



November 14, 2016

Subject: December 2016 Surcharges

To Our Customers:

The scrap surcharge for December 2016 is \$6.25/CWT, plus an additional \$0.07/CWT for manganese and \$0.00/CWT for Natural Gas based on the November NYMEX settlement price of \$2.764/MMBTU. Alloy surcharges for December will be predicated on the following prices:

| | | |
|-----------|------------|-----------------------|
| Nickel | \$ 4.99/LB | (LME) |
| Moly | \$ 6.68/LB | (Platt's Metals Week) |
| Chrome | \$ 0.83/LB | (Platt's Metals Week) |
| Vanadium | \$ 9.65/LB | (Platt's Metals Week) |
| Manganese | \$ 853/GT | (Platt's Metals Week) |

Alloy surcharges for typical grades: (All prices per CWT.)

| Standard Grades | Nickel | Moly | Chrome | Total |
|-----------------|---------|---------|---------|---------|
| 4023 thru 4047 | - | \$ 1.08 | - | \$ 1.08 |
| 4118 | - | \$ 0.52 | \$ 0.22 | \$ 0.74 |
| 4130 thru 4150 | - | \$ 0.87 | \$ 0.42 | \$ 1.29 |
| 4161 | - | \$ 1.30 | \$ 0.36 | \$ 1.66 |
| 4320 | \$ 3.41 | \$ 1.08 | \$ 0.22 | \$ 4.71 |
| 4340 | \$ 3.41 | \$ 1.08 | \$ 0.36 | \$ 4.85 |
| 4615 and 4620 | \$ 3.41 | \$ 1.08 | - | \$ 4.49 |
| 5140 and 5160 | - | - | \$ 0.36 | \$ 0.36 |
| 8615 thru 8655 | \$ 1.03 | \$ 0.87 | \$ 0.22 | \$ 2.12 |
| 8720 and 8740 | \$ 1.03 | \$ 1.08 | \$ 0.22 | \$ 2.33 |
| 8822 | \$ 1.03 | \$ 1.52 | \$ 0.22 | \$ 2.77 |
| 9254 | - | - | \$ 0.31 | \$ 0.31 |
| 9310 | \$ 6.08 | \$ 0.50 | \$ 0.55 | \$ 7.13 |
| 52100 | - | - | \$ 0.65 | \$ 0.65 |

Please note that vanadium surcharges will be applied to grades with a specified vanadium content.

Please refer any questions you may have to your Republic Steel Sales Representative or Customer Service Representative.

Sincerely,

J. T. Thielens, Jr.
Executive Vice President – Commercial