CASCADIA METALS

PRE-PAINTED STEEL

June 26, 2026

Dear Customer,

We are writing to inform you of immediate price increases on all pre-painted steel products.

These increases are the direct result of recent trade action imposed by the Canadian Government under a Tariff Rate Quota (TRQ) structure. This system permits only a limited volume of imported material to enter Canada tariff-free on a quarterly basis, with a 50% duty applied to volumes exceeding that threshold. This development places significant constraints on supply as Canada does not have sufficient domestic production capacity to meet the needs of its own manufacturing sector, making access to imported material essential. The TRQ system, however, means that access to imported material has become more constrained and imposes considerable cost burdens.

Seeing how restricted the last quota period was, we expect the next period to be filled almost immediately. For that reason, there is no benefit to holding material in bond until then. We also expect to continue paying these duties on a significant portion of our incoming inventory. The Canadian Government has already committed to extending these measures for another year, which means the full impact of these duties will need to be absorbed by the market.

We're phasing in the tariffs and blending them with current inventory costs to keep the initial increases moderate. However, given the magnitude of the duties and the continued pressure on supply, further increases will be necessary. Please plan for additional price increases of approximately 10% - 20% by August/September.

We understand the disruption this may cause. If you have any questions, please don't hesitate to reach out to your sales representative.

For more information on the Canadian Government's steel import trade measures, please visit: https://www.canada.ca/en/department-finance

Sincerely,

Jim Ritchie
Chief Executive Officer