Court File No. 03-CL-5145

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.	)	FRIDAY, THE 3rd DAY
	)	
JUSTICE FARLEY	)	OF MARCH, 2006

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"

ORDER
(Engagement of BDO)

THIS MOTION made by Ernst & Young Inc., the Court-appointed Monitor of the Applicants (the "Monitor"), for an order providing certain protections to BDO Dunwoody LLP with respect to its engagement pursuant to the engagement letter attached hereto as Schedule "B" (the "Engagement Letter"), was heard this day at 393 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Motion Record herein, and the Thirty-First Report of the Monitor dated February 24, 2006 (the "Report"), and on hearing the submissions of counsel for the Monitor, and on being advised that the Notice of Motion was served on the Service List as of February 27, 2006:

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record herein is abridged and that the motion is properly returnable today and service on any interested party other than those parties served is hereby dispensed with.

2. **THIS COURT ORDERS AND DECLARES** that BDO Dunwoody LLP shall not incur any liability to any party, other than IMT Corporation and IMT Partnership, as a result of its appointment or conduct pursuant to the Engagement Letter, save and except for gross negligence or wilful misconduct on its part.

3. **THIS COURT ORDERS AND DECLARES** that no action or other proceeding may be commenced against BDO Dunwoody LLP by any party, other than IMT Corporation and IMT Partnership, in any way arising from or related to its capacity or conduct pursuant to the Engagement Letter, except with prior leave of this Court on notice to BDO Dunwoody LLP.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

MAR 07 2006

PER/PAR:

JOSEPH P VAN TASSEL
REGISTRAR

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SCHEDULE "A"

Ivaco Rolling Mills Inc.
Ifastgroupe Inc.
IFC (Fasteners) Inc.
Ifastgroupe Realty Inc.
Docap (1985) Corporation
Florida Sub One Holdings, Inc.
3632610 Canada Inc.

SCHEDULE "B"

March ____________, 2006

IMT Corporation
c/o Ernst & Young Inc.
Toronto Dominion Centre
Ernst & Young Tower
222 Bay Street
P.O. Box 251
Toronto, ON M5K 1J7

Attention: Mr. Jeffrey Kerbel

and

IMT Partnership
347 King Street West
Ingersoll, ON N5C 3K6

Attention: Mr. Jim Hacking

Dear Sirs:

IMT PARTNERSHIP ASSET PURCHASE FROM IMT CORPORATION
EFFECTIVE DATE – NOVEMBER 13, 2004

You have requested our assistance with respect to the above noted matter. Prior to proceeding with our engagement, we would like to outline our understanding of the facts involved, the professional services that you require and the terms of our engagement.

BACKGROUND

Based upon our June 29, 2005 conference call with your counsel and the material subsequently provided to us, we understand the facts to be as follows:

- By way of an asset purchase agreement (the "Original Purchase Agreement") dated August 11, 2004 between IMT Corporation and 2051554 Ontario Inc., 2051554 Ontario Inc. agreed to purchase and IMT Corporation agreed to sell certain assets of IMT Corporation.

- By way of an Assignment Agreement dated August 31, 2004, Flannery Investments Inc., the new name of 2051554 Ontario Inc., assigned all of its right, title and interest in the Asset Purchase Agreement to IMT Partnership.

- The Original Purchase Agreement was amended by way of an Amending Agreement dated October 26, 2004 between IMT Corporation and Flannery Investments Inc. and was further amended by way of an Amending Agreement dated November 26, 2004 between IMT Corporation, Flannery Investments Inc. and IMT Partnership. The Original Purchase Agreement, as so amended, is referred to herein as the "Asset Purchase Agreement". Capitalized terms defined in the Asset Purchase Agreement which are used and not otherwise defined herein shall have the respective meaning given to such terms in the Asset Purchase Agreement.

- The Asset Purchase Agreement referred to an effective date for the completion of the asset purchase which we understand became November 13, 2004 (the "Effective Date").

- In correspondence dated February 24, 2005 (the "First Davies Letter"), Davies, Ward, Phillips & Vineberg LLP ("Davies"), on behalf of IMT Corporation, provided IMT Partnership with certain documentation pursuant to Section 3.5 (a) of the Asset Purchase Agreement. That documentation consisted of an audited Balance Sheet and a Working Capital Schedule, both prepared as at the Effective Date and a Statement of Adjustments to Net Working Capital, prepared as at November 26, 2004, the closing date of the transaction.

- In correspondence dated March 23, 2005 (the "MT Letter"), Miller Thomson LLP ("Miller Thomson"), on behalf of IMT Partnership, responded to the First Davies Letter by way of a dispute notice in respect to the Working Capital Schedule and the Statement of Adjustments delivered on February 24, 2005. The MT Letter included proposed adjustments to the Working Capital Schedule denoted as Schedule "A" (the "Purchaser Proposed Adjustments") and various supporting documentation for the Purchaser Proposed Adjustments denoted as Schedule "B".

- In correspondence dated April 18, 2005 (the "Second Davies Letter"), Davies responded to the MT Letter disputing certain of the Purchaser Proposed Adjustments, setting out the Purchaser Proposed Adjustments which were acceptable to IMT Corporation and proposing a method to settle the dispute should IMT Partnership continue to dispute the calculation of Net Working Capital.

- In October, 2005, IMT Partnership advised IMT Corporation that it had learned in August, 2005 that payments aggregating $126,247.28 in respect of IMT Corporation's pension plans for the month of November 2004 were not made by IMT Corporation. IMT Partnership asserts that such payments had not been accrued for on the Statement of Working Capital (the "Pension Issue").

- In October 2005, Miller Thomson advised Davies of a letter dated April 26, 2005 (the "RSM Letter") issued by IMT Partnership's financial advisers, RSM Richter in connection with the Working Capital Schedule and the Statement of Adjustments, set forth in the First Davies Letter, which letter was not previously included as part of IMT Partnership's supporting documentation delivered with the MT Letter and has never been made available to IMT Corporation.

We trust that our understanding of the background to this action is correct, but if in your view, we have misstated or omitted any of the key facts, please inform us as soon as possible.

ASSIGNMENT

We understand our assignment is restricted to reviewing the First Davies Letter, the MT Letter, the Second Davies Letter, the relevant sections of the Asset Purchase Agreement, including, the subsequent amendments, the amounts in dispute as set out in Schedule A hereto and the Pension Issue. We acknowledge and confirm to each of IMT Partnership and IMT Corporation that our firm is not currently and has not previously been retained in any capacity by IMT Partnership, IMT Corporation, Flannery Investments Inc. or 2051554 Ontario Inc. or any of their respective affiliates.

We understand that on the date on which the last of the parties hereto shall have signed this Agreement, IMT Partnership shall deliver or cause to be delivered copies of the RSM Letter and documentation supporting the Pension Issue directly and separately to us and to IMT Corporation. IMT Corporation shall have 20 Business Days to review the RSM Letter and such documentation and submit its written response to us (with a copy to IMT Partnership). If the RSM Letter or documentation supporting the Pension Issue are not so provided to IMT Corporation in accordance with the immediately preceding sentence, we shall not be entitled to review, rely on or refer to the RSM Letter or such documentation in connection with the performance of our assignment hereunder. The sole purpose of the provision to us of the RSM Letter and the documentation delivered in accordance with the terms hereof is to support the Purchaser Proposed Adjustments proposed in the MT Letter and we shall not review or rely on the RSM Letter or such documentation for any other purpose, including, without limitation, for supporting any other proposed adjustments to the Working Capital Schedule delivered with the First Davies Letter.

Disputed Amounts

We have created two schedules which are attached to this engagement letter. For purposes of clarification, IMT Corporation and IMT Partnership hereby agree that certain unexplained adjustments set out in the MT Letter shall be disregarded by us and shall not form part of the disputed amounts. Accordingly, the schedules that we have created and attached hereto do not take into account these unexplained adjustments.

Schedule A hereto is a comparison of the Vendor's (IMT Corporation) position as set out in the First Davies Letter which results in Adjusted Net Working Capital of $17,307,000 as compared to the Purchaser's (IMT Partnership) position set out in the MT Letter, as adjusted to remove the unexplained adjustments, showing Adjusted Net Working Capital of $16,023,000. The difference between the two positions is $1,284,000. Pursuant to the Second Davies Letter, IMT Corporation agreed to adjust the Net Working Capital by $9,000. As such, the revised disputed amount is $1,275,000, the details of which are set out on Schedule B.

We understand our mandate to be set out in Section 3.5 (b) of the Asset Purchase Agreement which provides that we are to report as promptly as practicable and in any event within 20 Business Days of being appointed, setting forth our calculation of Adjusted Net Working Capital based upon our independent findings. We understand our report to be final and binding upon both parties. Assuming the delivery by IMT Partnership to IMT Corporation, in accordance with the terms hereof, of the RSM Letter and the documentation supporting the Pension Issue, the Parties hereby agree to extend the deadline set out in Section 3.5(b) of the Asset Purchase Agreement for the delivery of our report so that we are to report our findings to the Parties as promptly as practicable and in any event within 20 Business Days of receiving IMT Corporation's response to the RSM Letter and the Pension Issue and the Asset Purchase Agreement is hereby deemed to be amended accordingly.

To be in a position to comply with the reporting deadline, we will require access to representatives of IMT Corporation, IMT Partnership, Deloitte and Richter, so that we can obtain a thorough understanding of each party's position and appropriate supporting documentation for each item of Working Capital and the proposed adjustments set forth in the First Davies Letter, the MT Letter and the Second Davies Letter. In the event that we require such access, we shall provide 5 days prior written notice to each Party and at least two representatives from each Party shall have the right to be present at any meetings conducted by us. We may also request copies of such additional documentation as we may reasonably require to support the positions of the Parties set forth in the First Davies Letter, the MT Letter and the Second Davies Letter, such documentation to be provided to us within 5 days of our request. Any documentation so requested and provided to us by a Party will immediately be distributed by us to the other Party, whereupon such other Party shall have 5 Business Days to provide written submissions to us (with copies to the Party delivering such documentation) in relation to such documentation.

In the event that a Party fails to cooperate with the timing set forth in the previous paragraph, we shall be entitled to and shall only rely on those documents that have already been delivered to us and such access that has already been granted to us.

Our report is not intended for general circulation or publication, nor is our report to be reproduced or used for any purpose other than that set out in Section 3.5 of the Asset Purchase Agreement without our prior written consent. We will not assume any responsibility or liability for losses occasioned to you or to other third parties as a result of the circulation, publication, reproduction or use our report contrary to the provisions of this paragraph.

FEES

Our fee for this engagement will be calculated based on our customary hourly rates, plus out-of-pocket expenses for your account. The partner in charge of this assignment will be Mr. Gregory C. Hocking, CA•IFA, whose current standard rate is $400 per hour. Other professionals, whose standard rates range from $75 to $200 per hour, may assist on this assignment as required. ~~All out-of-pocket expenses are~~ billed at cost, and all fees and out-of-pocket expenses are subject to GST.

Based on our understanding of the assignment and the preliminary information provided, we anticipate that our fee to prepare the report as set out in Section 3.5 (b) of the Asset Purchase Agreement should not exceed $10,000. Should we discover that our fees may exceed our initial estimate, we will discuss this with you prior to proceeding further with this assignment.

It is our understanding that IMT Partnership and IMT Corporation, equally as to 50% each, are severally responsible to pay our fees and expenses. Upon completion of our assignment hereunder, we will deliver to each of IMT Partnership and IMT Corporation an account for their respective and several 50% share of our fees and expenses.

RELEASE AND INDEMNIFICATION

Each of IMT Corporation and IMT Partnership (individually a "Party" and collectively, the "Parties") agree to release BDO Dunwoody, LLP ("BDO") from any and all claims, liabilities, costs and expenses arising out of or based upon:

(a) any misstatement or omission in any material, information or representation supplied or approved by such Party; and

(b) any other matter related to or arising out of the provision of service described in this agreement, except to the extent finally determined to have resulted from the gross negligence, wilful misconduct or fraudulent behaviour of BDO.

LIMITATION OF LIABILITY

In any action, claim, loss or damage arising out of this engagement, the Parties agree that BDO's liability will be several and not joint and several and the Parties may only claim payment from BDO of BDO's proportionate share of the total liability based upon the relative degree of fault of BDO. In no event shall BDO be liable to the Parties whether the claim be in tort, contract or otherwise, for an amount in excess of the professional fees paid to BDO by the Parties for its engagement hereunder. In no event shall BDO be liable to the Parties, whether the claim be in tort, contract or otherwise for any consequential, indirect, lost profit or similar damages, or failure to realize expected savings, relating to BDO's services provided hereunder.

If the above is acceptable and consistent with your understanding, please sign the enclosed duplicate of this letter where indicated and return it to us. We appreciate the opportunity to work with you and thank you for retaining our firm. Please contact us if you have any questions.

Yours very truly,

Gregory C. Hocking, CA•IFA
Partner

We agree with your understanding of the terms of your engagement.

By Ivaco Inc. (as shareholder of IMT Corporation) through its
Monitor Ernst & Young Inc.
in its capacity as Monitor
and without personal liability to the Monitor

IMT Partnership

Date

Date

IMT Corporation
Asset Purchase
Effective Date - November 13, 2004
Summary of Positions
Schedule A

	Vendor Per Davies Feb 24/05	Purchaser Per Miller Mar 23/05
Current Assets		
Accounts receivable	9,860	9,860
Inventories	15,042	14,663
Prepaid expenses	715	715
	25,617	25,238
Current Liabilities		
Accounts payable and accrued liabilities	8,462	9,367
Net Working Capital	17,155	15,871
Change in Bank Indebtedness	152	152
Adjusted Net Working Capital	**17,307**	**16,023**
Difference	**1,284**	
Agreed Adjustments per Davies April 18/05 Letter	9	
Revised Adjusted Net Working Capital	17,298	
Revised Difference	**1,275**	

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IMT Corporation
Asset Purchase
Effective Date - November 13, 2004
Analysis of Differences in Positions
Schedule B

Current Assets		
Inventories		
Per Vendor	*15,042*	
Purchaser Adjustments		
Tooling obsolescence	37	
Inventory - reserve for obsolescence	342	
Per Purchaser	*14,663*	
Difference		**379**
Current Liabilities		
Accounts Payable & Accrued Liabilities		
Per Vendor	*8,471*	
Purchaser Adjustments		
Pay for performance	109	
Other liabilities	433	
G. Johnson case	138	
Statutory holiday	225	
Per Purchaser	*9,384*	
Agreed Adjustment	*(9)*	
Difference		**896**
Total Difference to be Resolved		**1,275**

IN THE MATTER OF the COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36 as amended et al.

Court File No. 03-CL-5145

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

ORDER

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Solicitors for Ernst & Young Inc., the Court-appointed Monitor

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