Court File No. 03-CL-5145

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

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 OF COMPROMISE OR ARRANGEMENT OF IVACO INC. AND THE APPLICANTS LISTED IN SCHEDULE "A"

FORTY-FIFTH REPORT OF THE MONITOR
DECEMBER 5, 2007

INTRODUCTION

1. Ivaco Inc. ("Ivaco") and certain of its affiliates obtained protection from their creditors pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), through an order of this Honourable Court dated September 16, 2003, as amended and restated (the "Initial Order"). Pursuant to the Initial Order, Ernst & Young Inc. was appointed monitor (the "Monitor") of the Applicants.

2. The Applicants for the Initial Order were, among others, Ivaco, Ivaco Rolling Mills Inc., Ifastgroupe Inc., IFC (Fasteners) Inc., and Docap (1985) Corporation. The related limited partnerships Ivaco Rolling Mills Limited Partnership and Ifastgroupe and Company Limited Partnership are protected under the Initial Order.

3. IMT Corporation ("IMT" or the "Vendor") is a wholly owned subsidiary of Ivaco and is not an applicant in these CCAA proceedings. IMT and IMT Partnership (the "Purchaser") are parties to an asset purchase agreement dated August 11, 2004 (as amended, the "IMT APA") governing the sale of the assets of IMT to the Purchaser. On August 13, 2004, the Monitor filed its Sixteenth Report recommending that the Court approve the sale of the assets of IMT. On

August 18, 2004, this Honourable Court issued an Order approving the sale. A copy of the Approval Order is attached as Appendix A. The IMT transaction closed on November 26, 2004.

4. On December 17, 2004, the Monitor obtained an Interim Additional Powers Order, which, amongst other things, authorized the Monitor to cause the completion of all aspects of the sale transaction between IMT and the Purchaser and to effect the distribution of the proceeds therefrom to IMT's creditors and sole shareholder, Ivaco.

5. As discussed in the Thirty-First Report of the Monitor, the major obstacle standing in the way of a distribution to Ivaco was the resolution of a working capital dispute that had arisen between IMT and the Purchaser. In addition, the Purchaser filed two statements of claim against IMT for breach of contract. As discussed below, the parties have now reached an agreement to resolve all of these matters (the "Settlement Agreement").

6. This Forty-Fifth Report of the Monitor (the "Report") is provided to this Honorable Court in support of the Monitor's request for orders: i) approving the Settlement Agreement; ii) vesting title in the Real Property, Buildings and Improvements (together, the "Property") in 2148432 Ontario Inc. (as the Purchaser's nominee), as contemplated by the Settlement Agreement; iii) establishing a notice process relating to Outstanding IMT Claims (defined below); and iv) allowing for the distribution of funds to Ivaco as the sole shareholder of IMT.

TERMS OF REFERENCE

7. Capitalized terms not defined in this Report are as defined in the Initial Order, the Settlement Agreement and the Monitor's previous reports, as applicable. All references to dollars are in Canadian currency unless otherwise noted.

SUMMARY OF THE SETTLEMENT

8. Since the closing of the asset sale contemplated by the IMT APA on November 26, 2004, a number of disputes have arisen between the parties. The IMT APA provides that the purchase price paid on closing will be subject to a post-closing working capital adjustment; however, a dispute arose with respect to the proper calculation of that adjustment. Accordingly, the parties engaged the mechanism for the resolution of the working capital dispute through the appointment of an expert contemplated by the IMT APA. The expert delivered its final report on or about August 25, 2006 indicating that the Purchaser owed an additional \$1,687,000, before interest, to the Vendor as a working capital adjustment. When the Purchaser failed to pay the working capital adjustment pursuant to the terms of the APA, the Vendor brought an action in the Ontario Superior Court of Justice claiming that amount, plus interest (the "Working Capital Claim"), on October 6, 2006.

9. On August 3, 2005, the Purchaser brought an action against the Vendor in the Ontario Superior Court of Justice seeking, *inter alia,* (i) damages in the amount of \$3 million for alleged breaches by the Vendor of the IMT APA; and (ii) a declaration that the Vendor is obliged to indemnify the Purchaser for third-party claims relating to an alleged design flaw in self-steering axles (the "Initial Claim"). In addition, the Purchaser brought a second action against the Vendor claiming \$126,247 relating to a lien in favour of the administrator of the pension plan assumed by the Purchaser pursuant to the terms of the IMT APA (the "Pension Claim").

10. The Purchaser has also claimed \$109,000 in respect of a performance bonus to employees of the Purchaser for the period prior to the closing of the asset sale transaction contemplated by the IMT APA (the "Performance Claim").

11. The parties have now reached a settlement of the various claims and, on September 18, 2007, executed a Settlement Agreement, a copy of which is attached as Appendix B. Pursuant to the Settlement Agreement, the parties

agreed to dismiss the Working Capital Claim, the Initial Claim, the Pension Claim and the Performance Claim.

12. Also as part of the Settlement Agreement, IMT agreed to cause its nominee (1039028 Ontario Inc.) to transfer the legal and beneficial title of the Property to the Purchaser (or another party, at its direction) upon the issuance of a vesting order by this Honourable Court.

13. Once the Settlement Agreement is approved by this Honourable Court, IMT will be in a position to distribute the remaining sale proceeds to Ivaco, as the sole shareholder of IMT, as described below.

14. The Monitor recommends approval of the Settlement Agreement because it is commercially reasonable given the costs and uncertainty associated with prolonged litigation and it accelerates the resolution of matters relating to IMT, including the distribution of the remaining assets to IMT's sole shareholder, Ivaco.

DISTRIBUTION TO IVACO

15. As indicated above, the Interim Additional Powers Order authorized the Monitor to cause the completion of the sale transaction between IMT and the Purchaser and to effect the distribution of the proceeds therefrom to IMT's creditors and shareholders on prior notice to persons potentially affected, including the Pension Benefit Guaranty Corporation ("PBGC") and the Purchaser. However, on September 17, 2004, this Honourable Court ordered that except for payment of IMT's liabilities to its first-ranking secured creditor, Canadian Imperial Bank of Commerce, on closing, IMT shall not distribute the proceeds from the sale of its assets until further order of this Court.

16. The Settlement Agreement specifically provides that the Purchaser will not oppose the distribution of any proceeds by IMT to its shareholders or creditors. Furthermore, on August 4, 2005, Minutes of Settlement were executed

(subsequently approved by this Honourable Court) concerning the claims made by PBGC whereby PBGC agreed to withdraw its claim against all of the Applicants other than Ivaco and to not assert any claims against any related affiliates, subsidiary or entity including IMT.

17. The Purchaser agreed to assume specified categories of IMT's liabilities pursuant to the IMT APA. With the exception of 4 or 5 supplier creditors, the Monitor understands that the Purchaser has fulfilled its obligation to pre-closing creditors. For those suppliers that remain unpaid, the Purchaser has agreed pursuant to the Settlement Agreement to assume those unpaid liabilities.

18. Once the Settlement Agreement is approved by this Honourable Court, the Monitor, on behalf of Ivaco will take the necessary steps to identify any Outstanding IMT claims (defined below) and distribute the remaining assets of IMT to Ivaco, subject to a holdback to cover those remaining liabilities not assumed by the Purchaser pursuant to the IMT APA and the ongoing costs of the administration.

19. To the Monitor's knowledge, all of IMT's liabilities have either been:

a) assumed by the Purchaser; or

b) excluded pursuant to the terms of the IMT APA and will be paid or disputed by IMT (through the Monitor).

20. The Monitor considers it prudent to notify potential creditors of the intended distribution as follows:

a) The Monitor will place notices addressed to all potential creditors in the following major newspapers: The Globe and Mail (National Edition), La Presse (a French translation) and The Wall Street Journal (National Edition) on two separate days approximately one week apart. The proposed form of the notice is substantially in the form attached as Appendix C; and

b) The Monitor will post a copy of the notice on its website.

21. The Monitor proposes an IMT Claims Bar Date approximately 30 days after the publication of the notices described above. The Monitor believes 30 days is a reasonable period during which potential claimants may notify the Monitor of any residual claims against IMT (any such claim, an "Outstanding IMT Claim").

22. The Monitor considers that the newspaper advertisements noted above will provide potential creditors with sufficient and timely notification in order for them to provide the Monitor with written notice of any Outstanding IMT Claims prior to the IMT Claims Bar Date. Due to the limited number of Outstanding IMT Claims, the Monitor does not propose dispute resolution procedures at this time, but instead proposes to either pay, settle or dispute the Outstanding IMT Claims as they are received.

23. If no written notice of any claim that the Monitor determines is an Outstanding IMT Claim is received within 30 days, the Monitor will distribute the remaining assets of IMT to Ivaco without making any reserve for such claims, but reserving only the holdback described above in paragraph 18. If written notice is provided to the Monitor of a claim that the Monitor determines is an Outstanding IMT Claim prior to the IMT Claims Bar Date, the Monitor will either (a) resolve such claim, or (b) hold back the unresolved amount of the claim before making such distribution and will seek this Honourable Court's directions as to the appropriate dispute resolution procedures.

24. Obtaining the requested order is the only remaining impediment to a distribution of the remaining sale proceeds to Ivaco and the resolution of matters relating to IMT.

MONITOR'S ANALYSIS AND RECOMMENDATION

25. For the reasons outlined above, the Monitor recommends that this Honourable Court approve: (i) the Settlement Agreement; (ii) the issuance of a vesting order; (iii) the notice process described above; and, (iv) the distribution to Ivaco on the terms described above.

All of which is respectfully submitted this 5th day of December, 2007.

ERNST & YOUNG INC.

In its capacity as Court-Appointed Monitor of
Ivaco Inc. and certain of its affiliates

Per

Brian M. Denega
Senior Vice-President

Jeffrey D. Kerbel
Vice-President

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.

APPENDIX A

Court File No. 03-CL-5145

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	WEDNESDAY, THE 18TH
	)	
JUSTICE FARLEY	)	DAY OF AUGUST, 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"

APPROVAL ORDER
(IMT Corporation)

THIS MOTION, made by the Applicants for an order approving the Asset Purchase Agreement dated as of August 11, 2004 (the "IMT APA") entered into between IMT Corporation (the "Vendor") and 2051554 Ontario Inc. (the "Purchaser") regarding certain property owned by the Vendor as described in the Supplementary Report of the Monitor dated August 13, 2004 (the "Report") and authorizing the Vendor to complete the IMT APA was heard this day at 393 University Avenue, Toronto, Ontario.

ON READING the Report and on hearing the submissions of counsel for the Applicants, the Monitor and others.

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record herein be and is hereby abridged such that this motion is properly

returnable today and further that service thereof upon any other person, party or entity not served or otherwise notified be and is hereby dispensed with.

2. **THIS COURT ORDERS AND DECLARES** that the terms of the IMT APA are fair and commercially reasonable and were arrived at in a commercially reasonable manner.

3. **THIS COURT ORDERS** that the Vendor be and is hereby authorized, empowered and directed to sell, transfer, assign and otherwise convey all of its right, title and interest of, in and to the Purchased Assets (as defined in the IMT APA) to the Purchaser in accordance with the terms and conditions of the IMT APA.

4. **THIS COURT ORDERS** that the Vendor is hereby authorized, empowered and directed, to:

(a) execute and deliver, *nunc pro tunc*, the IMT APA to the Purchaser; and

(b) implement and complete the transaction contemplated in the IMT APA substantially in accordance with the terms and conditions of the IMT APA, with such non-material alterations, amendments, deletions and additions as the Vendor and the Purchaser may agree.

5. **THIS COURT ORDERS** that, in completing the transaction contemplated in the IMT APA, subject to the terms and conditions thereof, the Vendor be and it is hereby authorized:

(a) to execute and deliver such additional, related and ancillary documents and assurances governing or giving effect to the transaction contemplated in the IMT APA as the Vendor, in its discretion, may deem to be reasonably necessary or advisable to conclude the transaction contemplated in the IMT APA; and

(b) to take such steps as are, in the opinion of the Vendor, necessary or incidental to the performance of its obligations pursuant to the IMT APA and as may be necessary or desirable to comply with this Order or otherwise give effect to the IMT APA.

6. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

(b) any assignment in bankruptcy by the Vendor or the Applicants;

(c) the pendency of any petitions for a receiving order issued or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended (the "BIA") and any receiving order issued pursuant to any such petitions in respect of the Vendor or the Applicants;

(d) the appointment of any receiver or interim receiver over the assets of the Vendor or the Applicants; or

(e) the provisions of any federal or provincial statute;

the IMT APA and the transaction contemplated thereby:

(i) will not be void or voidable at the instance of creditors or claimants and do not constitute, nor shall they be deemed to be, settlements, fraudulent preferences, assignments, fraudulent conveyances, or other reviewable transactions under the BIA or any other applicable federal or provincial legislation;

(ii) do not constitute conduct meriting an oppression remedy; and

(iii) shall be binding on any trustee in bankruptcy, any receiver, any interim receiver or any other party that may be appointed in respect of the Vendor or the Applicants.

Registrar.

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

AUG 19 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.

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

APPROVAL ORDER
(IMT Corporation)

DAVIES WARD PHILLIPS & VINEBERG LLP
Barristers & Solicitors
1 First Canadian Place
Suite 4400
Toronto, ON M5X 1B1

Jay A. Swartz (LSUC #15417L)
Matthew P. Gottlieb (LSUC #32268B)
Karine De Champlain (LSUC #45919U)
Tel: 416.863.0900
Fax: 416.863.0871

Solicitors for the Applicants

APPENDIX B

Court File No.: 05-CV-294508PD2

THIS AGREEMENT made as of the 18th day of September, 2007.

B E T W E E N:

IMT PARTNERSHIP,
a partnership governed by the laws of the Province of Ontario;

- and -

IMT CORPORATION
a corporation governed by the laws of Canada.

SETTLEMENT AGREEMENT

WHEREAS IMT PARTNERSHIP (the "Purchaser") and IMT Corporation (the "Vendor") are parties to an asset purchase agreement dated August 11, 2004 (as amended on October 27, 2004 and further amended on November 26, 2004, the "Asset Purchase Agreement");

AND WHEREAS on August 3, 2005, the Purchaser brought an action against the Vendor in Ontario Superior Court of Justice (the "Court"), File No. 05-CV-294508PD2 (the "Initial Claim") claiming, *inter alia*, (i) damages, in the amount of $3,000,000, for breaches by the Vendor of the Asset Purchase Agreement, and (ii) an order of the Court declaring that the Vendor is obliged to indemnify the Purchaser for claims relating to a design flaw in self-steering axles.

AND WHEREAS on September 21, 2006, the Purchaser brought an action against the Vendor in Court, File No. 06-CV-318986D2 (the "Pension Plan Claim") claiming, *inter alia*, damages, in the amount of $126,247.28, relating to a lien in favour of the administrator of the pension plan assumed by the Purchaser pursuant to the terms of the Asset Purchase Agreement, which lien was not a permitted lien under the Asset Purchase Agreement.

AND WHEREAS the Purchaser asserts that the Vendor is required to pay an aggregate amount of $109,000 in respect of performance payments to employees of the Purchaser for pay periods ending prior to the closing of the transactions contemplated by the Asset Purchase Agreement (the "Performance Claim");

AND WHEREAS on October 6, 2006, the Vendor brought an action against the Purchaser in Court, File No. 06-CV-319968PD2 (the "Working Capital Claim") claiming, *inter alia*, damages in the amount of $1,687,000 plus interest at a rate of 5% from November 26, 2004 to the date of an order of the Court (collectively, the "Working Capital Adjustment"), for failure of the Purchaser to pay to the Vendor the Working Capital Adjustment pursuant to the terms and conditions of the Asset Purchase Agreement;

AND WHEREAS pursuant to the terms of an escrow agreement (the "Escrow Agreement") entered into on November 26, 2004 between the Purchaser, the Vendor and Ernst & Young Inc., as escrow agent, (the "Escrow Agent"), $700,000 (the "Escrow Funds") of the Working Capital Adjustment was to be delivered to the Escrow Agent, to be held pursuant to the terms and conditions of the Escrow Agreement;

AND WHEREAS Claims have been asserted against the Vendor in respect of Liabilities assumed by the Purchaser under the Asset Purchase Agreement (the "Assumed Liabilities Claims");

AND WHEREAS 1039028 Ontario Inc. ("Holdco") is the registered owner, and the Vendor, Ifastgroup and Company Limited Partnership and Ivaco Inc. are the beneficial owners, of 374 King Street West, Ingersol, Ontario, (the "Real Property") and the buildings and improvements situated thereon and on the Real Property, including the environmental remediation system and related equipment (collectively, the "Buildings and Improvements");

AND WHEREAS the Purchaser and the Vendor have agreed to settle the Initial Claim, the Pension Plan Claim, and the Performance Claim (collectively, the "Purchaser Claims") and the Working Capital Claim, (together with the Purchaser Claims, the "Outstanding Claims") on the following terms and conditions;;

NOW THEREFORE, in consideration of the premises and matters set out below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1 Subject to completion of the matters and delivery of the documents set forth in paragraphs 2 and 3 below, and in consideration of the settlement of the Outstanding Claims, the Vendor agrees to cause Holdco to transfer the legal and beneficial title of the Real Property and the Buildings and Improvements to the Purchaser or at its direction effective as of 12:01 a.m. (the "Effective Time") on the date (the "Transfer Date") upon which the Vesting Order (defined below) is issued and the Purchaser agrees to accept the transfer of the Real Property and the Buildings and Improvements as at the Effective Time on the Transfer Date. The Purchaser acknowledges that the Real Property and the Buildings and Improvements are being sold on an "as is where is" basis, at the Purchaser's risk and peril, as they shall exist at the Effective Time, without any representation, warranty or covenant of any nature whatsoever (including as to title, quality, fitness, merchantability or otherwise) given by the Vendor or Holdco. The Vendor hereby agrees that it will use all commercially reasonable efforts to obtain a vesting Order from the Court (the "Vesting Order") vesting all of Holdco's right , title and interest in and to the Real Property and the Buildings and Improvements in the Purchaser.

The Purchaser shall be responsible for all land transfer taxes and all costs and expenses incurred by the Purchaser in connection with the transfer of the Real Property and the Buildings and Improvements.

2 On the Transfer Date, the Purchaser shall (a) in addition to the liabilities it has already assumed in respect of the Assumed Liabilities under the Asset Purchase Agreement (including, without limitation, those associated with the Assumed Liabilities Claims which have been asserted against the Vendor prior to the date hereof and are more particularly described in Schedule "C" attached hereto), assume the obligations of the Vendor to pay any and all amounts owing in respect of the Performance Claim, (b) execute and deliver to the Vendor a full and final mutual release (the "Release") in favour of the Vendor, in the form attached hereto as Schedule "A", releasing the Vendor from, among other things, any known or unknown claims associated with or arising out of the Purchaser Claims, and (c) cause to be executed and delivered to the Vendor consents to orders of the Court dismissing the Initial Claim, the Pension Plan Claim and the Working Capital Claim, on a without costs basis in the forms attached hereto as Schedule "B" (the "Consents"). The Release and Consent shall be held in escrow by counsel to the Purchaser until the Vendor has fully complied with its obligations under paragraph 3 of the Settlement Agreement.

3 On the Transfer Date, the Vendor shall execute and deliver to the Purchaser the Release in favour of the Purchaser, releasing the Purchaser from, among other things, any known or unknown claims associated with or arising out of the Working Capital Claim, and shall cause to be executed and delivered to the Purchaser the Consent. The Release and Consent shall be held in escrow by counsel to the Vendor until the Purchaser has fully complied with its obligations under paragraph 2 of the Settlement Agreement.

4 As at the Effective Time and subject to the completion of the transactions contemplated herein, the Purchaser shall no longer be required to deliver the Escrow Funds to the Escrow Agent and the Escrow Agreement shall terminate without further formality.

5 Nothing herein shall be deemed to be an admission of liability or wrongdoing on the part of any party to this Agreement and any such liability or wrongdoing is specifically and expressly denied.

6 The Purchaser covenants and agrees that it will not object to or oppose the distribution or payment by the Vendor of any proceeds to its shareholders or creditors or any act or step taken in pursuance thereof, including, without limitation, any application brought before any court or any other authority to authorize or permit any such distribution or payment.

7 The parties agree that the terms hereof are confidential and private between them and shall not be disclosed to any third party with the exception of the parties' legal and financial advisors and except as may be required by law for the purposes of enforcement of this Settlement Agreement or as may be necessary to effectuate any or all provisions of the Settlement Agreement.

8 The parties each confirm that they have had an opportunity to receive legal advice before signing this Settlement Agreement.

9 Subsequent to the date hereof, each party to this Agreement covenants and agrees that it will at all times promptly execute and deliver all such documents, including all such additional conveyances, transfers, consents and other assurances and do all such other acts and things as the other party, acting reasonably, may from time to time request be executed or done in order to better evidence or effectuate any provision of this Agreement or of any agreement or other document executed pursuant to this Agreement or any of the respective obligations intended to be created hereby or thereby.

10 The provisions of paragraphs 1 through 4, inclusive, of this Agreement are not severable and are conditioned on each of the others being valid and enforceable provisions.

11 This Agreement shall be governed by and construed and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each party hereby irrevocably attorns to the jurisdiction of the courts of the Province of Ontario.

12 The provisions hereof shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. The obligations of the parties hereunder may not be transferred or delegated by any one of them in any manner without the prior written consent of the other party hereto.

13 This Agreement may be executed by the parties hereto in one or more separate counterparts, each of which when so executed shall constitute and be deemed to be an original and shall be binding upon and shall enure to the benefit of each of the parties having executed this Agreement, and all such counterparts shall together constitute one and the same document.

IN WITNESS WHEREOF the parties hereto have executed this Settlement Agreement by the hands of the proper signing officers duly authorized in that regard as of the date written above.

IMT PARTNERSHIP

by

Name: Jim Harkin

Title: CEO

IMT CORPORATION 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

by ______________________________

Name: Jeffrey Kerbel

Title: Vice-President

Schedule A

FULL AND FINAL MUTUAL RELEASE

In consideration of the fulfilment of the obligations set out in the Settlement Agreement dated September __________, 2007 (the "Settlement Agreement") between IMT Partnership (the "**Purchaser**") and IMT Corporation (the "**Vendor**"), and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Purchaser and the Vendor hereby mutually release, acquit, remise and forever discharge, without qualification or limitation, each other and their respective past, present and future officers, directors, shareholders, partners, employees, agents, attorneys, affiliates (as such term is defined in the *Canada Business Corporations Act*), successors and permitted assigns (and the Purchaser also hereby releases, acquits, remises and forever discharges Ernst & Young Inc., as monitor of Ivaco Inc., and 1039028 Ontario Inc. ("**Holdco**") as the registered owner of the Real Property (defined below)) of and from any and all obligations, liabilities, actions, causes of action, suits, debts, duties, accounts, bonds, covenants, contracts, claims and demands for damages, monies, losses, indemnity, costs, injuries or for any other relief, whatsoever (each, a "**Claim**" and collectively, the "**Claims**"), which it had, now has or may hereinafter have, arising out of or in any way connected with or related to matters set out, referred to or dealt with in the Settlement Agreement, and any other matter or transaction contemplated by the Asset Purchase Agreement, including, without limiting the generality of the foregoing, the following:

(a) the matters raised in, or which could have been raised in, the actions in Ontario Superior Court of Justice, File Numbers 05-CV-294508PD2, 06-CV-318986D2 and 06-CV-319968PD2;

(b) the other Outstanding Claims (as defined in the Settlement Agreement);

(c) the lease dated November 26, 2004 between the Purchaser, as tenant, and Holdco, as the registered owner of 374 King Street West, Ingersol, Ontario (together with the buildings and improvements situated thereon, the "**Real Property**") and the activities of Holdco and the Vendor on or at the Real Property;

(d) the transfer of the Real Property by Holdco to the Purchaser and the ownership and use of the Real Property by the Purchaser; and

(e) the escrow agreement dated November 26, 2004 between the Purchaser, the Vendor and Ernst & Young Inc. as escrow agent.

Without limiting the generality of the foregoing, the parties to this Release declare that the intent hereof is to conclude all Claims, issues and disputes arising from the matters set forth above and it is understood and agreed that this Release is intended to cover, and does cover, not only all known Claims, but also all Claims not now known or anticipated but which may later develop or be discovered, whether or not discoverable as at the date of this Release, including all the effects and consequences thereof.

It is agreed and understood that neither the Purchaser nor the Vendor will make any Claim, take any action or take any proceedings in any way connected with or related to the matters outlined above against any other individual, corporation, partnership, association, trust, unincorporated organization, governmental body or other legal or business entity of any kind whatsoever (each a "**Person**") which might claim, in any manner or forum, contribution or indemnity in common law or equity, or under provisions of any statute or regulation, from the Vendor (in the case of any Claim, action or proceeding by the Purchaser) or from the Purchaser (in the case of any Claim, action or proceeding by the Vendor) by virtue of said Claim, action or proceeding.

The parties hereby represent and warrant that they have not assigned to any Person any Claim which they have released by this Release.

The parties hereto do not by the giving of the aforementioned consideration herein or otherwise admit any liability or wrongdoing of any kind whatsoever to any other party to this Release and such liability or wrongdoing is specifically denied.

The parties hereto agree and understand that in the event that the Purchaser or the Vendor should hereafter make any claim or demand or commence or threaten to commence any claim against the other for or by reason of any course, matter or thing in respect of the matters released herein, this document may be raised as an estoppel to any claim commenced in regard to the aforesaid.

This Release shall be governed by and construed and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each party hereby irrevocably attorns to the jurisdiction of the courts of the Province of Ontario.

The provisions hereof shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

This Release may be executed by the parties hereto in one or more separate counterparts, each of which when so executed shall constitute and be deemed to be an original and shall be binding upon and shall enure to the benefit of each of the parties having executed this Release or any counterpart hereof, and all such counterparts shall together constitute one and the same document.

IN WITNESS WHEREOF this Release has been duly executed on behalf of the undersigned this day of September, 2007.

IMT PARTNERSHIP

by ______________________________

Name:

Title:

IMT CORPORATION 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

by ______________________
Name: Jeffrey Kerbel
Title: Vice-President

Schedule B

Court File No. 05-CV-294508 PD2

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

IMT PARTNERSHIP

Plaintiff

- and -

IMT CORPORATION

Defendant

CONSENT

The Plaintiff and the Defendant, by their solicitors, consent to an Order dismissing the within action in the form attached.

The undersigned solicitors hereby certify that no party to this proceeding is under any disability.

September , 2007

Per: ______________________________
Miller Thomson LLP

Solicitors for the Plaintiff

Per: ______________________________
Davies Ward Phillips & Vineberg LLP

Solicitors for the Defendant

Court File No. 06-CV-318986PD2

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

IMT PARTNERSHIP

Plaintiff

- and –

IMT CORPORATION

Defendant

CONSENT

The Plaintiff and the Defendant, by their solicitors, consent to an Order dismissing the within action in the form attached.

The undersigned solicitors hereby certify that no party to this proceeding is under any disability.

September , 2007

Per: ______________________________
Miller Thomson LLP

Solicitors for the Plaintiff

Per: ______________________________
Davies Ward Phillips & Vineberg LLP

Solicitors for the Defendant

Court File No. 06-CV-319968PD1

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

IMT CORPORATION

Plaintiff

- and –

IMT PARTNERSHIP

Defendant

CONSENT

The Plaintiff and the Defendant, by their solicitors, consent to an Order dismissing the within action in the form attached.

The undersigned solicitors hereby certify that no party to this proceeding is under any disability.

September , 2007

Per: ______________________________
Davies Ward Phillips & Vineberg LLP

Solicitors for the Plaintiff

Per: ______________________________
Miller Thomson LLP

Solicitors for the Defendant

Schedule C

Liabilities associated with the Assumed Liabilities Claims which have been asserted against the Vendor prior to the date of this Agreement, include the following:

Ad-Link Advertising Inc.,

Safety Kleen

Same Day Right-O-Way

Roop Chanderdat and Associates Inc.

Waste Management Inc.

APPENDIX C

NOTICE TO CREDITORS OF IMT CORPORATION
(hereinafter referred to as "IMT")

RE: NOTICE OF CLAIMS PROCEDURE FOR IMT CORPORATION

PLEASE TAKE NOTICE that this notice is being published pursuant to an order of the Superior Court of Justice of Ontario dated December 7, 2007 (the "Order"). Any person who believes that it has a claim against IMT which arose on or before November 26, 2004, whether unliquidated, contingent or otherwise, should notify the Monitor in writing before **5:00 p.m.** ***(Eastern Daylight Time)*** **on [ ], 2008** ***(the "IMT Claims Bar Date").***

CLAIMS OF WHICH THE MONITOR DOES NOT RECEIVE NOTICE BY THE IMT CLAIMS BAR DATE MAY BE BARRED AND EXTINGUISHED FOREVER PURSUANT TO THE ORDER.

Creditors who believe they have a claim against IMT should contact Ernst & Young Inc., Court-appointed Monitor of Ivaco Inc. **(Telephone: 416-943-3545 or Fax: (416) 943-3300 Attention: Mr. Jeffrey Kerbel.**)

Please take note that this notice procedure only relates to claims against IMT Corporation and NOT IMT Partnership. IMT Partnership acquired substantially all of the assets of IMT Corporation effective November 26, 2004.

Dated at Toronto this [ ] day of December, 2007.