

MATERIAL CHANGE REPORT

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

ITEM 1: REPORTING ISSUER

Russel Metals Inc. (the “Corporation”), Suite 210, 1900 Minnesota Court, Mississauga, Ontario L5N 3C9

ITEM 2: DATE OF MATERIAL CHANGE

March 1, 2000

ITEM 3: PRESS RELEASE

The attached press release describing the material change was released by Canadian Corporate News on March 1, 2000 and was filed with SEDAR by the Corporation.

ITEM 4: SUMMARY OF MATERIAL CHANGE

The Corporation intends to offer to purchase up to 8 million of its common shares for an amount not to exceed Cdn. \$30 million by way of a Substantial Issuer Bid.

ITEM 5: FULL DESCRIPTION OF MATERIAL CHANGE

The Corporation announced today that it intends to offer to purchase up to 8 million of its common shares for an amount not to exceed Cdn. \$30 million by way of a Substantial Issuer Bid. This represents approximately 17% of the Corporation’s total outstanding common shares and approximately 27% of the public float for common shares.

The Corporation will be making an offer to all common shareholders to acquire common shares at a price per share in a range of Cdn. \$3.75 to Cdn. \$4.25 per common share through a Substantial Issuer Bid procedure known as a Dutch Auction. The Dutch Auction procedure permits shareholders to tender all or any portion of their common shares to the

Corporation at any price within the range and allows the Corporation to determine the lowest price within the range at which it can acquire up to 8 million common shares for an amount not to exceed Cdn. \$30 million, taking into account the number of shares deposited, the prices specified by the shareholders and the limit on the amount to be spent. The same price will be paid to all shareholders who properly deposit shares in accordance with the terms and conditions of the offer and whose shares are taken up pursuant to the bid.

The offer, which is subject to regulatory approval, expires at 12:00 midnight, Toronto Time, on March 27, 2000, unless extended by the Corporation. Full particulars of the offer, including conditions of the offer and procedures for the tendering of shares, will be contained in an Issuer Bid Circular which will be mailed to shareholders on March 6, 2000.

The Corporation intends to finance the share purchase with funds received from the sale of its remaining interest in Cashway Building Centers Ltd. and cash on hand.

In making this offer, the Corporation continues to believe that its common shares have been trading in price ranges which do not fully reflect their value and that this share repurchase represents an effective use of the Corporation's financial resources and is in the best interests of its shareholders.

The Corporation's offer to purchase 8 million common shares follows the announcement on February 22, 2000 of its intention to purchase up to 2.9 million common shares through a Normal Course Issuer Bid. The Corporation will not be acquiring any shares pursuant to the current Normal Course Issuer Bid until after the expiration of this offer.

The Corporation currently has 47,489,547 common shares outstanding.

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 OFFICERS

For further information, please contact Brian R. Hedges, Executive Vice-President and Chief Financial Officer of Russel at (905) 819-7401.

ITEM 9: STATEMENT OF SENIOR OFFICER

The foregoing accurately discloses the material change referred to herein.

DATED at Mississauga, Ontario, this 2nd day of March, 2000.

(signed) Brian R. Hedges

Brian R. Hedges
Executive Vice President and Chief Financial Officer



NEWS

FOR IMMEDIATE RELEASE

STOCK SYMBOLS: TSE, WSE: RUS, RUS.PR.C

NASDAQ: RUSM

RUSSEL METALS ANNOUNCES SUBSTANTIAL ISSUER BID

TORONTO, CANADA – March 1, 2000 -- Russel Metals Inc. announced today that it intends to offer to purchase up to 8 million of its common shares for an amount not to exceed \$30 million by way of a Substantial Issuer Bid. This represents approximately 17% of Russel Metals' total outstanding common shares and approximately 27% of the public float for common shares.

Russel Metals will be making an offer to all common shareholders to acquire common shares at a price per share in a range of \$3.75 to \$4.25 per common share through a Substantial Issuer Bid procedure known as a Dutch Auction. The Dutch Auction procedure permits shareholders to tender all or any portion of their common shares to Russel Metals at any price within the range and allows Russel Metals to determine the lowest price within the range at which it can acquire up to 8 million common shares for an amount not to exceed \$30 million, taking into account the number of shares deposited, the prices specified by the shareholders and the limit on the amount to be spent. The same price will be paid to all shareholders who properly deposit shares in accordance with the terms and conditions of the offer and whose shares are taken up pursuant to the bid.

The offer, which is subject to regulatory approval, expires at 5:00 p.m., Toronto Time, on March 27, 2000, unless extended by the Company. Full particulars of the offer, including conditions of the offer and procedures for the tendering of shares, will be contained in an Issuer Bid Circular which will be mailed to shareholders on March 6, 2000.

The Company intends to finance the share purchase with funds received from the sale of its remaining interest in Cashway Building Centers Ltd. and cash on hand.

In making this offer, Russel Metals continues to believe that its common shares have been trading in price ranges which do not fully reflect their value and that this share repurchase represents an effective use of the Company's financial resources and is in the best interests of its shareholders.

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Russel Metals currently has 47,489,547 common shares outstanding.

Russel Metals is one of the largest steel distribution companies in North America. It carries on business in three steel distribution segments: service center distribution, energy sector distribution and steel import/export, under various names including Russel Metals, B&T Steel, Bahcall Group, Baldwin International, Copco Steel, Comco Pipe and Supply, Drummond McCall, Fedmet Tubulars, Métaux Russel, Pioneer Pipe, Sunbelt Group, Total Distributors Supply Corporation and Wirth Limited.

For further information, contact:
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