



To: Valued Customer of Kentucky Electric Steel

Subject: Conflict Minerals Statement

Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and the Securities and Exchange Commission Rules adopted in connection therewith, require certain corporations to report the use of "Conflict Minerals" in the manufacture of their products. Generally, Conflict Minerals collectively refers to cassiterite, columbite-tantalite, gold, wolframite, or their derivatives, including tantalum, tin and tungsten, which originate from the Democratic Republic of the Congo or specified adjoining countries (referred to herein as "Covered Countries")

While we, as a privately held company, are not subject to the Conflict Minerals rules and reporting requirements, we understand that our customers may be, and we are committed to helping our customers comply with their reporting requirements.

In order to determine if our manufactured products contain Conflict Minerals, we have conducted a survey of our current key suppliers, to ascertain their use of any Conflict Minerals in the materials they supply to us. The results of that survey demonstrate that based upon our reasonable and good faith inquiry, ***our key suppliers (i) do not use Conflict Minerals in the materials they supply to us, (ii) have no reason to believe the Conflict Minerals they use may have originated in the Covered Countries, and/or (iii) reasonably believe that the Conflict Minerals they use are from recycled or scrap sources.*** Consequently, we can in turn represent that, to the best of our knowledge, our manufactured products either do not contain Conflict Minerals, or to the extent they do, such products are "DRC conflict free" as defined by paragraph e(4) of Section 1502.

We will continue to work with our key suppliers to ensure that we are able to identify the use of Conflict Minerals in our supply chain, and the representations made in this compliance statement remain accurate. To that end, we reserve the right to amend this statement at any time based on subsequent developments or information.

Should you have any questions or concerns regarding this statement, please do not hesitate to contact us.

Kentucky Electric Steel