

October 30<sup>th</sup>, 2018

Standing Committee on International Trade 131, Queen street, 6th street House of Commons Ottawa ON K1A 0A6 Canada

Reference: 25% tariff imposition on steel imports

## Attention: Honorable Mark Eyking,

Dear sir,

Our company founded in 1991 has developed an expertise in the manufacturing and distribution of core drilling products for the mineral exploration community. Our products are currently being utilized around the world and we continue to grow our geographical footprint as part of our strategic growth plan. Thanks to our valued employees and business partners, we are recognized as a quality provider by the industry. This is achieved despite fierce competition by global players within our industry segment. Whilst we remain a smaller player, we have gained respect from our clients and grief to our competitors.

The source of our raw materials stem, in good part, from the United States and South Korea. Our engineering team has worked diligently to establish the specifications of our raw material(s) required (steel grade 1026, 1035, 1541 and 4130) for our manufacturing process. In turn, these specifications enable us to provide a high-quality product permitting us to compete on the global scale. Whilst we continuously seek to find a suitable Canadian steel mill that could offer us the required steel, none are available at this time and for the foreseeable future. The advantage of buying Canadian are numerous but till now we have had to rely on international mills as mentioned above.

The recent imposition of tariffs on American steel has had a detrimental effect on our business. Whilst we seek to find alternative steel suppliers in other countries, the availability of our product segment is limited and if made available the lead time is well beyond 1 to 2 year (granted we are considered by the suppliers). With the now potential imposition for tariffs to take effect on South Korean product, we are facing an imminent threat to our company's survival.

We have taken steps to apply for an exemption relevant to the tariff imposition on our specific product segment and hope to favorable response. Between now and then, we sincerely hope that the current situation relevant to tariff imposition be reviewed (relevant to industry segment) or at best be abolished.

We cannot stress enough the importance of a favorable response to our demand as our company's survival is at risk, thus affecting the livelihood of our employees, our suppliers (direct and indirect) and customers alike.

Best regards,

Daniel Misiano

Daniel Misiano President / CEO MBI Drilling Products 110 Jacques Bibeau Rouyn-Noranda, Qc J9Y0A3