

FORM 51-102F3

MATERIAL CHANGE REPORT

NAME AND ADDRESS OF COMPANY

Russel Metals Inc. ("**Russel Metals**")
Suite 210-1900 Minnesota Crt
Mississauga, ON
L5N 3C9

DATE OF MATERIAL CHANGE

April 12, 2012.

NEWS RELEASE

Two news releases were issued on April 12, 2012 with respect to the material change referred to in this report. A third news release was issued on April 19, 2012. The news releases were disseminated through Marketwire and filed on the System for Electronic Document Analysis and Retrieval (SEDAR).

SUMMARY OF MATERIAL CHANGE

On April 12, 2012, Russel Metals announced that it had entered into an agreement with a syndicate of underwriters led by GMP Securities L.P. and RBC Dominion Securities Inc., and including Raymond James Ltd. and Laurentian Bank Securities Inc. (collectively, the "**Underwriters**"), pursuant to which the Underwriters had agreed to purchase from Russel Metals and sell, on a private placement basis, Senior Unsecured Notes due 2022 (the "**Notes**") in an aggregate principal amount of C\$250,000,000. Subsequently, on April 12, 2012, Russel Metals announced it had amended the terms of its previously announced bought deal offering to increase the aggregate principal amount of the Notes by C\$50,000,000, for the purchase by the Underwriters of C\$300,000,000 aggregate principal amount of Notes (the "**Offering**"). On April 19, 2012, Russel Metals announced that it had closed the Offering.

FULL DESCRIPTION OF MATERIAL CHANGE

On April 12, 2012, Russel Metals announced that it had entered into an agreement with the Underwriters pursuant to which the Underwriters had agreed to purchase from Russel Metals and sell, on a private placement basis, the Notes in an aggregate principal amount of C\$250,000,000.

Subsequently, on April 12, 2012, Russel Metals announced it had amended the terms of its previously announced bought deal offering to increase the aggregate principal amount of the Notes by C\$50,000,000, for the purchase by the Underwriters of C\$300,000,000 aggregate principal amount of Notes. On April 19, 2012, Russel Metals announced that it had closed the Offering.

The Notes will mature on April 19, 2022. Interest on the Notes will accrue at a rate of 6.000% per annum and will be payable semi-annually in arrears in equal instalments on April 19 and October 19, commencing on October 19, 2012.

The Notes will be direct senior unsecured obligations of Russel Metals and will rank equally with all of Russel Metals' other senior unsecured and unsubordinated obligations. The Notes will be jointly and severally and fully and unconditionally guaranteed on a senior unsecured basis as to the payment of principal and interest by all of Russel Metals' material subsidiaries that are also guarantors under Russel Metals' existing and future indebtedness.

On and after April 19, 2017 and any time prior to the maturity date, Russel Metals may, on one or more occasions, redeem the Notes, in whole or in part, at the applicable redemption price set forth in the governing trust indenture with BNY Trust Company of Canada, as trustee, dated April 19, 2012 (the "**Trust Indenture**"), plus accrued and unpaid interest to the date of redemption. The Notes may also be redeemed under certain other circumstances set forth in the Trust Indenture.

Upon the occurrence of a Change of Control (as defined in the Trust Indenture), Russel Metals will be required to offer each holder of Notes to repurchase such holders' Notes, in whole or in part, at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase.

The Trust Indenture contains certain covenants limiting Russel Metals' ability and the ability of most or all of its subsidiaries to, among other things, incur additional debt, make certain restricted payments and investments, create liens, transfer and sell assets, enter into transactions with affiliates, or consolidate, merge or transfer all or substantially all of its property and assets. The covenants are subject to important exceptions set forth in the Trust Indenture.

Russel Metals plans to use the net proceeds of the Offering to repay indebtedness, including to redeem the US\$138.9 million outstanding aggregate principal amount of Russel Metals' 6.375% Senior Notes due March 1, 2014, and for working capital, potential acquisitions and general corporate purposes.

RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102

Not applicable.

OMITTED INFORMATION

Not applicable.

EXECUTIVE OFFICER

The following executive officer of Russel Metals is knowledgeable about the material change described in this report:

Marion E. Britton
Vice President, Chief Financial Officer and Secretary
Business telephone number: (905) 819-7407

DATE OF REPORT

April 20, 2012.

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Forward-Looking Information

The information in this material change report has been prepared as at April 20, 2012. Certain statements contained in this material change report constitute "forward-looking information" under the provisions of Canadian provincial securities laws. When used in this document, words such as "will", "plans", "intends", "intention" and similar expressions are intended to identify forward-looking information.

Such information includes, without limitation, statements regarding the planned use by Russel Metals of the proceeds of the Offering.

This forward-looking information is subject to numerous risks, uncertainties and assumptions, certain of which are beyond the control of Russel Metals. Russel Metals disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.