Court File No. 03-CL-5145

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

B E T W E E N:

IN THE MATTER OF the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended

AND IN THE MATTER OF a Plan or Plans of Compromise or Arrangement of Ivaco Inc. and the Applicants listed in Schedule "A"

Applicants

AFFIDAVIT OF RANDALL C. BENSON

(sworn January 30, 2004)

I, RANDALL C. BENSON, of the City of Burlington, in the Province of Ontario, MAKE OATH AND SAY:

1. I am the Chief Restructuring Officer of Ivaco Inc. and have acted in that capacity since October 24, 2003. As such, I have personal knowledge of the matters discussed in this Affidavit. To the extent I do not have personal knowledge of these matters, I verily believe them to be true. I swear this Affidavit in support of the Applicants' motion for an extension of the Stay Termination Date to April 2, 2004.

2. In this Affidavit, I will address three issues:

   (a) the preparation and filing of the Report of the Applicants, in accordance with the dual track restructuring process approved by the Court on December 11, 2004;

(b) the sales process to date;

(c) the need for an extension of the Stay Termination Date.

The Restructuring Report

3. On November 28, 2004, the Applicants appeared before Mr. Justice Farley of the Ontario Superior Court of Justice and obtained an order extending the Stay Termination Date to February 13, 2004.

4. On December 11, 2004, the Applicants again appeared before Mr. Justice Farley, and obtained an order authorizing them to proceed with a dual track restructuring process which would allow for a thorough review of potential restructuring alternatives to be completed (the "Process Order"). The Process Order provided that each of the Applicants was to prepare a long-term business plan, to be completed by December 15, 2003.

5. The Process Order provided for the ongoing sharing of information by the Applicants with its stakeholders and for a regular dialogue among the parties during the review period. In addition, the Process Order provided a timetable for formal meetings to be held between the Applicants and their respective stakeholders. In accordance with the schedule, the Applicants conducted individual stakeholder meetings and presented their long-term business plans to stakeholders in Montreal on December 16 and 17, 2003.

6. Follow-up stakeholder meetings were held in Montreal during the week of January 12, 2004, as required by the Process Order, at which time the Applicants

presented restructuring alternatives and a recommendation regarding the process to be followed in connection therewith.

7. The details of the review process undertaken by the Applicants and the stakeholder meetings will be set out in the Sixth Report of the Monitor, to be filed with the Court on February 3, 2004. However, I can confirm that all deadlines set out in the Process Order have been met by the Applicants.

8. Pursuant to the terms of the Process Order, on completion of the review process the Applicants are required, with the assistance of UBS and in consultation with the Monitor, to prepare a report setting out the results of the restructuring analysis and to make recommendations and proposals with respect to further action. That analysis has been completed and a report prepared, a copy of which is attached hereto and marked as Exhibit "A".

9. Stakeholders have been provided with detailed information with respect to the long-term business plans of the Applicants and are in the process of conducting due diligence to assess their options and to better evaluate their views of the Applicants' analysis and the feasibility of the Applicants' proposals.

10. In addition, the Applicants continue to refine their business plans and, as a result, will continue to modify their analyses regarding the restructuring alternatives. This process will continue as the Applicants carry on with the sale process contemplated by the Process Order.

11. The Applicants will continue to share information regarding these revisions and modifications and to discuss the restructuring alternatives with their stakeholders.

The Sales Process

12. The Process Order provides that at the same time as the restructuring review is taking place, the Applicants are to explore strategic alternatives, including the potential sale of some or all of their assets (the "Targeted Assets"). To this end, UBS was authorized to seek proposals from potential acquirers or financiers.

13. In accordance with the Process Order, a Confidential Information Memorandum (the "CIM") was developed with respect to each of the Targeted Assets, outlining a sale process and providing relevant business information to potential purchasers. A draft CIM was circulated to many of the Applicants' major stakeholders for comment and was finalized with their assistance.

14. In addition, a list of potential investors was prepared for each of the Targeted Assets, based on the market knowledge of UBS and the Applicants, suggestions from stakeholders and unsolicited expressions of interest received by the Applicants.

15. Potential purchasers thus identified have been contacted by UBS. A number have expressed interest in the assets of the Applicants and have returned executed Confidentiality Agreements. In turn, they have been provided with copies of the CIM which they are in the process of reviewing. Pursuant to the terms of the Process Order, proposals from interested purchasers will be due on February 6, 2004. It is anticipated that the Monitor will prepare and file with the Court a supplemental

report to provide the Court and stakeholders with updated information regarding the sales process and, in particular, the proposals received.

16. The Applicants have also initiated a sales process with respect to certain non-core assets. Sales of such assets are proceeding separately and on their own timelines.

The Extension of the Stay Termination Date

17. Although significant progress has been made by the Applicants in identifying and assessing potential approaches to the restructuring process, as well as with respect to the sales process, the process remains at a relatively early stage.

18. As noted in paragraph 9, above, many stakeholders are in the process of conducting due diligence to assess the viability of the long-term business plans presented by the Applicants. These stakeholders should be provided with a reasonable period of time in which to review the information provided by the Applicants and to formulate responses to the recommendations made by the Applicants.

19. In addition, offers from potential purchasers are not due to be presented to the Applicants before February 6, 2004. Once offers are received, the Applicants will require time to review and assess the proposals in order to identify those offers best suited to maximizing value and recovery for creditors. If it is determined that the Applicants should move further with the sales process, a more formalized due diligence process will then take place.

20. The Applicants also propose to initiate a formal claims process during the extended stay period, if granted. It is necessary, in order to complete the information gathering process, for the Applicants to assess accurately the claims outstanding against them.

21. Also, the Applicants are in the process of implementing certain measures identified as key business plan items, including the sale of non-core assets. Further, the Applicants are attempting to negotiate with their Union with respect to changes to the collective agreement that are critical to the Applicants' business plans. More time is required by the Applicants in order to fully implement and assess the impact of these strategies.

22. It is anticipated by the Applicants that, once they have had an opportunity to review the suggestions of stakeholders with respect to the report and recommendations and the proposals put forward by potential purchasers, they will be in a better position to provide fuller recommendations and to analyze the options available to them going forward. Given time and flexibility, I believe the Applicants will be able to put forward proposals that will benefit all of the affected stakeholders.

Annual Meeting

23. Under the *Canada Business Corporations Act*, Ivaco would ordinarily hold its annual meeting in May 2004 and would require approximately 60 days to prepare and give notice to its shareholders (with the appropriate mailings) of such meeting. By press release dated January 20, 2004, Ivaco advised that it was its current view that Ivaco's shareholders are unlikely to receive any value for their shares under any

restructuring scenario. In light of these circumstances, it would be inappropriate for Ivaco to spend the time and incur the expense necessary to prepare for and hold a shareholders meeting. As a result, Ivaco is seeking an Order relieving it of any obligation to call or hold a shareholders meeting until further Order of the Court.

SWORN BEFORE ME at the City of Toronto in the Province of Ontario, this 30th day of January, 2004	))))	RANDALL C. BENSON
Commissioner for taking Affidavits, etc.		

This is Exhibit "A" referred to in the
Affidavit of Randall C. Benson
sworn before me this 30th day
of January, 2004

A Commissioner for taking Affidavits, etc.

In accordance with the Order of the Ontario Superior Court of Justice dated December 11, 2003 (the "Process Order"), Ivaco Inc. ("Ivaco"), Ivaco Rolling Mills Limited Partnership ("Ivaco Rolling Mills"), and Ifastgroupe and Company, Limited Partnership ("Ifastgroupe") (collectively, the "Applicants") are each in the process of pursuing a dual-track, parallel path approach to their respective restructurings. The first track, the Stand-Alone Restructuring Analysis and Process, involves a process to determine the most appropriate way to restructure Ivaco Rolling Mills, Ifastgroupe and Ivaco for the benefit of their respective stakeholders. At the same time as the Stand-Alone Restructuring and Process is taking place, the Applicants have started to explore strategic alternatives (the "Sale Process"), including a possible sale of all or some of the Applicants' principal assets and/or businesses including Ivaco Rolling Mills, Ifastgroupe, and the Sivaco divisions of Ivaco Inc. ("Sivaco"), including in each case their respective subsidiaries (each a "Targeted Asset"). The Process Order set a February 6th deadline for indications of interest from prospective buyers. As of the date of this report, the Applicants have not received meaningful feedback from prospective buyers or investors involved in the Sale Process.

Pursuant to the terms and conditions of the Process Order, the Applicants have completed a thorough review of their respective potential restructuring alternatives. Based on this review, each Applicant has produced, and has included in this report, a recommendation regarding its restructuring, giving fair and equal consideration to both separate Stand-Alone Restructurings and the advisability of restructuring around the consolidation of the businesses of some or all of those entities and/or their assets.

1. Process for Analysis

Each of the Applicants has completed an evaluation of certain restructuring alternatives assuming each of Ivaco Rolling Mills, Ifastgroupe, and Sivaco continue to operate as a going concern (the "Stand-Alone Evaluation"). The Stand-Alone Evaluation analyzes each Applicant individually and provides each Applicant's view on how it would be restructured on an independent stand-alone basis (for each Applicant an "Independent Stand-Alone Plan"). In addition, the Stand-Alone Evaluation reviews a possible alternative in which all of the Applicants are restructured on a combined basis (the "Consolidated Stand-Alone Plan"). Details of the Stand-Alone Evaluation have been reviewed with certain major stakeholders who entered into confidentially agreements with the Applicants. The Applicants believe that public disclosure of the Stand-Alone Evaluation could be detrimental to the Sale Process because such Evaluation contains preliminary views on valuation, fundamental assumptions in the Applicants' respective business plans and other sensitive information.

The Stand-Alone Evaluation is based on the Applicants' long-term business plans. The long-term business plans were completed and distributed to certain major stakeholders on December 15th, 2003 and presented to such stakeholders on December 16th and 17th. Each recipient of such information signed a confidentiality agreement. The business plans include, among other prospective assumptions, specific estimates regarding the outcome of negotiations with the Applicants' labour unions, the ongoing treatment of pension funding and legacy costs and inter-Applicant customer and supplier relationships. The business plans also assume that each Applicant can operate independently without impacting operations. The business plans are based on the fact that relationships that exist today among the Applicants are primarily arms length, supplier and customer relationships based on market terms and conditions. The business plans assume that such relationships could survive if the Applicants were restructured independently or that such relationships could be replaced over time with third parties. Each Independent Stand-Alone Plan, the Consolidated Stand-Alone Plan and the conclusions set forth herein assume that the Applicants are successful in achieving the results depicted in their respective business plans.

The Applicants have also made certain assumptions with respect to the treatment and value of claims. The validity of such assumptions is contingent upon the completion of a formal claims process and, in the case of claims related to pension solvency deficiencies, negotiations with Provincial Regulators and labour unions.

If the ability to achieve the business plans or if the treatment and value of claims differ materially from those assumed by the Applicants, the direction and form of recommended restructuring of each Applicant set forth herein could be impacted.

The Applicants, with the assistance of UBS Securities LLC ("UBS") and in consultation with the Monitor, reviewed each Independent Stand-Alone Plan and Consolidated Stand-Alone Plan and developed their respective conclusions and recommendations using consistent guidelines. The Applicants recognize that any Independent Stand-Alone Plan or a Consolidated Stand-Alone Plan must offer a sustainable, long-term solution. The Applicants also believe the recommended restructuring strategy should achieve the following principal objectives (the "Restructuring Objectives"):

- maximize value and recovery for stakeholders;
- facilitate a timely implementation;
- provide recovery in a form that is liquid and desirable to the stakeholders; and
- not preclude or disrupt the sale process.

2. Ivaco Rolling Mills—Description of Development of the Stand-Alone Plan

Ivaco Rolling Mills has developed an Independent Stand-Alone Plan that could be implemented as an alternative to the Sale Process as measured by the Restructuring Objectives described above. In order to evaluate the Independent Stand-Alone Plan, Ivaco Rolling Mills, assisted by the Monitor, performed a preliminary claims analysis and a preliminary liquidation analysis. The claims and liquidation analyses provide tools for Ivaco Rolling Mills and its creditors to benchmark their recoveries to determine the optimal process (liquidation versus reorganization). Ivaco Rolling Mills used the business plan as the basis for the Independent Stand-Alone Plan. Inherent in the business plan are certain assumptions that all supply arrangements will continue after emergence from CCAA.

The Independent Stand-Alone Plan made several assumptions regarding treatment of claims, including an assumption that any fees and expenses, convenience claims, and DIP Revolving Credit Facility amounts would be settled in cash with proceeds from a secured revolving credit facility (the "IRM Exit Facility"). The IRM Exit Facility has not yet been arranged and discussions with potential lenders are preliminary. However, based on such preliminary discussions, Ivaco Rolling Mills has assumed that the IRM Exit

Facility will be secured by inventories and receivables and will be available upon exit from CCAA. The IRM Exit Facility would also be available to cover working capital requirements upon exit. In addition, Ivaco Rolling Mills made certain assumptions regarding the renegotiation of capital leases and equipment financing and ongoing contractual relationships with key third party raw material suppliers and with customers, including Sivaco.

Ivaco Rolling Mills has also evaluated the potential for non-core asset sales and does not expect any meaningful proceeds to arise.

Ivaco Rolling Mills further estimated a preliminary enterprise valuation range and long-term permanent financing capacity based on the business plan. Ivaco Rolling Mills assumed that its remaining unsecured claims would be settled for a combination of debt and equity in the reorganized entity. The preliminary valuation range also provided a measure against which Ivaco Rolling Mills could compare a stand-alone reorganization with a liquidation and potentially with values obtained a result of the Sale Process.

Ivaco Rolling Mills has determined that an Independent Stand-Alone Plan is feasible and that, based on the assumptions made, a reorganization under an Independent Stand-Alone Plan would provide superior recoveries to creditors versus liquidation provided the business plan can be achieved as currently contemplated, including stated savings from renegotiation of collective bargaining agreements and a reduction in pension funding obligations. Should the business plan not be achievable, or should the Applicant be unsuccessful in its labour and pension negotiations, Ivaco Rolling Mills believes that it's Independent Stand-Alone Plan, while still theoretically viable, would leave it facing significant financial risk. Ivaco Rolling Mills has also determined that it can operate independently with some minor adjustments. Any relationships that exist today among Ivaco Rolling Mills and the other Applicants are primarily arms length, supplier and customer relationships based on market terms and conditions. These relationships could survive if Ivaco Rolling Mills were to be restructured independently or such relationships could be replaced over time with third parties.

3. Ifastgroupe—Description of Development of the Stand-Alone Plan

Ifastgroupe has developed an Independent Stand-Alone Plan that could be implemented as an alternative to the Sale Process as measured by the Restructuring Objectives described above. In order to evaluate the Independent Stand-Alone Plan, Ifastgroupe, assisted by the Monitor, performed a preliminary claims analysis and a preliminary liquidation analysis. The claims and liquidation analyses provide tools for Ifastgroupe and its creditors to benchmark their recoveries to determine the optimal process (liquidation versus reorganization). The Applicant used the business plan as the basis for the Independent Stand-Alone Plan. Inherent in the business plan are certain assumptions that all supply arrangements will continue after emergence from CCAA.

The Independent Stand-Alone Plan made several assumptions regarding treatment of claims, including an assumption that any fees and expenses, convenience claims, and any DIP Revolving Credit Facility amounts (if any) would be settled with cash held on the balance sheet upon exit from CCAA. Ifastgroupe expects to have cash available for this purpose. The Independent Stand-Alone Plan also assumes that Ifastgroupe would enter into a revolving credit facility to cover ongoing working capital needs (the "Ifastgroupe Exit Facility"). The Ifastgroupe Exit Facility has not yet been arranged and discussions with potential lenders are preliminary. However, based on such preliminary discussions, Ifastgroupe has assumed that the Ifastgroupe Exit Facility will be secured by inventories and receivables and will be available upon exit from CCAA. In addition, Ifastgroupe made certain assumptions regarding the renegotiation of capital leases and equipment financing.

Ifastgroupe has also evaluated the potential for non-core asset sales and does not expect any meaningful proceeds to arise.

Ifastgroupe further estimated a preliminary enterprise valuation range and long-term permanent financing capacity based on the business plan. Ifastgroupe assumed that its remaining unsecured claims would be settled for a combination of debt and equity in the reorganized entity. The preliminary valuation range also provided a measure against which Ifastgroupe could compare a stand-alone reorganization with a liquidation and potentially with values obtained a result of the Sale Process.

Ifastgroupe represents a combination of several separate operational divisions. Broadly speaking, Ifastgroupe has determined that an Independent Stand-Alone Plan is feasible and, based on the assumptions made, that reorganization under an Independent Stand-Alone Plan would provide superior recoveries to creditors versus liquidation. Further analysis is required, however, to review the specific divisions of Ifastgroupe and further refine their specific viability and value relative to liquidation scenarios. Ifastgroupe has also determined that it can operate independently with some minor adjustments. Any relationships that exist today among Ifastgroupe and the other Applicants are primarily arms length, supplier and customer relationships based on market terms and conditions. These relationships could survive if Ifastgroupe were to be restructured independently or such relationships could be replaced over time with third parties.

4. Ivaco —Description of Development of the Stand-Alone Plan

Ivaco has developed an Independent Stand-Alone Plan that could be implemented as an alternative to the Sale Process as measured by the Restructuring Objectives described above. In order to evaluate the Independent Stand-Alone Plan, Ivaco, assisted by the Monitor, performed a preliminary claims analysis and a preliminary liquidation analysis. The claims and liquidation analyses provide tools for Ivaco and its creditors to benchmark their recoveries to determine the optimal process (liquidation versus reorganization). Ivaco used the business plan as the basis for the Independent Stand-Alone Plan. Inherent in the business plan are certain assumptions that all supply arrangements will continue after emergence from CCAA, including, at least in the short term, supply from Ivaco Rolling Mills

The Independent Stand-Alone Plan made several assumptions regarding treatment of claims, including an assumption that any fees and expenses, convenience claims, and any DIP Revolving Credit Facility amounts would be settled in cash with proceeds from certain non-core asset sales and a secured revolving credit facility (the "Ivaco Exit Facility"). Ivaco assumed cash from the Exit Facility would also be used to provide partial recovery to existing secured lenders under Ivaco's current credit facility. The

Ivaco Exit Facility has not yet been arranged and discussions with potential lenders are preliminary. However, based on such preliminary discussions, Ivaco has assumed that the Ivaco Exit Facility will be secured by inventories and receivables and will be available upon exit from CCAA. The Ivaco Exit Facility would also be available to cover working capital requirements upon exit. In addition, Ivaco made certain assumptions regarding the renegotiation of capital leases and equipment financing. It has also made certain assumptions regarding the likely recoveries to be derived from the sale of certain non-core assets.

Ivaco has also evaluated the potential for non-core asset sales and expects to achieve meaningful proceeds. A range of estimates was established and proceeds were applied to recovery

Ivaco further estimated a preliminary enterprise valuation range and long-term permanent financing capacity based on the business plan. The Applicant assumed that existing secured lenders under Ivaco's current credit facility would receive cash from amounts drawn under the Ivaco Exit Facility (as described above) and the balance of their recovery in the form of new secured debt. Ivaco's remaining unsecured claims would be settled for a combination of debt and equity in the reorganized entity. The preliminary valuation range also provided a measure against which Ivaco could compare a stand-alone reorganization with a liquidation and potentially with values obtained a result of the Sale Process.

Based on this analysis, Ivaco has determined that an Independent Stand-Alone Plan is feasible and, based on the assumptions made, that a reorganization under an Independent Stand-Alone Plan would provide superior recoveries to creditors versus liquidation, provided the business plan can be achieved as currently contemplated, including stated savings from renegotiation of collective bargaining agreements and a reduction in pension funding obligations. Should the business plan not be achievable, or should the Applicant be unsuccessful in its labour and pension negotiations, Ivaco believes that liquidation would likely provide a superior recovery for creditors. Ivaco has also determined that it can operate independently with some minor adjustments. Any relationships that exist today among Ivaco and the other Applicants are primarily arms length, supplier and customer relationships based on market terms and conditions. These relationships could survive if Ivaco were to be restructured independently or such relationships could be replaced over time with third parties.

5. Description of Development of the Consolidated Stand-Alone Plan

The Applicants have developed a Consolidated Stand-Alone Plan that could be implemented as an alternative to the Sale Process as measured by the Restructuring Objectives described above. In order to evaluate the Consolidated Stand-Alone Plan, the Applicants utilized the same preliminary claims analyses and preliminary liquidation analyses described in the sections above. Again, the claims and liquidation analyses provide tools for the Applicants and its creditors to benchmark their recoveries to determine the optimal process (liquidation versus reorganization). The Applicants again used their respective business plans as the basis for the Consolidated Stand-Alone Plan. Inherent in the business plans are certain assumptions that all supply arrangements will continue after emergence from CCAA. The Applicants also assumed that modest cost synergies and other benefits may be available in the consolidated plan versus an independent approach and that such synergies and other benefits could create additional value in total. However, the quantum and nature of such synergies, benefits and additional value are not materially significant.

The Consolidated Stand-Alone Plan made several assumptions regarding treatment of claims, including an assumption that any fees and expenses, convenience claims, and any DIP Revolving Credit Facility amounts would be settled in cash with proceeds from certain non-core asset sales, cash held on the Applicants' balance sheets and drawing upon a secured revolving credit facility (the "Consolidated Exit Facility"). The Applicants assumed cash from the Consolidated Exit Facility would also be used to provide full recovery to existing secured lenders under Ivaco's current credit facility. The Consolidated Exit Facility has not yet been arranged and discussions with potential lenders are preliminary. However, based on such preliminary discussions, the Applicants have assumed that the Consolidated Exit Facility will be secured by inventories and receivables and will be available at closing upon exit from CCAA. The Consolidated Exit Facility would also be available to cover working capital requirements upon exit. In addition, the Applicants made certain assumptions regarding the renegotiation of capital leases and equipment financing.

The Applicants have also evaluated the potential for non-core asset sales and expects to achieve meaningful proceeds. A range of estimates was established and proceeds were applied to recovery

The Applicants further estimated a preliminary consolidated enterprise valuation range and long-term permanent financing capacity based on the business plans. The Applicants assumed that existing secured lenders under Ivaco's current credit facility would receive cash from amounts drawn under the Ivaco Exity Facility (as described above). The remaining unsecured claims would be settled for a combination of cash, debt and equity in the reorganized entity. The preliminary valuation range also provided a measure against which the Applicant could compare a stand-alone reorganization with a liquidation and potentially with values obtained a result of the Sale Process.

The Applicants believe that they could continue to operate as they have in the past without materially impacting operations; however, based on this analysis, the Applicants have determined that a Consolidated Stand-Alone Plan would be very difficult to implement and therefore is not an attractive alternative at this time. A reorganization under a Consolidated Stand-Alone Plan may not provide superior recoveries to creditors versus liquidation. Ivaco does not expect that any restructurings of it will likely result in material recovery to its existing equity holders.

6. Conclusion

Each of the Applicants have concluded upon review of their respective Independent Stand-Alone Plans and the Consolidated Stand-Alone Plan, that the stakeholders of each Applicant would be best served if each Applicant were restructured on a stand alone, independent basis. The Applicants believe that certain factors must be considered in determining how best to proceed within the context of a complicated restructuring process.

Specifically, based on the current business plans, the Applicants believe that each Applicant could be restructured independently without materially impacting operations. The Applicants believe that Ivaco Rolling Mills, Ifastgroupe and the Sivaco divisions of Ivaco each operate on a relatively autonomous basis and that their respective business focuses are distinct. Relationships that exist today, and that are anticipated to continue in the future pursuant to the Applicants' respective business plans, are primarily arms length, supplier and customer relationships based on market terms and conditions. The Applicants believe that such relationships could survive if the Applicants were each restructured independently. Conversely, such relationships could be replaced with third party suppliers or customers, as the case may be. The Applicants also believe that such relationships could be replaced over time if one or more of the Applicants were liquidated or if the assets of an Applicant were sold to a third party.

The Applicants believe that the sale of non-core assets should proceed and will expedite the recovery of value to creditors.

Each Applicant believes that the Applicants could be restructured independently without significantly impacting aggregate value and stakeholder recoveries as compared to a consolidated approach. While the Applicants believe modest cost synergies and other benefits may be available in the consolidated plan versus an independent approach and that such synergies and other benefits could create additional value in total, the quantum and nature of such synergies, benefits and additional value are not materially significant and therefore do not alter a decision to adopt an independent approach.

Each Applicant's respective analyses indicate that independent restructurings will prove more feasible and will more effectively accomplish the restructuring objectives than a consolidated restructuring. A consolidated restructuring will require the creditors of each Applicant to agree to a consolidated plan. Given the complex profile of the creditors' claims and the Applicants' belief that the interests of such creditors are not necessarily aligned, the negotiations required to achieve full agreement would be extremely difficult and time consuming. A consolidated restructuring could be further complicated if specific Creditors of specific Applicants were to receive different recovery value, which the Applicants believe may occur. Each Applicant believes that creditor groups would be best served reviewing their specific options on an independent basis.

Each Applicant believes that an independent restructuring plan preserves the greatest degree of flexibility for stakeholders. The sale process could lead to an attractive offer to sell one or more of the Applicants. The receipt of such an offer will not disrupt the completion of an independent restructuring for the remaining Applicants. Furthermore, a premature decision to pursue a consolidated restructuring could adversely affect the success of the sale process. Further, the independent restructuring approach does not preclude consolidating at a later point in time.

IN THE MATTER OF the *Companies' Creditors Arrangement Act*
R.S.C. 1985, c. C-36

AND IN THE MATTER of a Plan of Compromise or Arrangement of Ivaco Inc. and the Applicants listed in Schedule "A"

Court File No. 03-CL-5145

Ontario
Superior Court of Justice

Proceeding Commenced at Toronto

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