwise stated)

	Three Months Ended December 31, 2020	2019
Revenue	54,197	45,144
Cost of sales	(46,105)	(40,046)
Depreciation	(1,487)	(1,616)
Gross profit	6,605	3,482
Selling, general and administrative expenses	(3,397)	(3,967)
Operating income (loss)	3,208	(485)
Foreign exchange gain (loss)	(226)	(490)
Gain (loss) on property, plant and equipment	-	5
Restructuring and other expenses	(20)	(1,419)
Changes in financial liabilities recognized at fair value	-	(1)
Financing expenses	(590)	(1,072)
Income (loss) before income taxes	2,372	(3,462)
Current income tax (expense) recovery	(763)	217
Deferred income tax (expense) recovery	81	46
Net income (loss)	1,690	(3,199)
Net income per share	0.06	(0.11)
Dividends per share	0.02	0.02

($'000 unless otherwise stated)	**Q4 2020**	**Q4 2019**	**Variance Fav/(Unfav)**	
SALES	54,197	45,144	9,053	20.1%

Revenue for the quarter increased by 20.1% primarily due to increased volumes compared to the same time in 2019.

($'000 unless otherwise stated)	**Q4 2020**	**Q4 2019**	**Variance Fav/(Unfav)**	
COST OF SALES	46,105	40,045	(6,060)	(15.1%)

The cost of goods sold increased in Q4 2020 when compared to the same period last year based on higher sales volumes in the period offset by lower raw material costs.

($'000 unless otherwise stated)	**Q4 2020**	**Q4 2019**	**Variance Fav/(Unfav)**	
GROSS PROFIT	6,605	3,483	3,122	89.6%

Gross profit for the fourth quarter increased to $6.6 million, from $3.5 million in the same period in 2019, as a result of increased sales volumes, operating leverage from increased volumes and cost management.

($'000 unless otherwise stated)	**Q4 2020**	**Q4 2019**	**Variance Fav/(Unfav)**	
SG&A EXPENSES	3,397	3,967	570	14.4%

SG&A expenses are lower when compared to prior year, as the result of cost reduction actions taken.

($'000 unless otherwise stated)	**Q4 2020**	**Q4 2019**	**Variance Fav/(Unfav)**	
FINANCING EXPENSES	590	1,072	482	45.0%

Financing expenses for the quarter decreased primarily due to the reduction in accretion expenses as a result of the settlement of the long term debt during Q3 2020. See section 8.4 of this MD&A for additional details.

($'000 unless otherwise stated)	**Q4 2020**	**Q4 2019**	**Variance Fav/(Unfav)**	
FOREIGN EXCHANGE	(226)	(490)	264	53.9%

Our Canadian operation, whose functional currency is the Canadian dollar, has a portion of its assets, liabilities, sales and expenses denominated in currencies other than the Canadian dollar, in particular the U.S. dollar. With raw material costs being denominated in U.S. dollars, having a significant portion of our sales also being denominated in U.S. dollars creates a natural partial hedge. Foreign currency forward contracts are used to manage a portion of the remaining currency risk. Foreign exchange gains and losses are unpredictable in nature and therefore can vary significantly over time. As at December 31, 2020, the Company did not have any U.S. dollar currency forward contracts outstanding.

($'000 unless otherwise stated)	**Q4 2020**	**Q4 2019**	**Variance Fav/(Unfav)**	
INCOME TAX (EXPENSE)	(682)	263	(945)	(359.3%)

The income tax expense for Q4 2020 is based on the Canadian statutory rate of 27%, with adjustments for permanent differences between accounting and taxable income. The increase in tax expense in the three months ending December 31, 2020 was due to the increased in income before taxes, compared to the same period last year.

($'000 unless otherwise stated)	**Q4 2020**	**Q4 2019**	**Variance Fav/(Unfav)**	
NET INCOME (LOSS)	1,690	(3,198)	4,888	152.8%

The net income before income taxes in Q4 2020 was higher due increased sales volumes, improved gross profit, lower sales, general and administrative expenses and decreased financing expenses compared to the prior period.

12 EBITDA

($'000 unless otherwise stated)	Three Months Ended December 31, 2020	2019
Operating income (loss)	3,208	(485)
Add back depreciation	1,487	1,616
Foreign exchange gain (loss)	(226)	(490)
EBITDA[2]	4,469	641

13 SUMMARY OF QUARTERLY FINANCIAL RESULTS

The table below provides selected quarterly financial information for the eight most recent fiscal quarters to December 31, 2020. Sales volumes in the fourth quarter of the year are traditionally lower in the year due to the seasonality of our business. Quarter-over-quarter results may also be impacted by unusual or infrequently occurring items.

Summary of Quarterly Financial Results

($'000 unless otherwise stated)	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019
Revenue	54,199	53,236	50,466	57,993	45,144	49,701	52,618	52,942
Gross profit	6,607	6,684	5,945	6,614	3,482	4,623	4,912	4,754
Foreign exchange gain (loss)	(226)	(383)	(294)	730	(490)	70	(85)	(171)
Net income (loss)	1,682	520	1,100	1,829	(3,199)	(359)	(536)	(1,096)
Net income (loss) per unit - basic	0.05	0.02	0.04	0.6	(0.11)	(0.01)	(0.02)	(0.04)

Commentary:

- In Q2 and Q3 2019, aggressive pricing had a negative impact on revenue and margins.
- During the second half of 2018 and first half of 2019, volumes in the Industrial markets were impacted by reduced demand.
- Q4 2019 includes restructuring charges of $1.4 million, of which $1.15 million relates to termination benefits paid to the former CEO in accordance with his employment contract.
- During Q1 2020, increased demand resulted in improved gross profits earned.
- In Q2 2020 lower sales from the impacts of COVID-19 were offset by proactive cost management measures including decreases in expenditures and improved product mix.
- In Q3 and Q4 2020 sales increased as a result of improved demand after the initial pandemic related reductions in demand and temporary closures of certain customer and project sites.

These financial results are not necessarily indicative of results for any future period and should not be relied upon to predict future performance.

[2] *See definition of EBITDA in Section 2* NON-IFRS MEASURES*.*

14 ACCOUNTING POLICIES AND STATEMENTS

Certain of our accounting policies involve critical accounting estimates that require us to make subjective or complex judgments about matters that are inherently uncertain and because of the likelihood that materially different amounts could be reported under differing conditions or using different assumptions. We evaluate these estimates and assumptions regularly.

Our significant accounting policies are described in Note 3 of the December 31, 2020 Consolidated Financial Statements and in the Annual Information Form for the year ended December 31, 2020.

14.1 CRITICAL ACCOUNTING ESTIMATES

The areas that we consider to have critical accounting estimates are: financial instruments valued at fair value through profit and loss, inventory valuation, allowance for doubtful accounts, property, plant and equipment, lease discount rates applied and useful life assessment. These critical estimates and the judgments involved are discussed further in Note 3 to the audited Consolidated Financial Statements for December 31, 2020.

14.2 CHANGES IN ACCOUNTING POLICIES

At this time, new standards, interpretations or amendments to existing accounting standards are either not applicable or not expected to have a significant impact on Tree Island's consolidated financial statements.

15 RELATED PARTY TRANSACTIONS

15.1 TRANSACTIONS WITH ASSOCIATED COMPANIES

The Futura Corporation ("Futura") is considered to be a related party to the Company because of its share ownership interest and the fact that Mr. Doman, the sole shareholder and president of Futura, and Mr. Rosenfeld, the Executive Vice President of Futura, sit on the Board of Directors.

Based on Tree Island Steel's outstanding Shares as at March 4, 2021, Futura owns 33.9% of the fully diluted Shares of the Company.

In addition, Mr. Doman is Chairman and CEO of CanWel Building Materials Group Ltd. ("CanWel"). For the twelve months ended December 31, 2020, Tree Island sold, net of rebates, approximately $2.7 million ($3.2 million in 2019) of goods to CanWel and trade accounts receivable owing from CanWel as at December 31, 2020 is approximately $0.2 million (approximately $53 thousand in 2019). Outstanding trade accounts receivable from CanWel at period end are unsecured, interest free and settlement occurs in cash.

15.2 TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Included in the definition of key management for purposes of disclosure of related party transactions are members of Board of Directors and officers of Tree Island Steel. Amounts for key management personnel for the year ended December 31, 2020 were approximately $1.2 million ($3.0 million approximately in 2019) which includes wages, salaries and retirement contributions, paid annual and sick leave, vehicle costs and bonuses for retired key management and also includes directors' fees paid to members of the Board.

16 RISKS AND UNCERTAINTIES

Investment in Tree Island Steel is subject to a number of risks. Our income is dependent upon the wire products business, which is susceptible to a number of risks. Risks pertaining to current economic conditions are discussed in the section above under the heading "*2020 Business Overview and Development*". A detailed discussion of our significant business risks is provided in the 2020 Annual Information Form under the heading "Risk Factors" which can be found at www.sedar.com.

17 DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for designing disclosure controls and procedures that (a) provide reasonable assurance that material information required to be disclosed by us is accumulated and communicated to management to allow timely decisions regarding required disclosure; and (b) ensure that information required to be disclosed by us is recorded, processed, summarized, and reported within the time periods specified in applicable securities legislation.

Our management is responsible for designing, establishing, and maintaining an adequate system of internal control over financial reporting. Our internal control system was designed based on the 2013 Internal Control – Integrated Framework ("2013 COSO Framework") published by the Committee of Sponsoring Organizations of the Treadway Commission to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes, in accordance with IFRS.

Our management, with the participation of the Chief Financial Officer and President and Chief Operating Officer, has conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2020 based on the 2013 COSO Framework. Based on that evaluation, management concluded that our internal control over financial reporting, as defined by National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings*, is effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS.

Our Chief Financial Officer and President and Chief Operating Officer certified the appropriateness of the financial disclosures in the annual financial report together with the other financial information included in the annual filings for the year ended December 31, 2020. These executives also certified that they are responsible for the design and effectiveness of disclosure controls and procedures and internal control over financial reporting.

The Company's Board of Directors and Audit Committee reviewed and approved the December 31, 2020 consolidated financial statements and this MD&A prior to its release.

CONSOLIDATED FINANCIAL STATEMENTS

MANAGEMENT'S STATEMENT OF RESPONSIBILITY

The accompanying consolidated financial statements are the responsibility of management and have been reviewed and approved by the Board of Directors. The consolidated financial statements have been prepared by management, in accordance with the International Financial Reporting Standards and, where appropriate, reflect management's best estimates and judgements. Management has also prepared financial and all other information in the annual report and has ensured that this information is consistent with the consolidated financial statements.

The Company maintains appropriate systems of internal control, policies and procedures, which provide management with reasonable assurance that assets are safeguarded and the financial records are reliable and form a proper basis for preparation of the consolidated financial statements.

The Board of Directors ensures that management fulfills its responsibilities for financial reporting and internal control through an Audit Committee. This committee reviews the consolidated financial statements and reports to the Directors. The auditors have full and direct access to the Audit Committee.

The consolidated financial statements have been independently audited by KPMG LLP, in accordance with Canadian generally accepted auditing standards. Their report below expresses their opinion on the consolidated financial statements of the Company.

Remy Stachowiak	Nancy Davies
President and Chief Operating Officer	Chief Financial Officer

KPMG LLP
Chartered Professional Accountants
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada

Telephone (604) 691-3000
Fax (604) 691-3031
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Tree Island Steel Ltd.,

Opinion

We have audited the accompanying consolidated financial statements of Tree Island Steel Ltd. (the Company), which comprise:

- the consolidated statements of financial position as at December 31, 2020 and December 31, 2019;
- the consolidated statements of operations for the years then ended;
- the consolidated statements of comprehensive income (loss) for the years then ended;
- the consolidated statements of shareholders' equity for the years then ended;
- the consolidated statements of cash flows for the years then ended;
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2020 and December 31, 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *"**Auditors' Responsibilities for the Audit of the Financial Statements**"* section of our auditors' report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our auditors' report.

Assessment of finished and semi-finished products inventory cost

Description of the Key Audit Matter

We draw attention to Notes 3.4 and 6 to the consolidated financial statements. The finished and semi-finished products inventory cost is $20.5 million. The Entity records finished and semi-finished products inventory at the lower of weighted average cost and net realizable value. The cost for finished and semi-finished products includes direct costs incurred in production including direct labour, materials, freight, depreciation and directly attributable overhead costs and indirect overhead costs based on normal operating capacity. The Entity uses the standard cost method to measure the cost of finished and semi-finished products as this method approximates the weighted average cost.

Why the matter is a Key Audit Matter

We identified the assessment of the finished and semi-finished products inventory cost as a key audit matter. This matter required significant auditor attention given the magnitude of the finished and semi-finished products inventory balance, number of products, and number of inputs used to determine the weighted average costs.

How the matter was addressed in the audit

The primary procedures we performed to address this key audit matter included the following:

- We evaluated the design and tested the operating effectiveness of certain controls over the:
  - (a) approval of inputs used in the determination of weighted average costs for finished and semi-finished products inventory on a product by product basis;
  - (b) calculation of the weighted average costs of finished and semi finished products; and
  - (c) comparison of standard costs to actual costs for finished and semi-finished products including testing the inputs used in the performance of the control.

- We compared the aggregate actual costs used to produce all the finished and semi-finished products inventory to the aggregate standard cost amount of the finished and semi-finished products inventory.

Other Information

Management is responsible for the other information. Other information comprises:

- Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair representation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG LLP

Chartered Professional Accountants

The engagement partner on the audit resulting in this auditors' report is Andrew James.

Vancouver, Canada
March 4, 2021

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
($'000 unless otherwise stated)

	As at December 31, 2020	As at December 31, 2019
Cash	1,245	907
Accounts receivable *(Notes 5, 13.1)*	24,819	24,250
Inventories (*Note* 6*)*	46,808	55,034
Prepaid and other current assets	3,209	3,332
Income taxes recoverable	-	427
Current assets	76,081	83,950
Property, plant and equipment *(Notes 7, 20.2)*	43,067	44,980
Right of use assets *(Note 8)*	25,982	28,700
Other non-current assets	1,419	1,492
Total assets	146,549	159,122
Accounts payable and accrued liabilities	17,770	18,402
Income taxes payable	1,383	-
Other current liabilities	97	238
Dividends payable	570	577
Current portion of senior term debt *(Notes 9.2)*	2,825	4,057
Current portion of lease liabilities *(Note 8)*	1,599	1,568
Current liabilities	24,244	24,842
Senior revolving facility *(Note 9.1)*	25,398	38,162
Senior term loans *(Note 9.2)*	13,215	9,234
Long-term debt *(Note 10)*	-	4,010
Lease Liability *(Note 8)*	28,549	30,517
Other non-current liabilities	491	518
Deferred income tax liability *(Note 15.2)*	3,583	3,186
Total liabilities	95,480	110,469
Shareholders' equity	51,069	48,653
Total liabilities and shareholders' equity	146,549	159,122

See accompanying Notes to the Consolidated Financial Statements

Approved on behalf of Tree Island Steel.

[Signed]
"Amar S. Doman"
Executive Chairman of the Board

CONSOLIDATED STATEMENTS OF OPERATIONS
($'000 unless otherwise stated)

	Years Ended December 31, 2020	2019
Sales *(Notes 5, 13.1, 21)*	215,894	200,405
Cost of sales *(Note* 6*)*	(184,008)	(176,407)
Depreciation	(6,036)	(6,227)
Gross profit	25,850	17,771
Selling, general and administrative expenses	(13,954)	(15,757)
Operating income	11,896	2,014
Foreign exchange gain (loss)	(173)	(676)
Gain (loss) on sale of property, plant and equipment	5	5
Restructuring and other expenses	(217)	(1,901)
Changes in financial liabilities at fair value	-	(1)
Financing expenses *(Note 11)*	(4,335)	(4,662)
Income (loss) before income taxes	7,176	(5,221)
Current income tax recovery (expense) *(Note 15)*	(1,647)	(14)
Deferred income tax recovery (expense) *(Note 15)*	(398)	45
Net income (loss)	5,131	(5,190)
Net income (loss) per share *(Note 19)*	0.18	(0.18)
Dividends per share	0.08	0.08
Weighted average number of shares *(Note 19)*	28,773,322	29,037,981

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
($'000 unless otherwise stated)

	Years Ended December 31, 2020	2019
Net income (loss) for the year	5,131	(5,190)
Unrealized gain (loss) on foreign exchange	207	(40)
Comprehensive income (loss)	5,338	(5,230)

See accompanying Notes to the Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
($'000 unless otherwise stated)

	Shareholders' Capital *(Note 12)*	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balance as at December 31, 2019	223,994	(172,566)	(2,775)	48,653
Repurchase of shares	(631)	-	-	(631)
Net income	-	5,131	-	5,131
Dividends	-	(2,291)	-	(2,291)
Other comprehensive income (loss)	-	-	207	207
Balance as at December 31, 2020	223,363	(169,726)	(2,568)	51,069
Balance as at December 31, 2018	224,715	(163,354)	(2,735)	58,626
Accounting policy change	-	(1,708)	-	(1,708)
Repurchase of shares	(721)	-	-	(721)
Net loss	-	(5,190)	-	(5,190)
Dividends	-	(2,314)	-	(2,314)
Other comprehensive income (loss)	-	-	(40)	(40)
Balance as at December 31, 2019	223,994	(172,566)	(2,775)	48,653

See accompanying Notes to the Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF CASH FLOWS
($'000 unless otherwise stated)

	Years Ended December 31, 2020	2019
Net income (loss)	5,131	(5,190)
Depreciation	6,036	6,227
Changes in financial liabilities recognized at fair value	-	1
Loss (Gain) on sale of property, plant and equipment	(5)	(5)
Net financing costs	4,335	4,662
Deferred income tax expense (recovery)	398	(45)
Exchange revaluation of foreign denominated debt (Note 9 and 10)	(161)	(523)
Working capital adjustments		
Accounts receivable	(569)	(122)
Inventories	8,262	26,275
Accounts payable and accrued liabilities	(570)	(4,616)
Prepaid expenses	181	(47)
Income and other taxes	1,647	(980)
Other	(10)	275
Net cash provided by operating activities	24,675	26,212
Government incentive grants	799	201
Purchase of property, plant and equipment	(2,721)	(2,143)
Net cash used in investing activities	(1,922)	(1,942)
Term loans – advances (repayment), net (Note 9.2)	5,245	(1,970)
Repayment of long-term debt (Note 10)	(7,896)	(2,224)
Other financing liabilities	-	(47)
Lease interest paid	(1,347)	(1,417)
Lease principal payments	(1,607)	(1,714)
Other interest paid	(1,400)	(2,504)
Deferred financing fees	(16)	(39)
Repayment of senior revolving facility	(12,451)	(11,634)
Dividend paid	(2,297)	(2,320)
Repurchase of common shares	(631)	(721)
Net cash used in financing activities	(22,400)	(24,590)
Effect of exchange rate change on cash	(15)	(50)
Increase (decrease) in cash	338	(370)
Cash - beginning of year	907	1,277
Cash - end of year	1,245	907

See accompanying Notes to the Consolidated Financial Statements

1 NATURE OF BUSINESS

These consolidated financial statements of Tree Island Steel (”Tree Island” or the “Company”) for the years ended December 31, 2020 and 2019 were authorized for issue in accordance with a resolution of the Board of Directors on March 4, 2021.

The Company is headquartered at 3933 Boundary Road, Richmond, British Columbia, Canada and the common shares of the Company (“Shares”) are publicly traded on the Toronto Stock Exchange (“TSX”) under the symbol TSL.

Tree Island Steel owns 100% of the shares of Tree Island Industries (“TI Canada”) (collectively “Tree Island”). TI Canada supplies a diverse range of steel wire and fabricated steel wire products to customers in Canada, the United States, and internationally.

2 BASIS OF PREPARATION

2.1 BASIS OF PREPARATION

The consolidated financial statements as at and for the years ended December 31, 2020 and 2019 have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments categorized as fair value through profit or loss.

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company, TI Canada, and TI Canada’s wholly-owned subsidiaries, Tree Island Wire Holdings. (“TIWH”) and Tree Island Wire. (“TI USA”). Intercompany accounts and transactions have been eliminated on consolidation.

2.3 FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The functional and presentation currency of the Company is the Canadian dollar. The functional currency of TI Canada is the Canadian dollar and the functional currency of TI USA and TIWH is the U.S. dollar. All amounts have been rounded to the nearest thousand, except as otherwise indicated.

3 SIGNIFICANT ACCOUNTING POLICIES, CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The accounting policies applied in the preparation of these consolidated financial statements are set out below:

3.1 CHANGES IN ACCOUNTING POLICIES

Tree Island prepares its audited consolidated financial statements in accordance with IFRS. At this time, new standards, interpretations or amendments to existing accounting standards are either not applicable or not expected to have a significant impact on Tree Island’s audited consolidated financial statements.

3.2 REVENUE RECOGNITION

Tree Island recognizes revenue on the sale of goods when control passes to the buyer, which is typically when the product is shipped. Revenue related to contract manufacturing (also known as tolling) is recognized at the point at which the items are ready to ship to the customer. For both the sale of goods and contract manufacturing, revenue is stated net of early payment discounts, freight where applicable, and rebates granted.

Early payment discounts are recognized on an invoice-by-invoice basis (not in aggregate) prior to the early payment date, and if the early payment date lapses without payment being made, the early discount amount forfeited will be recognized as revenue.

Volume rebates discounts are recognized separately for each customer by first estimating the rebate payable for the year based on the most likely amount method and allocating the expected rebates proportionately to each performance obligation.

3.3 CASH

Cash is comprised of bank balances, including outstanding items in deposit and net of outstanding disbursement accounts, cash balances in excess of revolving credit outstanding on the Senior Credit Facility (as defined in Note 9) and cash on hand.

3.4 INVENTORIES

Raw materials and consumable supplies and spare parts inventories are stated at the lower of weighted average cost and net realizable value. Finished and semi-finished products are stated at the lower of weighted average cost and net realizable value. Cost for finished and semi-finished products includes direct costs incurred in production including direct labour, materials, freight, depreciation and directly attributable overhead costs and indirect overhead costs based on normal operating capacity. The standard cost method is used to measure the cost of finished and semi-finished products as this method approximates the weighted average cost. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs to sell. Consumable supplies and spare parts are inventories that are expected to be consumed in operations.

3.5 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

No depreciation is charged on capital projects during the period of construction. Costs are recognized net of government incentives. Regular repair and maintenance costs are recognized in the consolidated statement of operations as incurred. Depreciation is determined using the straight-line method over the estimated useful lives of the depreciable assets. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. Depreciation methods, asset residual values and useful lives are reviewed annually and adjusted prospectively as required.

Depreciation is calculated over the following rates:

Land	not depreciated
Buildings and improvements	19 to 30 years
Leasehold improvements	based on the term of the respective lease
Machinery and equipment	3 to 20 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of operations when the asset is derecognized.

3.6 LEASES

RIGHT-OF-USE ASSETS

Tree Island recognizes a right-of-use (ROU) asset and a lease liability at the commencement date of the lease. The right-of-use asset is initially measured at cost on the lease commencement date which comprises of:

- The initial amount of the lease liability;
- Any lease payments made at or before the commencement date, less any lease incentive received,
- Any initial direct costs incurred by Tree Island, and
- Any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset to the conditions required by the lease contracts.

ROU assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful lives of the ROU assets or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property and equipment. Subsequent to the initial measurement, Tree Island will measure the ROU assets at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liability.

LEASE LIABILITIES

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Tree Island's incremental borrowing rate. Generally, Tree Island uses its incremental borrowing rate as the discount rate. Determining the discount rate (incremental borrowing rate) requires significant judgment and may have a significant quantitative impact on lease liability valuations. Many of the lease liabilities contain one or several lease extension clauses, and could reasonably be extended beyond the lease extensions outlined in the contract. Determining the length of the lease to be used in the present value calculation of the lease obligation requires significant judgement and may have significant impact on lease liability valuations.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Tree Island has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether Tree Island is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

SHORT-TERM LEASES AND LEASES OF LOW-VALUE

Tree Island applied the short-term lease recognition exemption to its short-term leases of machinery and equipment which have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Tree Island also applied the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value, with a threshold of below $5 thousand. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

3.7 IMPAIRMENT OF NON-FINANCIAL ASSETS

3.7.1 IMPAIRMENT CHARGES

Tree Island performs impairment tests on property, plant and equipment when events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss, if any, is determined as the excess of the carrying value of the asset over its recoverable amount, and is recognized in the consolidated statement of operations.

Tree Island assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists Tree Island estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs to sell, fair value is based on quoted market prices, prices for similar assets or other valuation techniques. The impairment analysis contains estimates due to the inherently speculative nature of forecasting long-term estimated cash flows and determining the ultimate useful lives of assets. If any of these estimates change, future net cash flows from the assets could be lower, which would result in additional impairment. As well, as much as practicable, third-party valuators are used to provide fair values which also contain assumptions concerning current market information for similar or same assets and if applicable functional and economic obsolescence.

Impairment losses of continuing operations are recognized in the consolidated statement of operations.

3.8 FAIR VALUE MEASUREMENT

The Company measures financial instruments such as derivatives at fair value at each statement of financial position date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All financial assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy (Note 16.2)

For assets and liabilities that are measured at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3.9 FINANCIAL INSTRUMENTS AND RISKS

3.9.1 FINANCIAL ASSETS

Financial assets initially measured at fair value and thereafter at amortized cost include accounts receivables. The financial assets are classified depending on the business model for which the financial assets were acquired.

Financial assets measured at amortized costs are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets or non-current assets based on their maturity date.

Tree Island assesses impairment of financial assets at each reporting date, using the expected credit loss model. The Company applies the simplified approach permitted by IFRS 9. Under this approach, lifetime expected credit losses are recognized and are calculated using a provision matrix based on historical impairment rates, which is adjusted based on current conditions and future expectations. To measure the expected credit losses, financial assets are grouped based on the shared credit risk characteristics and the days past due. Accounts receivable and loans receivable are subject to the impairment requirements of IFRS 9.

3.9.2 FINANCIAL LIABILITIES

Financial liabilities initially measured at fair value and thereafter at amortized cost include the Senior Credit Facility, accounts payable and other accrued liabilities, senior term loans, and long-term debt.

Financial liabilities are classified as current or non-current based on their maturity date and recognized initially at fair value, net of transaction costs incurred and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in the consolidated statement of operations over the period to maturity using the effective interest method.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

3.9.3 FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

Financial instruments at fair value through profit and loss are initially recognized at their fair value on the date the contract or transaction is entered into and are subsequently re-measured at their fair value at each reporting period with changes in the fair value recognized through the consolidated statement of operations. Financial instruments at fair value through profit and loss include the change in purchase agreements for zinc (Note 16) and foreign exchange forward contracts (Note 16).

3.10 PROVISIONS

3.10.1 GENERAL

Provisions are recognized when Tree Island has an obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made on the amount of the obligation. Where Tree Island expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of operations, net of any reimbursement.

3.10.2 ASSET DECOMISSIONING AND RETIREMENTOBLIGATIONS

Tree Island recognizes obligations associated with the retirement of property, plant and equipment that result from the acquisition, construction, development or normal operations of the assets. These obligations are recorded in the period in which the obligations are incurred, if a reasonable estimate can be made. In general, the present value of the estimated future expenditures is added to the carrying amount of the associated asset and the resulting asset retirement cost is depreciated over the estimated useful life of the asset. The present value is determined with a discount rate that equates to the Company's credit-adjusted risk-free rate. Where an asset is no longer in service when an asset retirement obligation is recorded, the asset retirement cost is recorded in results of operations. Management has determined that Tree Island does not have any material asset decommissioning or retirement obligations.

3.12 POST-RETIREMENT BENEFITS

Tree Island contributes to a group registered retirement savings plan for Canadian employees and a 401K plan for U.S. employees. The cost of these plans are expensed as earned by employees.

3.13 TAXES

3.13.1 CURRENT INCOME TAX

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where Tree Island operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.13.2 DEFERRED TAX

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary difference to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in subsidiaries.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.13.3 SALES TAX

Revenues, expenses and assets are recognized net of the amount of sales tax, except when the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

Receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

3.14 NET INCOME (LOSS) PER SHARE

Basic net income (loss) per Share is calculated by dividing net income (loss) by the weighted-average number of Shares outstanding during the period. Diluted net income (loss) per Share is calculated by factoring in the impact of dilutive instruments, if applicable.

3.15 FOREIGN EXCHANGE

Transactions in currencies other than the functional currency are recorded at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rate prevailing at each reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the date of the transaction. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate on the date of the transaction.

On consolidation the assets and liabilities of foreign operations are translated into Canadian dollars at the rate of exchange prevailing at the reporting date and their consolidated statement of operations are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in other comprehensive income.

3.16 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingencies as at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant areas that involve estimates are listed below:

3.16.1 INVENTORY VALUATION

Inventories are recognized at the lower of cost or their Net Realizable Value (“NRV”), which is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale. IFRS requires that the estimated NRV be based on the most reliable evidence available at the time the estimates are made of the amounts that inventories are expected to realize.

The measurement of an inventory write-down to NRV is based on our best estimate of the NRV and of our expected future sale or consumption of our inventories. Due to market driven fluctuations in certain product group sales prices and the commodity nature of our significant raw materials, there is uncertainty as to whether the NRV of the inventories will remain consistent with those used in our assessment of NRV at period end. As a result there is the risk that a write-down of on-hand and unconsumed inventories could occur in future periods. Also, a certain portion of inventory may become damaged or obsolete. A slow moving reserve is recorded, as required, based on an analysis of the length of time product has been in inventory and historical rates of damage and obsolescence. Refer to Note 6 for the inventory provision as at December 31, 2020 and 2019.

3.16.2 ALLOWANCE FOR DOUBTFUL ACCOUNTS

It is possible that a certain portion of required customer payments will not be made, and as such an allowance for these doubtful accounts is maintained. The allowance is based on estimation of the potential of recovering the accounts receivable and incorporates current and expected collection trends. The estimates will change, as necessary, to reflect market or specific industry risks, as well as known or expected changes in the customers' financial position. Refer to Note 5 for the carrying amount of allowance for doubtful accounts as at December 31, 2020 and 2019.

3.16.3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprises a large component of the total assets of Tree Island and as such the capitalization of costs, the determination of estimated recoverable amounts and the estimates of useful lives of these assets have a significant effect on Tree Island's financial results.

During the repair and maintenance of an asset, the useful life of the respective asset may be reviewed and revised as appropriate.

The carrying value of plant, property and equipment is reviewed at the end of each reporting period. The impairment analysis contains estimates that can change due to the inherently speculative nature of forecasting long-term estimated cash flows and determining the ultimate useful lives of assets. If any of these estimates change significantly, future net cash flows from the property, plant and equipment could be lower or higher, which would result in impairments or reversal of impairments recognized in prior periods. As well, as much as practicable, third-party valuators are used to provide fair values that also contain assumptions concerning current market information for similar or same assets and if applicable functional and economic obsolescence.

3.16.4 LEASES

Lease liabilities are measured at the present value of the lease payments discounted using the applicable incremental borrowing rate or rate implicit in the lease. Determining the discount rate (incremental borrowing rate) requires significant judgment and may have a significant quantitative impact on lease liability valuations. Many of the lease liabilities contain one or several lease extension clauses, and could reasonably be extended beyond the lease extensions outlined in the contract. Determining the length of the lease to be used in the present value calculation of the lease obligation requires significant judgement and may have significant impact on lease liability valuations.

4 FUTURE IFRS STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

Tree Island prepares its financial statements in accordance with IFRS standards. At this time, new standards, interpretations or amendments to existing accounting standards are either not applicable or not expected to have a significant impact on Tree Island's consolidated financial statements.

5 REVENUE AND ACCOUNTS RECEIVABLE

Revenue is net of the cost of freight associated with those sales to customers where the Company arranges the freight. In 2020, this amounts to $13.0 million ($11.6 million in 2019).

Below is the composition and aging of Tree Island's accounts receivable:

($'000 unless otherwise stated)

	As at December 31, 2020	As at December 31, 2019
Current	22,386	21,462
Over 30 days past due	2,764	3,368
Total accounts receivable	25,150	24,830
Allowance for doubtful accounts	(331)	(580)
Net accounts receivable	24,819	24,250

Accounts receivable are non-interest bearing and are generally due on 30-day to 90-day terms. The maximum credit risk that Tree Island was exposed to by way of its accounts receivable is equal to the net amount of $24.8 million as at December 31, 2020 ($24.3 million as at December 31, 2019).

At the end of each reporting period a review of the allowance for bad and doubtful accounts is performed. It is an assessment of the expected credit loss associated with trade accounts receivable after the consolidated statement of financial position date. The assessment is made by reference to age, status and risk of each receivable, current economic conditions and historical information. Accounts receivable with related parties are discussed in Note 13.1.

The following table represents a summary of the movement of the allowance for doubtful accounts:

($'000 unless otherwise stated)

	As at December 31, 2020	As at December 31, 2019
Opening balance – beginning of year	580	324
Additions	169	312
Reversals	(20)	-
Collections	(36)	(6)
Write-offs	(366)	(72)
Foreign exchange revaluation	4	22
Closing balance – end of year	331	580

See Note 17 on credit risk of trade receivables to understand how credit quality of accounts receivable that are neither past due nor impaired are managed and measured.

6 INVENTORIES

Tree Island had the following categories of inventory:

($'000 unless otherwise stated)

	As at December 30, 2020	As at December 31, 2019
Raw materials	14,790	13,319
Finished and semi-finished products	20,465	29,708
Consumable supplies and spare parts	11,553	12,007
Total inventory	46,808	55,034

For the year ended December 31, 2020 and 2019, Tree Island recognized, in income, inventory costs for the following:

($'000 unless otherwise stated)	Years Ended December 31, 2020	2019
Opening inventory	55,034	81,619
Material purchases	125,443	102,516
Conversion costs	50,339	47,306
Closing inventory	(46,808)	(55,034)
Cost of sales	184,008	176,407

At each year end, the ending inventories on hand are reviewed to determine if a write down to net realizable value is required. Based on this review, it was determined that no write-downs were necessary in 2020 and 2019. The reserves for slow moving inventory as at December 31, 2020 were $1.2 million ($1.3 million at December 31, 2019). Certain prior-year comparative amounts in this note disclosure were reclassified to conform to current-year presentation.

7 PROPERTY, PLANT AND EQUIPMENT

The carrying value of property, plant and equipment is reviewed each reporting period. For the purposes of testing for impairment, or the reversal of impairment, Tree Island Steel's assets are grouped and tested at the Cash Generating Unit level. Tree Island considers both qualitative and quantitative factors when determining whether an asset may be impaired, or when a reversal of impairment is required. Where the carrying value of the assets is not expected to be recoverable from future cash flows, they are written down to their recoverable amount. Tree Island has noted no indicators of impairment as at December 31, 2020.

From time to time the Company makes investments to update, replace or make additions to existing capital assets, which includes, but is not limited to, the buildings occupied and capital equipment. These investments are part of the normal course of business activity. The Company has certain capital commitments (refer to section 20.2).

The net book value of the Company's property, plant and equipment is detailed below:

($'000 unless otherwise stated)

	Land & Improvement	Building & Improvement	Machinery & Equipment	Capital in Progress	Total
Cost					
As at December 31, 2018	9,869	45,660	33,848	9,349	98,726
Additions	-	1,531	8,092	(7,532)	2,091
Disposals	-	-	(276)	-	(276)
Foreign exchange translation	(104)	(489)	(397)	(323)	(1,313)
As at December 31, 2019	9,765	46,702	41,267	1,494	99,228
Additions	23	451	2,148	(763)	1,859
Disposals	-	-	(109)	-	(109)
Foreign exchange translation	(40)	(193)	(277)	13	(497)
As at December 31, 2020	9,748	46,960	43,029	744	100,481
Depreciation and impairment					
As at December 31, 2018	41	33,811	17,644	-	51,496
Depreciation	16	1,368	2,121	-	3,505
Disposals	-	-	(239)	-	(239)
Foreign exchange translation	(2)	(249)	(263)	-	(514)
As at December 31, 2019	55	34,930	19,263	-	54,248
Depreciation	17	1,394	2,135	-	3,546
Disposals	-	-	(108)	-	(108)
Foreign exchange translation	(2)	(130)	(140)	-	(272)
As at December 31, 2020	70	36,194	21,150	-	57,414
Net book value as at					
December 31, 2019	9,710	11,772	22,004	1,494	44,980
December 31, 2020	9,678	10,766	21,879	744	43,067

8 LEASES

Below is a table of the carrying amounts of Tree Island's right-of-use assets and lease liabilities and the related movements during the year:

($'000 unless otherwise stated)

	Land & buildings	Machinery & equipment	Total right-of-use assets
Cost			
As at January 1, 2019	33,580	2,405	35,985
Additions	1,217	270	1,487
Disposals	-	(151)	(151)
Change in lease duration	(782)	-	(782)
Foreign exchange translation	(1,190)	(47)	(1,237)
As at December 31, 2019	32,825	2,477	35,302
Additions	-	149	149
Disposals	(885)	(403)	(1,288)
Foreign exchange translation	(465)	(26)	(491)
As at Dec 31, 2020	31,475	2,197	33,672
Depreciation and impairment			
As at January 1, 2019	(3,460)	(643)	(4,103)
Additions	(2,230)	(492)	(2,722)
Disposals	-	115	115
Foreign exchange translation	81	27	108
As at December 31, 2019	(5,609)	(993)	(6,602)
Depreciation	(2,033)	(457)	(2,490)
Disposals	880	393	1,273
Foreign exchange translation	109	20	129
As at Dec 31, 2020	(6,653)	(1,037)	(7,690)
Carrying value as at:			
December 31, 2019	27,216	1,484	28,700
December 31, 2020	24,822	1,160	25,982

($'000 unless otherwise stated)

	Land & buildings	Machinery & equipment	Total lease liability
Lease liability			
As at January 1, 2019	32,670	1,781	34,451
New contracts and renewals	1,217	270	1,487
Contract disposal	-	(38)	(38)
Change in lease duration	(856)	-	(856)
Interest expense	1,354	63	1,417
Payment of lease liability	(2,550)	(581)	(3,131)
Foreign exchange translation	(1,221)	(24)	(1,245)
Lease liability as at December 31, 2019	30,614	1,471	32,085
New contracts and renewals	-	143	143
Contract Disposal	-	(9)	(9)
Interest adjustment	(10)	-	(10)
Interest expense	1,290	54	1,344
Payment of lease liability	(2,463)	(488)	(2,951)
Foreign exchange translation	(456)	2	(454)
Lease liability as at December 31, 2020	28,975	1,173	30,148
Less: current portion	(1,208)	(391)	(1,599)
Total as at December 31, 2020	27,767	782	28,549

9 SENIOR CREDIT FACILITY

On July 1, 2018, the Company renewed its senior banking facility with Wells Fargo Capital Finance Corporation Canada ("Wells Fargo"). The five-year senior secured committed banking facility (the "Senior Credit Facility") which matures in June of 2023, may be used for Tree Island's financing requirements in Canadian and/or U.S. dollars, and comprises of the following:

- $60 million of Senior Revolving Credit Facility; and
- $20 million Senior Term Facility.

9.1 SENIOR REVOLVING CREDIT FACILITY

The amount advanced under the Senior Credit Facility at any time is limited to a defined percentage of inventories, accounts receivable, machinery and equipment, and real estate, less certain reserves. The Senior Credit 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.

The Senior Credit Facility includes a $10.0 million Letter of Credit sub-facility which enables TI Canada and TI USA to open documentary and standby letters of credit for raw material purchases. There was a $166 thousand Letter of Credit outstanding as at December 31, 2020.

The amount available under the revolving portion of the Senior Credit Facility is limited to the amount of the calculated borrowing base, as prescribed in the Senior Credit Facility, less issued Letters of Credit.

Interest payable on funds borrowed in Canadian currency is at variable rates based on the Canadian Dollar Offered Rate ("CDOR") for Canadian dollar banker's acceptance. Interest payable on funds borrowed in U.S. currency is at variable rates based on the London Interbank Offered Rate ("LIBOR") for U.S. dollar deposits.

The following amounts are outstanding under the revolving portion of the Senior Credit Facility:

($'000 unless otherwise stated)

	As at December, 31, 2020	As at December 31, 2019
Revolving portion of the senior credit facility	25,398	38,162
Deferred financing costs	(56)	(59)
Total	25,342	38,103

The revolving portion of the Senior Credit Facility denominated in U.S. dollars as at December 31, 2020 is $23.0 million ($10.7 million in 2019).

Deferred financing costs are included in other non-current assets on the consolidated statement of financial position.

The Senior Credit Facility has financial tests and other covenants with which the Company and its subsidiaries must comply, the primary one being based on the remaining funds within the senior credit facility that is available ("Availability Test"). Only if the Availability Test falls below a certain threshold then other covenants, which include a rolling four quarters defined fixed charge coverage ratio, are tested. As well, the Senior Credit Facility contains restrictive covenants that limit the discretion of the Company's management with respect to certain business matters. These covenants place restrictions on, among other things, the ability of the Company's operating subsidiaries to incur additional indebtedness, to create liens or other encumbrances, to pay dividends or make certain other payments, investments, loans and guarantees and to sell or otherwise dispose of assets and merge or consolidate with another entity.

As at December 31, 2020, the Company was in compliance with its financial covenants on the Senior Credit Facility.

9.2 SENIOR TERM FACILITY

Under the terms of the Senior Credit Facility, the Company has designated portions up to a total of $20 million denominated in either Canadian or U.S. dollars. During the period, the Company advanced, from the Senior Term Facility, a new eight year term debt of $7.2 million to settle the Long-Term Debt. The settlement is further described in Note 10.

The following amounts are outstanding under the Senior Term Loans:

($'000 unless otherwise stated)

	As at December 31, 2020	As at December 31, 2019
Senior term loans - beginning of year	11,194	13,335
Advances	7,242	-
Foreign exchange revaluation	(272)	(171)
Payments	(2,124)	(1,970)
Senior term loans - end of year	16,040	11,194
Less: current portion	(2,825)	(1,960)
Total	13,215	9,234

10 LONG-TERM DEBT

On September 17, 2020, the long-term debt was settled in full with funds advanced under the Company's Senior Term Facility for a total amount of $7.2 million. Upon settlement all encumbrances were released and discharged. The difference between the value reported on the balance sheet and the amount paid is recognized as accretion of $1.3 million. The difference is resulting from the historical difference between the effective rate of 9% and actual rate of interest of 4%.

The elements of the long-term debt are listed below:

($'000 unless otherwise stated)

	As at December 31, 2020	As at December 31, 2019
Beginning of year	6,107	7,916
Monthly Payments – Principal	(675)	(2,224)
Settlement	(7,221)	-
Monthly Accretion	399	767
Accretion on debt settlement	1,280	-
Foreign exchange revaluation	110	(352)
End of year	-	6,107
Less: current portion	-	(2,097)
Net long-term debt	-	4,010

11 FINANCING EXPENSES

($'000 unless otherwise stated)

	Years Ended December 31, 2020	2019
Interest on senior credit facility (Note 9.1)	703	1,637
Interest on lease liability	1,347	1,417
Other interest and financing costs	587	805
Amortization of deferred financing costs	19	36
Subtotal cash interest	2,656	3,895
Non-cash accretion on long term debt (Note 11)	1,679	767
Total	4,335	4,662

12 SHAREHOLDERS' CAPITAL

Tree Island is authorized to issue an unlimited number of common shares. The Shares have no par value. There were no shares issued and 328,123 shares were repurchased (totaling $631 thousand at an average price of $1.92 per share) and cancelled in the year ended December 31, 2020. Shares issued and outstanding are as follows:

($'000 except for shares)

	Shares	Gross	Issuance Cost[3]	Net
Shareholders' capital - December 31, 2018	29,183,650	236,115	11,400	224,715
Repurchase of common shares	(352,013)	(721)	-	(721)
Shareholders' capital - December 31, 2019	28,831,637	235,394	11,400	223,994
Repurchase of common shares	(328,123)	(631)	-	(631)
Shareholders' capital – December 31, 2020	28,503,514	234,763	11,400	223,363

12.1 NORMAL COURSE ISSUER BID

The Company has an ongoing normal course issuer bid (the "Bid"). The previous Bid was effective from November 7, 2019 to November 6, 2020 to purchase up to 1,441,000 Shares. The Company renewed the Bid, effective November 9, 2020 to November 8, 2021. The renewed Bid allows the Company to purchase up to 1,427,000 Shares in the period. Tree Island has no obligation to purchase any Shares under the Bid.

For the period January 1, 2020 to November 6, 2020, the Company purchased 273,314 Shares under the previous Bid at a total cost of $498 thousand (at an average price of $1.82 per Share). Under the current Bid from November 7, 2020 to December 31, 2020, the Company has purchased 54,809 shares at a total cost of $133 thousand (at an average price of $2.42 per Share), and between January 1, 2021 to March 4, 2021 the company has purchased 22,242 shares at a total cost of $54,111.

13 RELATED PARTY TRANSACTIONS

13.1 TRANSACTIONS WITH ASSOCIATED COMPANIES

The Futura Corporation ("Futura") is considered to be a related party to the Company because of its share ownership interest and the fact that Mr. Doman, the sole shareholder and president of Futura, and Mr. Rosenfeld, the Executive Vice President of Futura, sit on the Board of Directors.

Based on Tree Island Steel's outstanding Shares as at March 4, 2021, Futura owns 33.9% of the fully diluted Shares of the Company.

In addition, Mr. Doman is Chairman and CEO of CanWel Building Materials Group Ltd. ("CanWel"). For the year ended December 31, 2020, Tree Island sold, net of rebates, approximately $2.7 million ($3.2 million in 2019) of goods to CanWel and trade accounts receivable owing from CanWel as at December 31, 2020 is approximately $0.2 million (approximately $53 thousand in 2019). Outstanding trade accounts receivable from CanWel at period end are unsecured, interest free and settlement occurs in cash (Note 5).

[3] *Issuance costs were incurred as a result of the November 2002 Initial Public Offering and October 2004 Secondary offering.*

13.2 TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Included in the definition of key management for purposes of disclosure of related party transactions are members of Board of Directors and officers of Tree Island Steel. Amounts for key management personnel for the year ended December 31, 2020 were approximately $1.2 million (approximately and $3.0 million in 2019) which includes wages, salaries and social security contributions, paid annual and sick leave, vehicle costs and bonuses. It also includes directors' fees paid to members of the Board.

14 POST RETIREMENT BENEFITS

Tree Island contributes to a group registered retirements savings plan for all eligible Canadian employees and a 401K for all eligible U.S. employees. Contributions made by Tree Island's subsidiaries in 2020 amounted to $1.3 million ($1.4 million in 2019). Funding obligations are satisfied upon making contributions.

15 INCOME TAXES

15.1 INCOME TAX RECOVERY (EXPENSE)

The income tax recovery (expense) is divided between current and deferred taxes as follows:

($'000 unless otherwise stated)

	Years Ended December 31, 2020	2019
Current tax expense	(1,647)	(14)
Deferred tax recovery (expense)	(398)	45
Total in the Consolidated Statement of Operations	(2,045)	31

The expense or recovery of income taxes varies from the amount that would be expected if computed by applying the Canadian federal and provincial and U.S. federal and state statutory income tax rates to the income before income taxes as shown in the following table:

($'000 unless otherwise stated)	As at December 31, 2020	2019
Income (loss) before provision for income taxes	7,176	(5,221)
Tax Rate	27.0%	27.0%
Expected income tax recovery (expense)	(1,938)	1,410
Items not deductible for tax	(24)	(60)
Foreign exchange on intercompany loans	159	406
Change in unrecognized deferred tax benefits	(439)	(1,677)
Foreign withholding taxes	(81)	-
Non-taxable capital gain	152	-
Other	126	(48)
Total in the Consolidated Statement of Operations	(2,045)	31

15.2 DEFERRED INCOME TAX ASSETS AND LIABILITIES

The components of deferred income tax assets and liabilities as at December 31 are as follows:

($'000 unless otherwise stated)

	As at December 31, 2020	2019
Non-capital tax loss-carry forwards	1,396	1,237
Property, plant and equipment	(5,957)	(4,925)
Capital losses	1,038	-
Long-Term Debt	-	566
Reserves and other liabilities	207	139
Interest and other	(268)	(203)
Deferred tax asset (liability)	(3,584)	(3,186)
Deferred tax (liability) beginning of year	(3,186)	(3,231)
Deferred tax recovery (expense) during the year	(398)	45
Deferred tax asset (liability) end of year	(3,584)	(3,186)

No deferred tax assets have been recognized on the consolidated statements of financial position where Tree Island has concluded that it is not probable that the benefits of recognized deferred income tax assets will be realized prior to their expiry. As such, Tree Island has not recognized a deferred tax asset on the following items:

(*$'000 unless otherwise stated*)

	As at December 31, 2020	2019
Non-capital tax loss carry-forwards	239	432
Goodwill and intangibles	68	116
Unrealized foreign exchange losses	1,369	1,210
Reserves and other liabilities	201	275
Capital losses	1,681	2,720
Interest and other	8,739	8,374
Unrecognized deferred tax asset	12,297	13,127

INCOME TAX LOSS CARRY-FORWARDS

As at December 31, 2020, Tree Island had income tax loss carry forwards available to offset future taxable income with expiries as shown in the table below:

($'000 unless otherwise stated)

Year of Expiration	Canada	U.S. - Federal	U.S. - State
2031	-	-	5,421
2032	244	-	470
2033	-	-	1,256
2034	-	-	3,470
2035	-	-	2,494
2037	-	-	1,759
2038	21	-	-
2039	68	-	2,942
No Expiry	-	1,384	-
Total	333	1,384	17,812

As at December 31, 2020, the Company had capital losses of $19.0 million in addition to the non-capital loss carry forwards listed above. The capital losses can be carried forward indefinitely to offset against future capital gains in Canada.

16 FINANCIAL INSTRUMENTS

16.1 FAIR VALUE OF FINANCIAL INSTRUMENTS

Tree Island records certain of its financial instruments at fair value using various techniques. These include estimates of fair values based on prevailing market rates (bid and ask prices, as appropriate) for instruments with similar characteristics and risk profiles or internal or external valuation models, such as discounted cash flow analysis and option pricing models, using, to the extent possible, observable market-based inputs.

The fair values of the financial assets and financial liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Cash, accounts receivable and accounts payable and accrued liabilities approximate their carrying amounts largely due to the short-term nature of these instruments and interest rates being variable for the senior credit facility;

- Fair value on amounts under the Company's Senior Term Facility are based on estimated market interest rate on similar borrowings. The carrying value approximates fair value as the interest rates approximate market. A 1% change in the market interest rate would change the fair value of Senior Term Facility by $0.2 million;

- Fair value of the forward exchange forward contracts is estimated using observable foreign exchange spot and forward rates. The Company does not consider interest rates or the credit quality of counterparties as significant inputs to the valuation; and

- Fair value on the Company's lease liabilities are based on estimated market interest rate on similar borrowings. The carrying value of the lease liabilities approximates fair value as the interest rates approximate market.

($'000 unless otherwise stated)

	As at December 31, 2020		As at December 31, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and cash investments	1,245	1,245	907	907
Accounts receivable	24,819	24,819	24,250	24,250
Total financial assets	26,064	26,064	25,157	25,157
Senior revolving facility	25,398	25,398	38,162	38,162
Accounts payable, accrued and other current liabilities	17,770	17,770	18,402	18,402
Senior term loans	16,040	16,040	11,194	11,194
Long-term debt	-	-	6,107	5,622
Lease liabilities	30,148	30,148	32,085	32,085
Total financial liabilities	89,356	89,356	105,950	105,465

16.2 FAIR VALUE HIERARCHY

The financial instruments have been categorized on a fair value hierarchy based on whether the inputs to those valuation techniques are observable (inputs reflect market data obtained from independent sources) or unobservable (inputs reflect the Company's market assumptions).

The three levels of fair value estimation are:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The only financial estimates carried at fair value are commodity purchase derivatives, which are level 2 financial instruments.

17 RISK EXPOSURE AND MANAGEMENT

Tree Island is exposed to various risks associated with its financial instruments. These risks are categorized as credit risk, liquidity risk and market risk.

17.1 CREDIT RISK

Credit risk consists of credit losses arising in the event of non-payment of accounts receivable of customer accounts. However, the credit risk is minimized by selling products to well-established customers. The credit worthiness of customers is assessed using credit scores supplied by a third party and through direct monitoring of their financial well-being on a continual basis. Management establishes guidelines for customer credit limits and appropriate precautions are taken to manage credit risk. Provisions for potential credit losses (allowance for doubtful accounts) are maintained and any such losses to date have been within management's expectations.

17.2 LIQUIDITY RISK

Liquidity arises from our financial obligations and in the management of our assets, liabilities and capital structure. This risk is managed by regular evaluation of our liquid financial resources to fund current and long-term obligations and to meet its capital commitments in a cost-effective manner.

The main factors that affect liquidity include realized sales prices, production levels, cash production costs, working capital requirements, future capital expenditure requirements, scheduled payments on financial liabilities and lease obligations, credit capacity and expected future debt and equity capital market conditions.

Liquidity requirements are met through a variety of sources including cash balances on hand, cash generated from operations, existing credit facilities, and debt and equity capital markets. Management monitors and manages liquidity risk by preparing annual budgets, monthly projections to the end of the fiscal year and regular monitoring of financial liabilities against the constraints of the available revolving credit facilities.

The table below summarizes the future undiscounted contractual cash flow requirements for financial liabilities (including scheduled interest payments on interest bearing liabilities) as at December 31, 2020:

($'000 unless otherwise stated)

	As at December 31, 2020				
	Carrying Amount	Contractual Cash Flow	Less Than 1 Year	1 – 2 Years	Greater Than 2 Years
Senior revolving facility	25,398	25,398	-	-	25,398
Accounts payable, accrued and other liabilities	17,867	17,867	17,867	-	-
Senior term loans (principal)	16,040	14,708	2,825	5,650	6,233
Senior term loans (interest)	-	1,216	408	322	486
Lease liability	30,148	44,725	2,837	2,888	39,000
	89,453	103,914	23,937	8,860	71,117

	As at December 31, 2019				
Senior revolving facility	38,162	38,162	-	-	38,162
Accounts payable, accrued and other liabilities	18,640	18,640	18,640	-	-
Senior term loans (principal)	11,194	11,194	1,960	3,920	5,314
Senior term loans (interest)	-	1,137	362	292	483
Long-term debt	6,107	11,007	2,097	3,308	5,602
Lease liability	32,085	48,995	2,949	2,820	43,226
	106,188	129,135	26,008	10,340	92,787

17.3 FOREIGN CURRENCY RISK

Tree Island's U.S. dollar-denominated cash, accounts receivable, accounts payable and accrued liabilities, Senior Credit Facility and Long-Term Debt are exposed to foreign currency exchange rate risk because the value of these financial instruments will fluctuate with changes in the U.S./Canadian dollar exchange rate. The Company enters into U.S. dollar currency forward contracts for periods consistent with a portion of U.S. dollar currency transaction exposures, generally from one to three months. These are not designated as cash flow, fair value or net investment hedges. As of December 31, 2020, the Company had no outstanding U.S. dollar currency forward contracts.

For the year ended December 31, 2020, a $0.01 increase (decrease) in the Canadian dollar to U.S. dollar exchange rate would have increased (decreased) net comprehensive income by $106.3 thousand.

17.4 INTEREST RATE RISK

Tree Island is exposed to interest rate risk on its Senior Credit Facility. Interest payable on the funds advanced under the Senior Credit Facility are based on the Canadian interbank bid rates for Canadian dollar banker's acceptance for Canadian dollar denominated borrowings or the London Inter-Market Offered Rate ("LIBOR") for U.S. dollar deposits for U.S. dollar denominated borrowings.

A 1% increase in the interest rates, charged on December 31, 2020 ending balance of the Senior Credit Facility, would increase financing expenses by $0.3 million annually. Tree Island does not use derivative instruments to manage the interest rate risk.

17.5 RAW MATERIAL PRICE RISK

Tree Island is exposed to changes in the price of the materials used in its production process and, from time to time, enters into forward contracts to purchase a portion of the zinc used. These are not designated as cash flow or fair value hedges. As at December 31, 2020, the Company had no outstanding zinc forward contracts.

18 MANAGEMENT OF CAPITAL

The Company's objectives when managing its capital are:

- To maintain a capital base so as to preserve and enhance investor, creditor, and to sustain viability and future development of the business; and

- To manage capital in a manner that will comply with the financial covenants on the Senior Credit Facility and Senior Term Loan agreements as described further in Notes 9.1, 9.2.

The Company manages the capital structure in accordance with these objectives, with considerations given to changes in economic conditions and the risk characteristics of the underlying assets in particular, by closely monitoring cash flows and compliance with external debt covenants. The table below is what management considers capital:

($'000 unless otherwise stated)

	As at December 31, 2020	As at December 31, 2019
Total shareholders' equity	51,069	48,653
Senior revolving facility	25,398	38,162
Lease liabilities	30,148	32,085
Senior term loans	16,040	11,194
Long-term debt	-	6,107
Total capital	122,655	136,201

19 NET INCOME PER SHARE

Basic earnings per Share amount is calculated by dividing net income for the year by the weighted average number of Shares outstanding during the year.

Diluted earnings per Share amount is calculated by dividing the net income for the year by the weighted average number of Shares outstanding during the year plus the weighted average number of Shares that would be issued on conversion of all the dilutive potential units into Shares. As at December 31, 2020, the Company does not have any instruments issued that could be dilutive.

During 2020, 328,123 shares were repurchased and cancelled and 22,242 additional Shares were repurchased and cancelled from January 1, 2021 up to March 4, 2021 (Note 12).

The following reflects the income and Share data used in the earnings per Share computations:

($'000 unless otherwise stated)

	Years Ended December 31,	
	2020	2019
Net income (loss) for the year	5,131	(5,190)
Weighted average number of shares outstanding:	28,773,322	29,037,981
Net income per share ($/share)	0.18	(0.18)

20 PROVISIONS AND COMMITMENTS

20.1 LITIGATION AND CLAIMS

From time to time Tree Island is party to certain legal actions and claims. In the period there are no known claims which individually, or in the aggregate, are expected to have a material adverse effect on its financial position, consolidated statement of operations or cash flows.

20.2 PURCHASE COMMITMENTS

As at December 31, 2020, Tree Island's wholly owned subsidiaries have committed to purchases of production materials (including finished goods) totaling $40.2 million ($31.6 million in 2019).

21 SEGMENTED INFORMATION

21.1 MARKET SEGMENTS

Revenues for each group for the twelve months ended December 31, 2020 and 2019 were as follows:

($'000 unless otherwise stated)

	Years Ended December 31, 2020	2019
Industrial	77,359	67,358
Commercial	47,102	51,348
Agricultural	32,068	27,134
Residential	59,365	54,565
Total revenue	215,894	200,405

Tree Island operates primarily within one industry, the steel wire products industry, with no separately reportable operating segments. Tree Island groups its products into the following market segments: Industrial, Commercial Construction, Agricultural and Residential Construction. No one customer is more than 10% of total revenue.

21.2 GEOGRAPHIC SEGMENTS

The products are sold primarily to customers in the United States and Canada and are attributed to geographic areas based on the location of customers:

($'000 unless otherwise stated)

	Years Ended December 31, 2020	2019
United States	138,022	120,497
Canada	70,207	72,528
International	7,665	7,380
Total revenue	215,894	200,405

Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets and other non-current assets. These assets are attributed to geographic areas based on the locations of the subsidiary company owning the assets.

($'000 unless otherwise stated)

	Years Ended December 31,	
	2020	2019
United States	34,088	36,720
Canada	36,380	37,019
Total non-current assets	70,468	73,739

SHAREHOLDER INFORMATION

TREE ISLAND STEEL

Board of Directors:

Amar S. Doman – Executive Chairman of the Board

Peter Bull

Harry Rosenfeld

Sam Fleiser

Theodore A. Leja

Joe Downes

Executive Officers:

Remy Stachowiak
President,
Chief Operating Officer

Nancy Davies
Chief Financial Officer and Vice President, Finance

Shares:

Market Information

Tree Island Steel is listed on the Toronto Stock Exchange trading symbol: TSL.

Registrar and Transfer Agent

Computershare Investor Services Inc.

Corporate Head Office:

3933 Boundary Road
Richmond, B.C.
Canada, V6V 1T8

Website:

www.treeisland.com

Investor Relations:

Ali Mahdavi
Investor Relations
(416)-962-3300 or amahdavi@treeisland.com

Auditors:

KPMG LLP
Vancouver, B.C.