

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, BRITISH COLUMBIA, MANITOBA,
NEWFOUNDLAND, NOVA SCOTIA, ONTARIO AND QUEBEC

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF
APPLICATIONS

AND

IN THE MATTER OF
STELCO INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of Alberta, British Columbia, Manitoba, Newfoundland, Nova Scotia, Ontario and Quebec (the "Jurisdictions") has received an application from Stelco Inc. (the "Company") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements of the Legislation applicable to an insider of a reporting issuer (or the equivalent), that require the insider to file reports disclosing the insider's direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer (the "Insider Reporting Requirement") shall not apply to certain directors and senior officers of subsidiaries of the Company;

AND WHEREAS pursuant to the Mutual Reliance System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS the Company has represented to the Decision Makers that:

1. The Company, a corporation continued under the laws of Canada, was formed by the amalgamation, effective January 1, 1999, of Stelco Inc. and Erie Steel Company Ltd.
2. The Company's head office is in Ontario.
3. The Company is a reporting issuer (or the equivalent) in each of the Jurisdictions and under the securities legislation of Saskatchewan and Prince Edward Island. The Company is not on the list of defaulting reporting issuers maintained pursuant to the Legislation of any of the Jurisdictions.
4. Series A Convertible Common Shares and Series B Convertible Common Shares of the Company are listed on The Toronto Stock Exchange.

5. None of the subsidiaries of the Company is a "significant subsidiary" of the Company as that term is defined in proposed National Instrument 55-101 *Exemptions from Certain Insider Reporting Requirements* (the "Proposed Instrument").

6. Except for directors and senior officers who are also directors or senior officers of the Company, none of the directors and senior officers of subsidiaries of the Company receives, or has access, in the ordinary course, to information as to material facts or material changes concerning the Company before the material fact or material change is generally disclosed.

7. The Company has undertaken to each Decision Maker:

(i) to maintain a list of directors and senior officers of subsidiaries of the Company that are exempted from the Insider Reporting Requirement by this Decision (as hereafter defined) and the basis upon which each of the directors and the senior officers comes within the terms of the Decision;

(ii) to maintain a continuing review of the facts contained in the representations upon which this Decision is made; and

(iii) upon the request of any of the Decision Makers or their staff, to provide any information necessary to determine whether a director or senior officer of any subsidiary of the Company is, or is not, exempted by this Decision.

8. The Company undertakes to promptly advise the Commission des valeurs mobilières du Québec (the "QSC") of the name of every person who becomes, or ceases to be, exempted from the Insider Reporting Requirement by this Decision, and to provide an updated list of directors and senior officers of subsidiaries of the Company to the QSC annually.

AND WHEREAS pursuant to the System, this Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that persons who are directors or senior officers of a subsidiary of the Company shall not, by virtue of being insiders of the Company, be subject to the Insider Reporting Requirement in the Legislation provided that, at the relevant time:

a. the person does not receive, in the ordinary course, information as to material facts or material changes concerning the Company before the material facts or material changes are disclosed generally;

b. the person is not a director or senior officer of a "significant subsidiary" of the Company;

c. the person is not also an insider of the Company in a capacity other than as a director or senior officer of the subsidiary and is not otherwise exempted under the Legislation from the Insider Reporting Requirement; and

d. the person is not denied any exemption from the Insider Reporting Requirement under the Legislation of a Jurisdiction, evidenced by this Decision, by another decision of the relevant Decision Maker,

where, for these purposes, a subsidiary of the Company is a "significant subsidiary" of the Company if :

(i) the value of the assets of the subsidiary, on a consolidated basis with its subsidiaries, as reflected in the most recent annual audited balance sheet of the Company that the Company has filed under the Legislation, is 10 per cent or more of the consolidated assets of the Company shown on that balance sheet, or

(ii) the revenues of the subsidiary, on a consolidated basis with its subsidiaries, as reflected in the most recent annual audited statement of income and loss of the Company that the Company has filed under the Legislation, are 10 per cent or more of the consolidated revenues of the Company shown on that statement of income and loss;

AND PROVIDED also that this Decision shall terminate in each Jurisdiction on the day that is 90 days after the earlier of:

(i) the effective date of implementation in the Jurisdiction of a National Instrument dealing with the subject matter of the draft National Instrument 55-101, or

(ii) publication in the Jurisdiction of a notice by the Decision Maker of the Jurisdiction to the effect that a National Instrument dealing with the subject matter of the Proposed Instrument will not be implemented in the Jurisdiction.

DATED at Toronto this 13th day of December, 2000.

"Howard I. Wetston" "Stephen N. Adams"

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Directors and senior officers of subsidiaries, that are not "significant subsidiaries" of the reporting issue (other than those specifically excluded in Decision) exempted from insider reporting requirements, subject to certain conditions.

Applicable Ontario Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 1(1), 107, 108, 121(2)(a)(ii).

Applicable Ontario Policies Cited

Ontario Securities Commission Policy Statement 10.1

Proposed National Policies Cited

Proposed National instrument 55-101 - Exemption from Certain Insider Reporting Requirements, (2000), 23 OSCB 4221.