Court File No. 03-CL-5145

ONTARIO
SUPERIOR COURT OF JUSTICE
Commercial List

THE HONOURABLE	)	MONDAY, THE 22nd DAY
	)	
MR. JUSTICE FARLEY	)	OF 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"

Applicants

ORDER

THIS MOTION made by the Applicants was heard this day, at 393 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Randall C. Benson dated March 19, 2004 (the "Affidavit") and on hearing the submissions of counsel to the Applicants, the Monitor and others, and on being advised that the Service List was served with the Notice of Motion herein:

1. THIS COURT ORDERS that the time for service of the Notice of Motion and Motion Record herein be and it is hereby abridged and that the motion is properly returnable today and further that service thereof upon any interested party other than the persons served with the Notice of Motion and Motion Record is hereby dispensed with.

2. THIS COURT ORDERS that the Stay Termination Date referred to in paragraph 3 of the order dated September 16, 2003, as amended, be and is hereby amended to be May 21, 2004 or such later date as this Court may by further Order stipulate (the "Stay Period").

3. THIS COURT ORDERS that the Applicants, with the assistance of UBS and in consultation with the Monitor be and are hereby authorized to carry out the second round of the sale process as described in the sale process memorandum attached as Schedule "B" hereto and are hereby authorized to fix April 30, 2004 (the "Offer Date") as the date by which interested third parties are to submit Offers (as defined in the sale process memorandum).

4. THIS COURT ORDERS that nothing in this Order shall require the Applicants or Partnerships to accept any Offer.

Registrar

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

MAR 2 4 2004

PER/PAR:

SCHEDULE "A"

Applicants Filing for CCAA

1. Ivaco Inc.
2. Ivaco Rolling Mills Inc.
3. Ifastgroupe Inc.
4. IFC (Fasteners) Inc.
5. Ifastgroupe Realty Inc.
6. Docap (1985) Corporation
7. Florida Sub One Holdings, Inc.
8. 3632610 Canada Inc.

Schedule "B"

SALE PROCESS

Pursuant to 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 Ivaco, Ivaco Rolling Mills and Ifastgroupe are sometimes referred to as the "Applicants") are each in the process of pursuing a dual-track, parallel path approach to their respective restructurings.

Each of the Applicants is currently exploring strategic alternatives, including a possible sale of all or some of its principal assets. In the case of Ivaco, it is proposing to sell its Sivaco divisions ("Sivaco"). Each of the three blocks of assets subject to this sale process is referred to as a "Targeted Asset". Ivaco is also independently pursuing the sale of certain of its non-core subsidiaries and non-core real estate and these assets do not form part of the Targeted Assets.

In accordance with the Process Order, the Applicants engaged and authorized UBS Securities LLC ("UBS") to seek proposals from potential acquirers or financiers for the sale of Targeted Assets. The first step of the process involved the preparation of a Confidential Information Memorandum for each of the Targeted Assets (each a "CIM") and the development of a list of potential purchasers for each of the Targeted Assets. Potential purchasers were contacted and those who wished to evaluate a potential acquisition of one or more of the Targeted Assets and who signed a confidentiality agreement received the applicable CIMs and had the ability to conduct initial due diligence.

Indicative Proposals

Potential purchasers who received CIMs were invited to submit preliminary indications of interest for one or more of the Targeted Assets (each a "Proposal") by February 6, 2004. Some Proposals were received after February 6, 2004. However, the Applicants determined that they will continue to consider new Proposals as long as doing so will not delay the completion of the Second Round of the sale process as described below. As of March 5, 2004, UBS has received Proposals from 17 parties, including some Proposals for all of the Targeted Assets and other Proposals for individual Targeted Assets.

Each of the Applicants, assisted by UBS and in consultation with the Monitor and members of an informal group of major financial creditors who have signed confidentiality agreements (the "Informal Advisory Committee"), has evaluated all Proposals received to date. The Informal Advisory Committee has been formed for consultative purposes only and has no authority or status to make decisions on behalf of the Applicants; each participant in such committee, through its position as a major creditor of one or more of the Applicants, has reserved all of its rights as a creditor and may object to any proposal or recommendation made by the relevant Applicant. Members of the Informal Advisory Committee also have reserved the right to request that the Court alter the sale process or the review of Offers to ensure that their individual interests as creditors are protected.

In connection with the evaluation of Proposals for Targeted Assets owned by it, each of the Applicants has considered such matters as it deemed appropriate, including, without limitation, the following:

1. the amount of consideration payable to each Applicant;

2. the timing of consummation of the proposed transaction;

3. conditions to closing the proposed transaction, including any requirement that Targeted Assets owned by other Applicants be sold to the potential purchaser;

4. the risk of non-consummation of the Proposal;

5. the structure of the Proposal;

6. the degree of certainty with respect to proposed financing arrangements and the sources for such financing; and

7. antitrust and other relevant legal considerations.

Second Round

The Applicants, in consultation with the Monitor and the Informal Advisory Committee, have determined that certain potential purchasers should be invited to participate in the next round of the sale process (the "Second Round"). Some of these potential purchasers have submitted Proposals that are conditional upon being successful in acquiring all of the Targeted Assets while others have indicated an interest in specific Targeted Assets or a willingness to complete a transaction for less than all of the Targeted Assets. UBS will invite these potential purchasers to participate in the Second Round at which time, UBS will provide the potential purchasers with details regarding the Second Round and the timetable for due diligence. Each of the Applicants reserves the right to invite additional potential purchasers to participate in the Second Round as long as this does not delay completion of the Second Round.

The Second Round will provide the potential purchasers with due diligence access that the Applicants believe will enable such potential purchasers to submit binding offers, subject to certain constraints described below. The Second Round will include access to management, plant tours and access to an electronic data room, which will be populated with detailed asset specific data. It is **not** anticipated that potential purchasers will be invited to conduct negotiations with the labour unions, suppliers to or customers of the Applicants during the Second Round. Any material information that is not contained in the data room that is subsequently distributed at the request of a potential purchaser will also be distributed to all potential purchasers involved in the Second Round. In addition, if any further information is added to the data room during the process, the Applicants will notify all potential purchasers involved in the Second Round. The Applicants reserve the right not to provide all information to certain potential purchasers if to do so would have adverse competitive implications for the Applicants. The Applicants will advise the Informal Advisory Committee and the Monitor of any decision to refuse to provide information to some potential purchasers if such information is provided to other potential purchasers.

In advance of the Second Round, potential purchasers will be asked (i) either to represent in writing that they and their affiliates hold no securities of or claims against any of the Applicants or to disclose any holdings or ownership of securities of or claims against any of the Applicants, and (ii) to represent in writing that they and their affiliates will not acquire or sell any securities of or claims against the Applicants during the Second Round. During the Second Round, each Applicant will distribute to potential purchasers a draft purchase and sale agreement or agreements for the Targeted Assets owned by such Applicant (the "Agreement"), the terms of which will have been reviewed by the Monitor, UBS and the Informal Advisory Committee. The Applicants expect that any sale transaction will be structured substantially in accordance with the Agreement.

It is anticipated that the due diligence portion of the Second Round will take place over a period of approximately six weeks, after which time potential purchasers will be asked to submit a binding offer for any or all of the Targeted Assets (each an "Offer ") on or before 3:00 p.m. (Montreal time) on April 30, 2004.

Each Applicant is conducting an independent sale process and, as such, separate Offers must be made to each Applicant from which a potential purchaser wishes to acquire assets. In the case of Ifastgroupe, it is understood that proposed purchasers may elect to offer to purchase only certain divisions of its business and such Offers will be considered in the context of other Offers for Ifastgroupe. Each Applicant will evaluate Offers having regard only to the interests of its stakeholders. Nonetheless, an Offer submitted by a potential purchaser may be submitted on the basis that it is conditional upon the acceptance of other Offers made by such potential purchaser for one or more of the other Targeted Assets. Any Applicant may elect to reject all Offers received by it and pursue a Stand-Alone Restructuring (as described in the Process Order) if in its view, after consultation with UBS, the Monitor and the members of the Informal Advisory Committee who are creditors of such Applicant, such Stand-Alone Restructuring would be more beneficial to its stakeholders. Similarly, each Applicant, after consultation with such parties and based on the criteria set out below, may elect to pursue an Offer which is not the Offer which provides the highest price.

The following procedures will govern the submission of Offers:

1. Offers should be addressed and delivered to each Applicant, c/o UBS.

2. Offers must be received at or before 3:00 p.m. (Montreal time) on April 30, 2004 (the "Submission Date") unless extended by written notice to potential purchasers. If an Offer is received after the Submission Date as the same may be extended, it will not be considered. Offers should identify all material terms of the proposed transaction. An Offer may exclude certain Targeted Assets owned by any Applicant.

3. Offers must specify the purchase price in Canadian dollars to be paid to acquire the specified Targeted Asset on an Enterprise Value (debt and cash free) basis. Cash is the preferred form of consideration, but if an Offer proposes the use of other consideration a description of the material terms of the consideration should be provided.

4. If an Offer is for less than all of the Targeted Assets offered by any Applicant, the Offer should clearly identify which assets are included and excluded from the Offer.

5. Each potential purchaser must submit a copy of the draft Agreement for each of the Targeted Assets which it wishes to acquire marked to reflect the form of agreement that it is ready to execute (subject to the Further Conditions as defined below). Potential purchasers will be asked to mark their changes on the Agreement prepared by the relevant Applicant. A purchaser's willingness to accept the Agreement prepared by the relevant Applicant without significant modifications will be an important factor in the evaluation of Offers.

6. To the extent that an Offer is conditional upon new or amended agreements being entered into with other parties (including, without limitation, other Applicants, other successful purchasers, unions or suppliers), the potential purchaser shall provide the detailed terms of such amended or new agreements and identify how such agreements may differ from existing agreements to which the Applicant may be a party. A purchaser's willingness to proceed without such conditions and, where such conditions are included in the Offer, the likelihood of satisfying such conditions will be an important factor in the evaluation of Offers.

7. Each Applicant anticipates that the Agreement for its Targeted Assets will **not** include a provision that makes the purchaser's obligation to close the transaction contingent upon completing further due diligence. Potential purchasers will be asked to resolve all due diligence issues (other than those associated with the Further Conditions) before the submission of their Offers.

8. Each Applicant anticipates that any Offer submitted by a potential purchaser will not include a provision that makes the purchaser's obligation to close the transaction contingent upon obtaining financing and the inclusion of any such a condition will place a potential purchaser at a significant disadvantage. Each potential purchaser must provide with its Offer details regarding its ability to obtain and method of financing the transaction, including, if appropriate, the amount of senior debt, subordinated debt, equity and any other source of financing contemplated in the pro forma capital structure.

9. Questions or clarifications from potential purchasers regarding specific legal terms of the Agreement should be addressed with UBS or the relevant Applicant prior to submission of Offers.

10. All required corporate approvals of potential purchasers should be obtained prior to submitting Offers. Offers should clearly indicate any significant conditions in favour of the purchaser to be resolved prior to closing the transaction.

11. All Offers must be irrevocable until the end of the Exclusivity Period (as described below).

12. Any Offer should reflect the potential purchaser's best and highest offer.

The Applicants anticipate that the Offers may be subject to certain further conditions, including, without limitation, the following (the "Further Conditions"):

1. satisfactory completion of negotiations with the applicable labour unions;

2. negotiation of acceptable supply or sale agreements where applicable;

3. satisfactory arrangements for pension plans and pension liabilities for the relevant Applicant; and

4. Court approval and the granting of a vesting order.

As noted above, each potential purchaser will be required to identify in any Offer the terms and conditions required by it in any negotiations with the labour unions and any suppliers or customers (including other Applicants or purchasers), including detailed parameters to those terms and conditions.

Conclusion of the Second Round

As soon as practicable following the submission of Offers, each of the Applicants, with the advice and assistance of its legal and financial advisors and in consultation with the Monitor and the members of the Informal Advisory Committee who are creditors of such Applicant, will evaluate the Offers for its Targeted Assets and determine which of such Offers, if any, to pursue. The Applicants reserve the right to seek clarification and refinement of Offers after receipt. In evaluating the Offers, each Applicant will take into account a number of factors, including, without limitation, the following:

1. the value and form of the consideration to be received by such Applicant;

2. conditions to the Offer, including the expected feasibility of achieving the Further Conditions and whether the Offer is conditional upon acquiring other Targeted Assets; and

3. the ability of the potential purchaser to finance and consummate the proposed transaction within a reasonable time frame.

If an Offer from a potential purchaser is accepted, each Applicant will seek prior Court approval to enter into a binding Agreement with the potential purchaser, subject to the Further Conditions as outlined above. The potential purchaser will then be invited to a period of exclusivity, during which it will seek resolution of all Further Conditions (the "Exclusivity Period"). The Applicants will reserve judgment as to which potential purchaser(s) to invite into an Exclusivity Period until after receiving the Offers.

The Exclusivity Period is expected to last for a term of approximately three weeks, during which it is anticipated that the Applicant and the selected potential purchaser will enter into negotiations with the applicable labour unions and with any other parties with whom agreements must be reached to arrive at an unconditional offer. Each Applicant will devote all resources necessary to consummating the proposed transaction as promptly as possible but reserves the right to extend the Exclusivity Period for further periods if it is determined that there is a reasonable likelihood of a potential transaction being completed within a reasonable time frame. The Applicant will consult with UBS, the Monitor and members of the Informal Advisory Committee who are creditors of such Applicant before extending the Exclusivity Period. Following expiry of the Exclusivity Period, the purchaser will waive any conditions in its favour other than usual conditions relating to the steps and documents necessary to complete the closing and will forthwith pay a deposit in accordance with the Offer. Each Applicant will seek formal Court approval of any transaction which it proposes to complete and will seek a vesting order to effect the transaction.

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Commercial List

Proceeding Commenced at Toronto

ORDER

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