

MATERIAL CHANGE REPORT

Section 75 of the *Securities Act* (Ontario)
Section 67 of the *Securities Act* (British Columbia)
Section 118 of the *Securities Act* (Alberta)
Section 84 of *The Securities Act, 1988* (Saskatchewan)
Section 73 of the *Securities Act* (Quebec)
Section 81 of the *Securities Act* (Nova Scotia)
Section 76 of *The Securities Act, 1990* (Newfoundland)

ITEM 1: REPORTING ISSUER

Russel Metals Inc. ("Russel")

ITEM 2: DATE OF MATERIAL CHANGE

November 21, 1997

ITEM 3: PRESS RELEASE

A press release was issued on November 21, 1997 by Russel in Toronto, Ontario. A copy of the press release is annexed hereto.

ITEM 4: SUMMARY OF MATERIAL CHANGE

Russel declared a dividend on November 21, 1997 on its Class A and Class B common shareholders in the form of transferable rights to acquire common shares of Tri-White Corporation (formerly Century Continental Transportation Corporation). Holders of record of Russel's Class A and Class B common shares on November 28, 1997 received this dividend.

ITEM 5: FULL DESCRIPTION OF MATERIAL CHANGE

Russel declared a dividend, in the form of transferable rights (the "Rights"), on its Class A and Class B common shares. An aggregate of up to 51,713,964 Rights were expected to be issued. Each Right entitles the holder to acquire one common share of Tri-White Corporation ("Tri-White") from Russel for \$1.40. Holders of record of Russel's Class A and Class B common shares on November 28, 1997 received this dividend. The Rights will expire on December 19, 1997.

Tri-White Corporation has filed a final prospectus with the securities regulators in Canada qualifying the common shares of Tri-White in respect of which the Rights are exercisable. Russel common shareholders have committed to acquire at least 40% of the Tri-White common shares satisfying a condition in the prospectus. This allows the rights offering to proceed. The prospectus also qualifies an additional 7.8 million Tri-White common shares which Tri-White has agreed to issue to the underwriters pursuant to an over-allotment option if all of the Rights are exercised.

The Rights were posted on the TSE and the WSE on a "when distributed" basis at the opening of business on November 28, 1997 and will be traded there until noon on December 19, 1997. The TSE and WSE approved the listing of the common shares of Tri-White qualified under Tri-White's prospectus subject to customary conditions.

Neither the Rights nor the common shares of Tri-White have been registered under the United States *Securities Act of 1933*, as amended (the "US Securities Act") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the US Securities Act. The Rights relating to common shares of Russel held by or on behalf of U.S. persons who are not qualified to exercise the Rights will be delivered to CIBC Mellon Trust Company, which will use its best efforts to sell such rights. The proceeds of any such sale, net of withholding taxes, will be forwarded to the U.S. persons by CIBC Mellon.

The net proceeds of the offering to Russel will be used to repay indebtedness and to finance capital projects and business growth in its existing metals business.

***ITEM 6: RELIANCE ON SUBSECTION 75(3) OF THE
ONTARIO SECURITIES ACT OR EQUIVALENT PROVISIONS***

Not applicable.

ITEM 7: OMITTED INFORMATION

Not applicable.

ITEM 8: SENIOR OFFICER

For further information, please contact Brian Hedges at (905) 819-7401.

ITEM 9: STATEMENT OF SENIOR OFFICER

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto, Ontario this 8th day of December, 1997.

**Brian R. Hedges
Executive Vice President and
Chief Financial Officer**

FOR IMMEDIATE RELEASE
Not for Release in the United States

RUSSEL METALS INC.
ANNOUNCES TERMS OF
RIGHTS OFFERING FOR COMMON SHARES OF
TRI-WHITE CORPORATION
(formerly Century Continental Transportation Corporation)

Toronto, Canada -- November 21, 1997 -- Russel Metals Inc. -- (TSE Symbols "RUS.A" and "RUS.B"; NASDAQ Symbol "RUSAF") announced the terms of its rights offering today. Russel has declared a dividend, in the form of transferable rights (the "Rights"), on its Class A and Class B common shares. An aggregate of up to 51,713,964 Rights are expected to be issued. Each Right entitles the holder to acquire one common share of Tri-White Corporation ("Tri-White") (formerly Century Continental Transportation Corporation) from Russel for \$1.40. Holders of record of Russel's Class A and Class B common shares at 5:00 p.m. (Toronto time) on November 28, 1997 (the "Record Date") will receive this dividend. The Rights will expire on December 19, 1997.

Tri-White Corporation has filed a final prospectus with the securities regulators in Canada qualifying the common shares of Tri-White in respect of which the Rights are exercisable. Russel common shareholders have committed to acquire at least 40% of the Tri-White common shares satisfying a condition in the prospectus. This allows the rights offering to proceed. The prospectus also qualifies an additional 7.8 million Tri-White common shares which Tri-White has agreed to issue to the underwriters pursuant to an over-allotment option if all of the Rights are exercised.

The offering is being underwritten by a syndicate led by Gordon Capital Corporation and includes First Marathon Securities Limited, Levesque Beaubien Geoffrion Inc., Canaccord Capital Corporation and Trilon Securities Corporation. The syndicate will purchase shares not purchased by current shareholders up to 17.0 million shares or 33% of the outstanding shares as of the Record Date. The net proceeds of the offering to Russel will be used to repay indebtedness and to finance capital projects and business growth in its existing metals business.

If all of the Rights are exercised, the net proceeds of the up to 7.8 million shares of Tri-White issuable pursuant to the over-allotment option granted to the underwriters will be paid to Tri-White and used by it in the place of bank debt to fund timing differences in working capital caused by the seasonality of operations.

The Rights will be posted on the TSE and the WSE on a "when distributed" basis at the opening of business on November 28, 1997 and will be traded there until noon on December 19, 1997. The TSE and WSE have approved the listing of the common shares of Tri-White qualified under Tri-White's prospectus subject to customary conditions.

Neither the Rights nor the common shares of Tri-White have been registered under the United States *Securities Act of 1933*, as amended (the "US Securities Act") and may not be offered or sold within the

United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the US Securities Act. The Rights relating to common shares of Russel held by or on behalf of U.S. persons who are not qualified to exercise the Rights will be delivered to CIBC Mellon Trust Company, which will use its best efforts to sell such rights. The proceeds of any such sale, net of withholding taxes, will be forwarded to the U.S. persons by CIBC Mellon.

This offering is another of the initiatives undertaken by Russel since 1991 to restructure its business, allowing it to focus on its metals operations. Upon the completion of this offering, Russel will continue to operate as a major processor and distributor of metals and metal products with a network of 45 Canadian and 13 US locations. It also operates an international trading business which exports North American steel products to international customers and imports foreign steel products into Canada and the United States.

For further information contact:

Brian R. Hedges
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