Statement Material Emissions May 23, 2017

voestalpine Texas LLC, which operates a hot-briquetted iron (HBI) plant in an industrial zone in the Portland, Texas area, was informed by residents living near the plant that, over the last several days, a material containing iron appears to have been present at their properties. Some residents have inquired if the material may have originated from our operations. We have investigated our operations to address this inquiry.

Over the last few weeks, we have been conducting temporary operations related to some of our on-site, iron-based materials that had been mainly been produced during the plant’s (planned) maintenance shutdown end of March 2017. We also identified that, during some of these temporary operations, this area has had strong winds. Based on this analysis, we immediately introduced measures with respect to these temporary operations to reduce and further control any potential emissions at the plant site. These measures included stopping these temporary operations and procuring more covers for our on-site materials. We believe that the material experienced in the nearby neighborhoods may have come, in part, from our plant as a result of these temporary operations and not as a result of problems with the HBI plant itself.

The primary materials on the plant’s site are iron-based materials, and iron is a naturally occurring substance that is not harmful. At no time did the material in the neighborhoods pose a danger to the health of the residents or a risk to the environment. Analyses of samples we have taken from our on-site materials and of the material present at off-site locations have indicated that the material in the neighborhoods is similar to background soils and in no case would this material pose a threat to health. Discussions are already underway with residents who may have been affected in order to identify any possible damage that may have been caused.

For the design and operation of this plant, we have taken proactive measures to minimize potential emissions, including construction of a nearly 2,000-foot-long (600-meter-long) covered warehouse for pre-materials storage as well as a range of de-dusting facilities and equipment.