



Court File No. 03-CL-5145

ONTARIO

**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE) WEDNESDAY, THE 10TH DAY OF
MR. JUSTICE FARLEY) MARCH, 2004

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"

APPLICATION UNDER THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36

ORDER

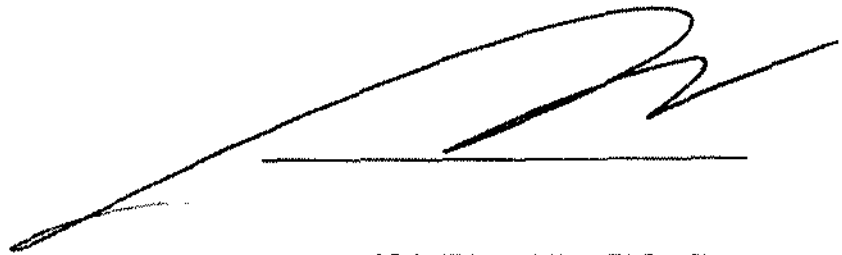
THIS MOTION made by the The Bank of Nova Scotia ("Scotiabank") for an
order:

- (a) granting to Scotiabank a fixed charge, mortgage, hypothec, security interest and lien (the "LC Charge") over all property of Ivaco Rolling Mills Limited Partnership ("IRM") and ordering that the LC Charge secure Scotiabank's obligations under a letter of credit issued by Scotiabank on April 12, 2002 with respect to IRM's obligations to the Independent Electricity Market Operator (the "IMO");
- (b) ordering that the LC Charge shall rank in priority to any and all other charges, mortgages, hypothecs, liens, security interests, encumbrances or other security of whatever kind affecting any of the Property except for:
 - (i) the Administration Charge and the Directors' Charge granted by the Initial Order;

- (ii) the encumbrances described in paragraph 44 of the Initial Order; and
- (iii) the DIP Lender's Charge granted by the Initial Order;
- (c) in the alternative, requiring IRM to post cash collateral in the amount of \$1,844,240 with Scotiabank to secure the obligations under the LC;
- (d) in the alternative, requiring IRM to pre-pay the IMO the estimated amount due and owing to the IMO on a monthly basis; and
- (e) granting such further and other relief as counsel may advise and this Honourable Court permit.

ON READING the motion records filed by Scotiabank and the Applicants and on hearing the submissions of counsel for Scotiabank, the Applicants and counsel for those parties in attendance, no other persons on the Service List or persons affected by this order appearing, although duly served with the notice of motion and motion record in respect of this motion,

THIS COURT ORDERS that this motion is dismissed and each side shall bear its own costs.

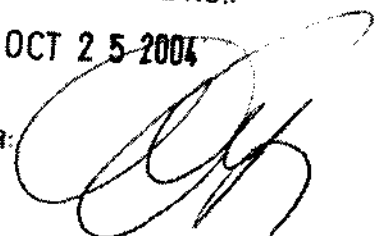


JOSEPH P. VAN TASSEL
REGISTRAR

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

OCT 25 2004

PER/PAR:



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"

Court File No: 03-CL-5145

**ONTARIO
SUPERIOR COURT OF JUSTICE
Commercial List**

Proceeding commenced at Toronto

ORDER

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