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"

SIXTEENTH REPORT OF THE MONITOR
AUGUST 13, 2004

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, ON M5L 1B9

Peter F.C. Howard/LSUC #22056F
Tel: (416) 869-5613
Fax: (416) 861-0445

Solicitors for the Monitor,
Ernst & Young Inc.,

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INTRODUCTION

1. Ivaco Inc. ("Ivaco") and certain of its affiliates (collectively the "Applicants") 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 as monitor (the "Monitor") of the Applicants.

2. The Fifteenth Report of the Monitor (the "Fifteenth Report") was issued on August 9, 2004. It provided information to support the approval of the Purchase Agreements and related documents comprising the agreements between the Sellers and the Purchaser of substantially all of the Applicants' core business operations and an extension of the Stay Termination Date to December 15, 2004.

3. This Sixteenth Report of the Monitor (the "Report") is provided in part as a supplement to the Fifteenth Report and reports to this Honourable Court on the following:

- Claims Process
- Financial Performance and Cash Flow Projections
- Corporate Allocations and Inter-company Transactions
- Bi-Weekly Reporting
- Estimated Directors' and Officers' Liabilities
- Status of Non-core Asset Sales

TERMS OF REFERENCE

4. In preparing this Report, the Monitor has relied upon company-prepared unaudited financial information and records as well as discussions with management of the Applicants and with the Applicants' financial advisors. The Monitor has not performed an audit or other verification of such information. An examination of the financial projections as outlined in the Canadian Institute of Chartered Accountants Handbook has not been performed. Future oriented financial information and estimates of timelines relied upon in this report are based on assumptions regarding future events. Actual results achieved will vary from this information, maybe materially.

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

CLAIMS PROCESS

6. On June 18, 2004, this Honourable Court issued an order authorizing the Applicants to conduct a process calling for and determining claims of their creditors (the "Claims Procedure Order"). Among other things, the Claims Procedure Order established August 6, 2004 as the Claims Bar Date with respect to claims arising prior to September 16, 2003 or after September 16, 2003 if as a result of the restructuring, repudiation or termination on or before June 18, 2004 of any contract, lease or employment agreement.

7. The following chart summarizes the preliminary input from the Claims Process including the gross number and face value of the Proofs of Claim received by the Monitor on or before the Claims Bar Date. A large number of claims were received either on the day of or just beforethe Claims Bar Date. As a result, the Applicants and the Monitor are still in the early stages of compiling and reviewing the claims. Accordingly, these preliminary results reflect simply the facts as to claims submitted regardless of potential revision or disallowance that may be asserted after the review phase is completed. The Monitor cautions that the information provided below is in all likelihood materially higher than the actual admitted or proven claims will be after the claims process is completed and should not be relied upon by creditors as a meaningful indication of that final number.

Applicant	Number of Claims	Face Value of Claims (in millions)
Ivaco Inc.	552	$492.7
Ivaco Rolling Mills Inc.	404	$525.3
Ifastgroupe Inc.	475	$253.9
Docap (1985) Corporation	52	$111.1
IFC (Fasteners) Inc.	17	$220.0
Ifastgroupe Realty Inc.	12	$191.3
Florida Sub One Holdings, Inc.	1	$104.8
3632610 Canada Inc.	2	$104.8
TOTAL	1,515	$2,003.9

8. In addition, as at the end of the day on August 12, 2004, 52 claims totalling approximately $1.0 million had been received after the Claims Bar Date.

9. Based on its initial review of the claims as submitted, the Monitor believes that there are a significant number (and face value) of claims that will require careful examination with the assistance of the Applicants and may be revised or disallowed in due course.

10. The Applicants and the Monitor have compiled a database of all Proofs of Claim received and are in the process of examining them for technical compliance, supporting documentation and accuracy. The Monitor has been contacting

creditors directly if a claim is incomplete, filed with the wrong entity or more information is required. The Applicants are in the process of reconciling discrepancies between claims received and their books of account. Once this reconciliation is completed, Notices of Revision or Disallowance will be sent where appropriate. The Monitor expects to have a rough estimate available as to how long this will take on the return of the approval motion.

11. Creditors who intend to dispute a Notice of Revision or Disallowance must deliver a Notice of Dispute to the Monitor within seven calendar days of receipt of the Notice of Revision or Disallowance.

12. Upon receipt of a Notice of Dispute, the Monitor in consultation with the Applicants may attempt to consensually resolve the issue with the creditor. Unless the issue is resolved consensually in advance, the Monitor shall within seven calendar days of receipt deliver a copy of the Creditor's Dispute Package to the Claims Officer.

13. The Claims Officer will review and determine all claims filed prior to the Claims Bar Date for voting and/or distribution purposes which are in dispute for any reason and have not been consensually resolved between the creditor and the Monitor. The Claims Officer will co-ordinate the hearing of all disputed claims within twenty calendar days from the date of the Notice of Dispute or such later time as the Claims Officer determines.

FINANCIAL PERFORMANCE AND CASH FLOW PROJECTIONS

14. Attached as Appendix A to this Report is an updated summary of the Applicants' receipts and disbursements for the period from April 24, 2004 to July 30, 2004 along with the Applicants' analysis of variances from the cash flow projections filed with the Monitor's previous reports. The Applicants had consolidated net cash inflow of approximately $52.5 million for the period from

April 24, 2004 to July 30, 2004, compared to the projections filed with this Honourable Court that reflected total cash inflow of approximately $44.6 million.

Entity **(000's)**	**Actual** **Net Inflow (Net Outflow)**	**Projected** **Net Inflow (Net Outflow)**	**Variance** **Favourable** **(Unfavourable)**
Ivaco	2,408	1,273	1,135
IRM	25,509	25,725	(216)
Ifastgroupe	24,209	18,078	6,131
Docap	422	(453)	875
Total	$52,548	$44,623	$7,925

15. Overall, the Applicants experienced a favourable consolidated cash flow variance of $7.9 million for the period from April 24, 2004 to July 30, 2004. Appendix A sets out the detailed analysis of the individual variances by entity.

16. The cash flow projections for each of IRM, Ivaco, Ifastgroupe and Docap for the period from July 31, 2004 to December 31, 2004, as prepared by the Applicants with the assistance of the Monitor, are attached as Appendix B. Management has updated these projections based on the most current information available.

17. These cash flow projections indicate that the Applicants expect to have positive consolidated cash flow of approximately $54.5 million for the period from July 31, 2004 to December 31, 2004. IRM, Ifastgroupe and Ivaco are each expected to generate positive cash flow of approximately $38.7 million, $7.5 million and $8.8 million respectively while Docap is expected to generate negative cash flow of approximately $0.5 million during the period.

18. The Applicants project that, other than outstanding letters of credit, IRM, Ifastgroupe and Docap will not need to borrow under their DIP loans during the projection period. Ivaco will need to borrow up to the $5 million limit of its DIP loan by the week of September 10, 2004; however, its cash flow projection shows that it will repay this loan in full in November 2004.

CORPORATE ALLOCATIONS AND INTER-COMPANY TRANSACTIONS

19. The outstanding inter-company balances between the Applicants as at July 30, 2004 have been updated to reflect more current information and are presented in the table below:

Entity (000's)	**Outstanding Inter-company Receivable/ (Payable) as at Apr 23**	**Inter-company Sales/ (Purchases) Apr 24 - Jul 30 (Note 1)**	**Allocation of Corporate Costs Receivable/ (Payable) Apr 24 - Jul 30 (Note 2)**	**Net Inter-company (Receipts) / Disbursements Apr 24-Jul 30**	**Outstanding Inter-company Receivable/ (Payable) as at Jul 30**
Ivaco	(926)	(44,894)	5,695	36,632	**(3,493)**
IRM	1,713	76,690	(3,177)	(72,103)	**3,123**
Ifastgroupe	(787)	(31,796)	(2,518)	35,471	**370**
Total	------	------	------	------	-------

Note 1: For purposes of this table, inter-company sales and purchases include the purchase of wire rods or provision of cleaning or annealing services among the Applicants.

Note 2: For purposes of this table, corporate costs include costs allocated to the divisions for tax and property insurance, computer hardware, software and support, employee benefits, other direct expenses and professional fees.

20. The outstanding balances as at July 30, 2004 for inter-company transactions and corporate cost allocations were as follows:

Entity (000's)	Net Inter-company Trade Balances Receivable (Payable)			Total Trade Inter-company	Corporate Allocation of Costs (Payable)/ Receivable	Outstanding Balance at July 30
	Ivaco	IRM	Ifastgroupe	A	B	A+B
Ivaco	N/A	(1,692)	(53)	**(1,745)**	**(1,748)**	**(3,493)**
IRM	1,692	N/A	459	**2,151**	**972**	**3,123**
Ifastgroupe	53	(459)	N/A	**(406)**	**776**	**370**

21. As at July 30, 2004, Ivaco owed IRM and Ifastgroupe approximately $1.75 million relating to overpayment of allocated corporate costs. This overpayment as the result of corporate changes having been less than budget. Ivaco is reimbursing IRM and Ifastgroupe for these amounts during the week of August 20, 2004.

BI-WEEKLY REPORTING

22. Attached as Appendix C is the Applicants' bi-weekly report for the period from July 17 to July 30, 2004.

ESTIMATED DIRECTORS' AND OFFICERS' LIABILITIES

23. Attached, as Appendix D is the Applicants' summary of directors' and officers' liabilities as at June 30, 2004.

STATUS OF NON-CORE ASSET SALES

IMT Corporation

24. IMT Corporation ("IMT") is a wholly owned subsidiary of Ivaco Inc. and is not an Applicant in these proceedings. The background to the current situation is summarized in the Fifteenth Report. Because the equity value of IMT is an asset of an Applicant, the Monitor has observed the sale process undertaken to realize on any such equity value and provides its observations to assist this Honourable Court in assessing the Applicants' request for approval of the purchase and sale agreement arising out of the sale process.

25. On August 11, 2004 IMT signed a purchase and sale agreement with a newly formed private company 2051554 Ontario Inc. headed by Mr. James Hacking, a former Vice President and General Manager of IMT Corporation and Mr. Greg Edmonds the owner of Drive Products Inc. a customer of IMT Corporation.

26. As previously reported, the Applicants and IMT engaged Continua Capital Inc. ("Continua") to conduct a process to solicit bids for the businesses comprising IMT in whole or in parts. The highlights of the process run by Continua are set out below:

- Continua with the assistance of IMT, and in consultation with the Applicants, prepared a Confidential Information Memorandum ("CIM") for the IMT Assets and developed a list of potential purchasers.
- The potential purchasers were contacted and those who wished to evaluate a potential acquisition of the IMT Assets and signed a confidentiality agreement received the CIM.
- Potential purchasers who received the CIM were invited to submit preliminary indications of interest for the IMT Assets by January 16, 2004. Some proposals were received after January 16, 2004 and were considered as long as they did not delay the process.

- In total, Continua contacted 20 parties. Of the 20 parties contacted, 14 parties executed confidentiality agreements and six parties provided preliminary non-binding expressions of interest.

- The Applicants, with the assistance of Continua, evaluated all of the proposals received during the first step of the sale process and determined that five of the potential acquirors, should be invited to participate in the second step of the sale process. An additional party expressed an interest in acquiring the IMT Assets and was added to the list of potential acquirors participating in the second step of the sale process.

- The potential acquirors selected to participate in the second step of the sale process were invited to submit Letters of Intent ("LOI") by March 2, 2004. This date was extended to March 15, 2004 for all the parties to permit the additional party sufficient time to submit its proposal. In addition, two other groups that had joined late in the process were continuing their due diligence past the March 15, 2004 deadline. Given the small number of interested aquirors, the Applicants agreed to allow these parties to continue with the sale process. Both parties were informed that they were late in joining the sale process and that the sale process could be closed at any time.

- Prior to the close of business on March 15, 2004, Continua received two offers to acquire the IMT Assets.

- The Applicants in consultation with Continua reviewed the two offers and it was determined that both of the offers were not acceptable and were rejected.

- Both parties revised their purchase price to more acceptable levels and clarified other outstanding issues within their respective offers.

- On April 2, 2004, the Applicants assisted by Continua, decided to move forward with one single acquiror (the "Acquiror"). The criteria used to select the single acquiror (outlined below in detail) included; i) purchase price, ii) financing conditions, iii) closing conditions and iv) timing.
- The LOI was executed by an officer of IMT on April 27, 2004.
- During the 75 day exclusivity period which began on April 27, 2004, the Acquiror worked on securing financing, clarifying the conditions in the LOI and completing its due diligence.

27. Continua's recommendation of the Acquiror, which is supported by the Applicants, is based on the purchase price, the lack of conditionality in comparison to the other offers, the greatest ability to close the transaction from a financing perspective and the timeliness of closing. Subject to this Honourable Court's approval, closing is expected to occur around September 17, 2004. It is estimated that the sale would yield an estimated recovery of $4 to $5 million to Ivaco.

28. Based on a competitive sale process run by Continua and Continua's recommendation, it is the Monitor's view that the proposed transaction represents the best available recovery in the circumstances. The net equity value ultimately flowing to Ivaco Inc. will be covered by the security held by National Bank. The Applicants have consulted with National Bank throughout the sale process. Accordingly, the Monitor recommends that this Honourable Court authorize IMT to complete the transaction.

MONITOR'S ANALYSIS AND RECOMMENDATION

<u>IMT Corporation</u>

30. Although IMT is not part of the Applicants' CCAA proceedings, the Monitor recommends that this Honourable Court approve the sale of IMT as it represents a commercially reasonable, market-based recovery.

All of which is respectfully submitted this 13th day of August 2004.

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

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

Ivaco- Ivaco Inc.
Comparison of Actual to Forecast
For the period from April 24, 2004 to July 30, 2004

(in thousands)	**Actual Apr 24 - Jul 30**	**Actual Apr 24 - Jul 30**	**Variance**	**Notes**
RECEIPTS				
TRADE	69,506	68,992	514	(1)
OTHER	2,399	2,994	(595)	(2)
INTER-COMPANY RECEIPTS BY CORPORATE	8,288	8,031	257	(3)
TOTAL RECEIPTS	**80,193**	**80,017**	**176**	
DISBURSEMENTS				
PAYROLL & RELATED	(11,007)	(10,866)	(141)	
MATERIAL	(2,235)	(809)	(1,426)	(4)
CONSUMABLES	(3,110)	(3,332)	222	
FREIGHT & CUSTOMS	(3,908)	(4,161)	253	
UTILITIES	(3,525)	(3,486)	(39)	
OTHER	(4,829)	(7,465)	2,636	(5)
PROFESSIONAL FEES	(4,272)	(4,064)	(208)	
DIP INTEREST AND CLOSING FEE	-	(38)	38	
TOTAL DISBURSEMENTS	**(32,886)**	**(34,221)**	**1,335**	
NET INTER-COMPANY (excluding cont. to corporate)	**(44,899)**	**(44,523)**	**(376)**	(6)
CHANGE IN CASH	**2,408**	**1,273**	**1,135**	

Variance Analysis:

1) Trade receipts are higher than forecast due to higher collections in May and June. This is partially due to higher than forecast selling prices.

2) Other receipts are lower than forecast due to a delay in the receipt of monthly tax refunds.

3) Inter-company receipts are higher than forecast due to a higher allocation of charges for the post-petition period that were not previously charged.

4) Material costs were higher than forecast due to higher than forecast rod purchases from overseas suppliers and making downpayments to third party suppliers.

5) Other costs are lower than forecast due to environmental and insurance costs that were forecasted but not paid during the period. This is a timing variance that is expected to reverse over future periods.

6) Net inter-company payments are higher than forecast due to higher shipments by IRM to Sivaco Quebec and higher than forecast selling prices.

IVACO - Ivaco Rolling Mills Limited Partnership
Comparison of Actual to Forecast
For the period from April 24, 2004 to July 30, 2004

(in thousands)	**Actual Apr 24 - Jul 30**	**Actual Apr 24 - Jul 30**	**Variance**	**Notes**
RECEIPTS				
TRADE	122,155	112,729	9,426	(1)
OTHER	(2,449)	758	(3,207)	(2)
TOTAL RECEIPTS	**119,706**	**113,487**	**6,219**	
DISBURSEMENTS				
PAYROLL & RELATED	(15,017)	(14,541)	(476)	(3)
MATERIAL	(109,608)	(87,808)	(21,800)	(4)
CONSUMABLES	(11,514)	(10,699)	(815)	(5)
FREIGHT, CUSTOMS & DUMPING DUTY	(18,181)	(21,963)	3,782	(6)
UTILITIES	(11,836)	(12,924)	1,088	(7)
OTHER	(15,152)	(15,541)	389	(8)
PROFESSIONAL FEES	-	-	-	
DIP INTEREST AND CLOSING FEE	(9)	(34)	25	
CONTRIBUTIONS TO CORPORATE	(4,802)	(3,500)	(1,302)	(9)
TOTAL DISBURSEMENTS	**(186,119)**	**(167,010)**	**(19,109)**	
NET INTER-COMPANY (excluding cont. to corporate)	**76,905**	**70,693**	**6,212**	(10)
CHANGE IN CASH	**10,492**	**17,170**	**(6,678)**	

Variance Analysis:

1) Trade receipts were higher than forecast due to the timing of collections and higher than forecast selling prices. The stronger than forecast US dollar early in this period contributed to the increase but has since weakened.

2) Other receipts were also lower than forecast during the period as a result of a higher than forecast QST payment made due to higher sales.

3) Payroll was higher than forecast due to a change in the payment pattern for source deductions as a result of changing to a payroll service provider as well as some unforecast overtime charges to support high production levels during the period.

4) Material purchases were higher than forecast due primarily to higher than forecast billet consumption, higher scrap prices, and three unforecasted purchases in late July one of which was resold to Ivaco.

5) Consumables were higher than forecast in part due to the timing of goods received and in part due to higher levels of production in the period.

6) Freight, customs & dumping duty disbursements were lower than forecast due to lower than forecast shipments in the month of July as well as aggressive saving initiatives on all frieght transfers.

7) Utilities were lower than forecast as a result of a lower than forecast consumption and unit price.

8) Other disbursements were lower than forecast mainly as a result of the stronger US dollar compared to forecast during the period.

9) Contributions to corporate were higher than forecast due to additional charges from Ivaco that were not previously allocated.

10) Inter-company receipts were higher than forecast mainly due to the resale of a third party shipment to Ivaco as well as an increase in sales prices.

IVACO - Ifastgroupe and Company, Limited Partnership & Ifastgroupe Inc.
Comparison of Actual to Forecast
For the period from April 24, 2004 to July 30, 2004

(in thousands)	**Actual Apr 24 - Jul 30**	**Actual Apr 24 - Jul 30**	**Variance**	**Notes**
RECEIPTS				
TRADE (1)	97,715	94,211	3,504	(1)
OTHER	1,902	1,927	(25)	
TOTAL RECEIPTS	**99,617**	**96,138**	**3,479**	
DISBURSEMENTS				
PAYROLL & RELATED	(13,079)	(13,470)	391	(2)
MATERIAL	(14,183)	(16,956)	2,773	(3)
CONSUMABLES	(9,192)	(10,104)	912	(4)
FREIGHT & CUSTOMS	(3,935)	(3,805)	(130)	
UTILITIES	(738)	(811)	73	
OTHER	(12,117)	(11,248)	(869)	(5)
PROFESSIONAL FEES	-	-	-	
DIP INTEREST AND CLOSING FEE	(43)	(48)	5	
CONTRIBUTIONS TO CORPORATE	(3,486)	(3,518)	32	
TOTAL DISBURSEMENTS	**(56,773)**	**(59,960)**	**3,187**	
NET INTER-COMPANY (excluding cont. to corporate)	**(31,714)**	**(25,877)**	**(5,837)**	(6)
CHANGE IN CASH	**11,130**	**10,301**	**829**	

Variance Analysis:

1) Trade receipts are higher than forecast due primarily to a concerted effort to collect receivables, and higher than forecast selling prices.

2) Payroll and related disbursements are higher than forecast due to the timing of vacation pay disbursements and applicable source deductions.

3) Material purchases are lower than forecast due to more intercompany shipments than planned as a result of a delayed third party shipment of raw material.

4) Consumables were lower than forecast due to the timing of the Ifastgroupe shutdown in July.

5) Other disbursements are higher than forecast due to the timing of payments.

6) Net inter-company charges were higher than forecast due to the timing of shipments and additional purchases which offset third party purchases variance.

IVACO - DOCAP (1985) Corporation
Comparison of Actual to Forecast
For the period from April 24, 2004 to July 30, 2004

(in thousands)	**Actual Apr 24 - Jul 30**	**Actual Apr 24 - Jul 30**	**Variance**	**Notes**
RECEIPTS				
TRADE	4,099	3,806	293	(1)
OTHER	--	--	--	
TOTAL RECEIPTS	**4,099**	**3,806**	**293**	
DISBURSEMENTS				
PAYROLL & RELATED	(278)	(643)	365	
MATERIAL	(1,808)	(2,218)	410	(2)
FREIGHT & CUSTOMS	(353)	(399)	46	
UTILITIES	(12)	(34)	22	
OTHER	(550)	(581)	31	
PROFESSIONAL FEES	-	--	--	
DIP INTEREST AND CLOSING FEE	-	--	--	
CONTRIBUTIONS TO CORPORATE	-	--	--	
TOTAL DISBURSEMENTS	**(3,001)**	**(3,875)**	**874**	
NET INTER-COMPANY (excluding cont. to corporate)	**(292)**	**(384)**	**92**	
CHANGE IN CASH	**806**	**(453)**	**1,259**	

Variance Analysis:

1) Trade receipts were higher than forecast due to the timing of collections.

2) Materials are lower than forecast due to less overseas shipments than forecast. The timing of overseas orders is difficult to predict.

APPENDIX B

IVACO Group of Companies
Notes to Cash Flow Projections
For the Period Ending December 31, 2004

1. Trade Receipts

   Trade receipts are accounted for on the day they are deposited into the Royal Bank of Canada's ("RBC") blocked bank accounts. Once these receipts are deposited they are unavailable to the Company for another two days due to the time required by RBC to process them and the time required to sweep them up to GE to be either be applied against the outstanding DIP balance or returned to the Company.

2. Other Receipts

   Includes sales tax refunds and other non-trade receipts.

3. Payroll & Related

   Includes payroll costs, deductions at source, pension and benefit costs.

4. Material

   Includes raw material and finished good purchases from third parties.

5. Consumables

   Includes supplies other than utilities directly used to manufacture finished product.

6. Other

   Includes selling, general and administrative costs and the cost of insurance.

7. Contributions to Corporate

   Represents each company's allocation of corporate costs incurred for information technology services, insurance and corporate payroll. Each company's allocation of professional fees is also included here as the Company pays all professional fees from the Corporate division of Ivaco and is subsequently reimbursed by IRM and Ifastgroupe.

8. Inter-company Receipts by Corporate

   Represents the corporate division of Ivaco's receipts for corporate costs and professional fees.

9. Net Inter-company

   Represents the net receipts received and payments made to related companies for products or services excluding payments made to the corporate division of Ivaco.

10. Ending Cash

    Ending cash as of July 30, 2004 includes the balance in the RBC operating bank account, the RBC blocked bank account and the excess deposits at GE at the end of the day on July 30, 2004 after repaying any outstanding DIP balance with the daily sweep from the RBC blocked bank account.

IVACO - Ivaco Inc.
Cash Flow Projection
Period Ended December 31, 2004

(in thousands)	Notes	Friday 30-Jul-04	Friday 6-Aug-04	Friday 13-Aug-04	Friday 20-Aug-04	Friday 27-Aug-04	Friday 3-Sep-04	Friday 10-Sep-04	Friday 17-Sep-04	Friday 24-Sep-04	Friday 1-Oct-04	Friday 8-Oct-04	Friday 15-Oct-04	Friday 22-Oct-04	Friday 29-Oct-04	November	December	TOTAL
		Projection for the Week Ending														Projection for the Month		
CASH IN BANK			2,610	1,446	1,948	1,871	2,172	1,450	1,907	798	759	569	475	1,827	723	1,156	1,919	2,610
RECEIPTS																		
TRADE	1		4,528	4,528	4,270	4,270	4,338	4,238	4,365	4,351	4,251	6,077	6,077	6,320	6,320	26,633	25,865	116,431
OTHER	2		--	1,460	--	--	216	--	--	700	--	--	--	700	--	700	700	4,476
INTERCOMPANY RECEIPTS BY CORPORATE	8		910	630	(858)	900	855	430	430	430	470	1,370	415	415	415	2341	2,727	11,880
TOTAL RECEIPTS			5,438	6,618	3,412	5,170	5,409	4,668	4,795	5,481	4,721	7,447	6,492	7,435	6,735	29,674	29,292	132,787
DISBURSEMENTS																		
PAYROLL & RELATED	3		(491)	(1,101)	(872)	(635)	(663)	(665)	(808)	(779)	(555)	(659)	(713)	(818)	(711)	(2,976)	(3,481)	(15,927)
MATERIAL	4		(1,025)	(217)	--	--	--	--	(425)	--	--	--	--	(3,375)	--	(2,552)	--	(7,594)
CONSUMMABLES	5		(237)	(237)	(287)	(237)	(237)	(237)	(237)	(237)	(237)	(237)	(237)	(287)	(237)	(1,015)	(1,075)	(5,271)
FREIGHT & CUSTOMS			(315)	(315)	(315)	(315)	(315)	(315)	(315)	(315)	(315)	(315)	(315)	(315)	(315)	(1,275)	(1,575)	(6,945)
UTILITIES			(544)	(80)	(388)	(80)	(430)	(140)	(430)	(80)	(130)	(440)	(130)	(80)	(380)	(1,425)	(1,465)	(6,222)
OTHER	6		(658)	(804)	(339)	(241)	(1,166)	(544)	(629)	(544)	(444)	(1,462)	(316)	(231)	(231)	(1,926)	(2,183)	(11,718)
PROFESSIONAL FEES			(420)	(420)	(420)	(420)	(420)	(420)	(420)	(420)	(420)	(420)	(420)	(420)	(420)	(1,680)	(2,100)	(9,240)
DIP INTEREST AND CLOSING FEE			(11)	--	--	--	(10)	--	--	--	(25)	--	--	--	--	(29)	--	(75)
TOTAL DISBURSEMENTS			(3,700)	(3,174)	(2,621)	(1,928)	(3,241)	(2,321)	(3,264)	(2,375)	(2,126)	(3,533)	(2,131)	(5,526)	(2,294)	(12,878)	(11,879)	(62,992)
NET INTERCOMPANY (excluding cont. to corporate)	9		(2,902)	(2,942)	(2,867)	(2,942)	(2,890)	(2,890)	(2,640)	(3,145)	(2,785)	(3,008)	(3,008)	(3,013)	(3,008)	(13,033)	(9,882)	(60,955)
CHANGE IN CASH			(1,164)	502	(2,076)	300	(722)	(543)	(1,109)	(39)	(190)	906	1,353	(1,104)	1,433	3,763	7,531	8,840
DIP (ADVANCES TO)/REPAYMENTS FROM DOCAP			--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
IFASTGROUPE DIP ADVANCE/(REPAYMENT)			--	--	1,000	--	--	500	--	--	--	(500)	--	--	(500)	(1,500)	--	(1,000)
IVACO ROLLING MILLS DIP ADVANCE/(REPAYMENT)			--	--	1,000	--	--	500	--	--	--	(500)	--	--	(500)	(1,500)	--	(1,000)
ENDING CASH IN BANK		2,610	1,446	1,948	1,871	2,172	1,450	1,907	798	759	569	475	1,827	723	1,156	1,919	9,450	9,450
ENDING DIP OUTSTANDING TO IFASTGROUPE		(1,000)	(1,000)	(1,000)	(2,000)	(2,000)	(2,000)	(2,500)	(2,500)	(2,500)	(2,500)	(2,000)	(2,000)	(2,000)	(1,500)	–	–	
ENDING DIP OUTSTANDING TO IVACO ROLLING MILLS		(1,000)	(1,000)	(1,000)	(2,000)	(2,000)	(2,000)	(2,500)	(2,500)	(2,500)	(2,500)	(2,000)	(2,000)	(2,000)	(1,500)	–	–	
ENDING TOTAL IVACO DIP FACILITY BALANCE		(2,000)	(2,000)	(2,000)	(4,000)	(4,000)	(4,000)	(5,000)	(5,000)	(5,000)	(5,000)	(4,000)	(4,000)	(4,000)	(3,000)	–	–	
ENDING DIP BALANCE OWING FROM DOCAP		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	

IVACO - Ivaco Rolling Mills Limited Partnership
Cash Flow Projection
Period Ended December 31, 2004

(in thousands)	Notes	Projection for the Week Ending Friday 30-Jul-04	Friday 6-Aug-04	Friday 13-Aug-04	Friday 20-Aug-04	Friday 27-Aug-04	Friday 3-Sep-04	Friday 10-Sep-04	Friday 17-Sep-04	Friday 24-Sep-04	Friday 1-Oct-04	Friday 8-Oct-04	Friday 15-Oct-04	Friday 22-Oct-04	Friday 29-Oct-04	Projection for the Month November	December	TOTAL
OPENING CASH			17,719	18,583	21,129	23,021	27,649	28,404	28,921	31,691	36,149	37,234	38,674	38,581	40,257	41,546	58,083	17,719
RECEIPTS																		
TRADE	1		7,088	8,742	9,742	8,742	9,137	9,637	9,637	9,338	9,967	10,395	9,795	9,587	9,587	44,156	44,176	209,726
OTHER	2		903	--	--	1,550	(800)	--	--	850	(800)	--	--	--	--	900	50	2,653
TOTAL RECEIPTS			7,991	8,742	9,742	10,292	8,337	9,637	9,637	10,188	9,167	10,395	9,795	9,587	9,587	45,056	44,226	212,379
DISBURSEMENTS																		
PAYROLL & RELATED	3		(1,140)	(735)	(1,500)	(1,015)	(1,190)	(735)	(1,500)	(735)	(1,145)	(1,060)	(1,500)	(955)	(1,295)	(4,440)	(5,225)	(24,170)
MATERIAL	4		(6,679)	(6,271)	(6,725)	(6,625)	(7,414)	(8,247)	(7,214)	(7,314)	(7,814)	(8,723)	(10,506)	(8,723)	(8,973)	(30,922)	(37,009)	(169,159)
CONSUMMABLES	5		(786)	(686)	(686)	(686)	(687)	(687)	(687)	(687)	(687)	(906)	(906)	(906)	(906)	(3,496)	(3,370)	(16,767)
FREIGHT, CUSTOMS & DUMPING DUTY			(1,912)	(1,678)	(1,679)	(1,679)	(1,444)	(1,444)	(1,444)	(1,444)	(1,444)	(1,739)	(1,739)	(1,889)	(1,739)	(6,884)	(7,656)	(35,817)
UTILITIES			(887)	(1,530)	(643)	(565)	(622)	(1,765)	(538)	(565)	(622)	(1,877)	(15)	(815)	(765)	(3,652)	(3,667)	(18,528)
OTHER	6		(1,334)	(1,072)	(2,221)	(721)	(1,534)	(721)	(721)	(721)	(1,734)	(721)	(721)	(724)	(1,121)	(3,895)	(4,616)	(22,571)
PROFESSIONAL FEES			--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
DIP INTEREST AND CLOSING FEE			(9)	--	--	--	(13)	--	--	--	(13)	--	--	--	--	(13)	(13)	(61)
CONTRIBUTIONS TO CORPORATE	7		(507)	(350)	477	(500)	(475)	(245)	(245)	(245)	(245)	(760)	(230)	(230)	(230)	(1,301)	(1,515)	(6,601)
TOTAL DISBURSEMENTS			(13,253)	(12,321)	(12,976)	(11,790)	(13,379)	(13,844)	(12,349)	(11,711)	(13,704)	(15,786)	(15,617)	(14,242)	(15,029)	(54,603)	(63,069)	(293,674)
NET INTERCOMPANY (excluding cont. to corporate)	9		6,126	6,126	6,126	6,126	5,797	5,224	5,481	5,981	5,622	6,331	5,729	6,331	6,231	24,584	18,171	119,986
CHANGE IN CASH			864	2,547	2,892	4,628	755	1,017	2,769	4,458	1,085	940	(93)	1,676	789	15,037	(672)	38,692
DIP (ADVANCES TO)/REPAYMENTS FROM IVACO			--	--	(1,000)	--	--	(500)	--	--	--	500	--	--	500	1,500	--	1,000
IRM DIP ADVANCE FROM/(REPAYMENT TO) GE			--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
ENDING CASH	10	17,719	18,583	21,129	23,021	27,649	28,404	28,921	31,691	36,149	37,234	38,674	38,581	40,257	41,546	58,083	57,411	57,411
ENDING DIP FACILITY BALANCE		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
COURT AUTHORIZED DIP BORROWING LIMIT		(16,500)	(16,500)	(16,500)	(16,500)	(16,500)	(16,500)	(16,500)	(16,500)	(16,500)	(16,500)	(16,500)	(16,500)	(16,500)	(16,500)	(16,500)	(16,500)	
LETTERS OF CREDIT OUTSTANDING		1,564	1,564	1,564	1,564	1,564	1,564	1,564	1,564	1,564	1,564	1,564	1,564	1,564	1,564	1,064	1,064	
ADJUSTED DIP BORROWING LIMIT		(14,936)	(14,936)	(14,936)	(14,936)	(14,936)	(14,936)	(14,936)	(14,936)	(14,936)	(14,936)	(14,936)	(14,936)	(14,936)	(14,936)	(15,436)	(15,436)	
ENDING DIP BALANCE OWING FROM IVACO		1,000	1,000	1,000	2,000	2,000	2,000	2,500	2,500	2,500	2,500	2,000	2,000	2,000	1,500	--	--	

IVACO - Ifastgroupe and Company, Limited Partnership
Cash Flow Projection
Period Ended December 31, 2004

(in thousands)	Notes	Friday 30-Jul-04	Friday 6-Aug-04	Friday 13-Aug-04	Friday 20-Aug-04	Friday 27-Aug-04	Friday 3-Sep-04	Friday 10-Sep-04	Friday 17-Sep-04	Friday 24-Sep-04	Friday 1-Oct-04	Friday 8-Oct-04	Friday 15-Oct-04	Friday 22-Oct-04	Friday 29-Oct-04	November	December	TOTAL
		Projection for the Week Ending														Projection for the Month		
OPENING CASH			14,518	16,658	17,694	15,438	15,299	9,764	8,188	6,967	5,401	5,405	6,539	6,813	6,961	7,592	14,251	14,518
RECEIPTS																		
TRADE	1		9,670	6,284	6,622	6,553	7,291	4,998	5,170	4,798	5,447	10,570	6,620	6,818	6,678	31,095	35,048	153,861
OTHER	2		34	355	242	-	317	-	-	-	317	-	-	-	317	300	334	2,216
TOTAL RECEIPTS			9,904	6,639	6,864	6,553	7,608	4,998	5,170	4,798	5,764	10,570	6,620	6,818	6,995	31,395	35,382	156,077
DISBURSEMENTS																		
PAYROLL & RELATED	3		(660)	(798)	(1,281)	(817)	(655)	(761)	(1,383)	(836)	(669)	(752)	(1,382)	(807)	(688)	(3,619)	(4,325)	(19,433)
MATERIAL	4		(1,101)	164	(1,645)	(660)	(7,573)	(525)	(570)	(484)	(472)	(3,044)	(537)	(134)	(1,438)	(2,660)	(4,454)	(25,332)
CONSUMMABLES	5		(759)	(606)	(701)	(643)	(661)	(684)	(680)	(715)	(669)	(665)	(680)	(726)	(684)	(2,660)	(2,946)	(14,477)
FREIGHT & CUSTOMS			(321)	(279)	(282)	(294)	(266)	(217)	(229)	(232)	(279)	(317)	(280)	(292)	(292)	(1,171)	(1,393)	(6,142)
UTILITIES			(100)	(100)	(54)	(22)	(58)	(115)	(58)	(22)	(20)	(70)	(113)	(62)	(15)	(287)	(266)	(1,362)
OTHER	6		(1,184)	(522)	(1,370)	(473)	(647)	(1,238)	(448)	(1,143)	(592)	(1,142)	(451)	(1,147)	(430)	(3,332)	(3,767)	(17,889)
PROFESSIONAL FEES			-	-	-	-	-	-	-	-	-	-	-	-	-	--	--	--
DIP INTEREST AND CLOSING FEE			(16)	-	-	-	-	(16)	-	-	-	(16)	-	-	-	(16)	(16)	(80)
CONTRIBUTIONS TO CORPORATE	7		(403)	(280)	381	(400)	(380)	(185)	(185)	(185)	(225)	(610)	(185)	(185)	(185)	(1,040)	(1,212)	(5,279)
TOTAL DISBURSEMENTS			(4,544)	(2,420)	(4,951)	(3,509)	(10,239)	(3,741)	(3,553)	(3,616)	(2,926)	(6,616)	(3,628)	(3,353)	(3,732)	(14,785)	(18,379)	(89,995)
NET INTERCOMPANY (excluding cont. to corporate)	9		(3,221)	(3,182)	(3,169)	(3,182)	(2,904)	(2,332)	(2,838)	(2,746)	(2,834)	(3,320)	(2,718)	(3,316)	(3,133)	(11,451)	(8,187)	(58,533)
CHANGE IN CASH			2,140	1,036	(1,256)	(139)	(5,535)	(1,076)	(1,221)	(1,566)	4	634	274	148	131	5,159	8,816	7,549
DIP (ADVANCES TO)/REPAYMENTS FROM IVACO			--	--	(1,000)	--	--	(500)	--	--	--	500	--	--	500	1,500	--	1,000
IFAST DIP ADVANCE FROM/(REPAYMENT TO) GE			--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
ENDING CASH	10	14,518	16,658	17,694	15,438	15,299	9,764	8,188	6,967	5,401	5,405	6,539	6,813	6,961	7,592	14,251	23,067	23,067
ENDING IFASTGROUPE DIP FACILITY BALANCE		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
ENDING DIP BALANCE OWING FROM IVACO		1,000	1,000	1,000	2,000	2,000	2,000	2,500	2,500	2,500	2,500	2,000	2,000	2,000	1,500	--	--	
COURT AUTHORIZED DIP BORROWING LIMIT		3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	
DIP BORROWING		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
LETTERS OF CREDIT		(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(135)	(135)	
ADJUSTED DIP BORROWING LIMIT		2,408	2,408	2,408	2,408	2,408	2,408	2,408	2,408	2,408	2,408	2,408	2,408	2,408	2,408	3,365	3,365	

IVACO - DOCAP (1985) Coporation
Cash Flow Projection
Period Ended December 31, 2004

(in thousands)	Notes	Projection for the Week Ending														Projection for the Month		
		Friday 30-Jul-04	Friday 6-Aug-04	Friday 13-Aug-04	Friday 20-Aug-04	Friday 27-Aug-04	Friday 3-Sep-04	Friday 10-Sep-04	Friday 17-Sep-04	Friday 24-Sep-04	Friday 1-Oct-04	Friday 8-Oct-04	Friday 15-Oct-04	Friday 22-Oct-04	Friday 29-Oct-04	November	December	TOTAL
CASH IN BANK			1,650	1,527	1,452	1,832	1,601	1,540	1,431	1,547	1,659	1,477	1,369	1,501	1,744	1,444	1,293	1,650
RECEIPTS																		
TRADE	1		100	175	700	125	150	150	350	425	135	150	350	465	135	965	1,200	5,575
OTHER	2		-	-	-	-	-	-	-	-	-	-	-	-	-	–	–	–
TOTAL RECEIPTS			100	175	700	125	150	150	350	425	135	150	350	465	135	965	1,200	5,575
DISBURSEMENTS																		
PAYROLL & RELATED	3		(41)	(66)	(52)	(41)	(30)	(77)	(52)	(41)	(21)	(77)	(35)	(41)	(52)	(174)	(241)	(1,041)
MATERIAL	4		(140)	(140)	(140)	(160)	(140)	(140)	(140)	(140)	(140)	(140)	(140)	(140)	(140)	(560)	(700)	(3,100)
FREIGHT & CUSTOMS			(18)	(18)	(18)	(50)	(18)	(18)	(18)	(18)	(50)	(18)	(18)	(18)	(50)	(104)	(122)	(556)
UTILITIES			(1)	(4)	-	-	-	(2)	(1)	(4)			(2)	(1)		(15)	(18)	(48)
OTHER	6		(20)	(20)	(20)	(103)	(20)	(20)	(20)	(20)	(103)	(20)	(20)	(20)	(103)	(163)	(183)	(855)
PROFESSIONAL FEES			–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
DIP INTEREST AND CLOSING FEE			–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
CONTRIBUTIONS TO CORPORATE	7		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
TOTAL DISBURSEMENTS			(220)	(248)	(230)	(354)	(208)	(257)	(231)	(223)	(314)	(255)	(215)	(220)	(345)	(1,016)	(1,264)	(5,600)
NET INTERCOMPANY (excluding cont. to corporate)	9		(3)	(2)	(80)	(2)	(3)	(2)	(3)	(90)	(3)	(3)	(3)	(2)	(90)	(100)	(102)	(498)
CHANGE IN CASH			(123)	(75)	380	(231)	(61)	(109)	116	112	(182)	(108)	132	243	(300)	(151)	(166)	(523)
ENDING CASH IN BANK		1,650	1,527	1,452	1,832	1,601	1,540	1,431	1,547	1,659	1,477	1,369	1,501	1,744	1,444	1,293	1,127	1,127
ENDING DIP FACILITY BALANCE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	

APPENDIX C

DATE: August 13th, 2004

TO: Service List

FROM: Hugh Blakely, Ivaco Inc.

CC: Brian Denega, Ernst & Young Inc.

RE: **Ivaco Inc. and certain of its affiliates. (the "Applicants") Report for the two-week period ended July 30, 2004**

Notice to Reader

In accordance with the Third Report of the Monitor dated October 9, 2003, with the assistance of the Monitor, the Applicants are hereby reporting to their stakeholders on operating results for the period ended July 30, 2004.

This report is prepared for the exclusive use of those to whom it is addressed and, consequently, it may not be forwarded to other parties or used for other purposes without our prior knowledge and written consent.

We do not assume any responsibility or liability for losses incurred by the reader or any other party as a result of the circulation, publication, reproduction or use of our report in a manner contrary to the provisions set out in the above paragraph.

Reporting to Stakeholders

The stakeholders on the Service List receive from the Applicants the following information on a regular (usually bi-weekly) basis:

1. Statements of receipts and disbursements by entity showing variances from court-filed cash flow forecast;
2. A summary of DIP borrowings by entity; and
3. A flash report on operations at each major entity.

Results for the two-week period ended July 30, 2004

The statements of receipts and disbursements for the two week period ended July 30, 2004 are attached as Appendix "A" for Ivaco Rolling Mills Limited Partnership ("IRM"), Appendix "B" for Ifastgroupe and Company Limited Partnership and Ifastgroupe Inc. ("Ifastgroupe"), Appendix "C" for Ivaco Inc. ("Ivaco") and Appendix "D" for Docap (1985) Corporation ("Docap"). All amounts are in thousands of Canadian dollars except where indicated. Significant variances between the cash flow forecast filed with the Supplement to the Ninth Report of the Monitor and the actual results are discussed at the bottom of each statement.

Summary DIP (Cash) Balances

IRM, Ifastgroupe and Docap have positive net cash positions as at close of business on July 30, 2004. The Ivaco Sub DIP remains at $2.0 million on a 50% / 50% basis from IRM and Ifastgroupe. At July 30th it was offset by $2.6 million of cash in its operating bank account leaving net cash position of $0.6 million.

The following table shows the DIP (Cash) balances as at July 30, 2004 for each entity.

Entity (in millions)	**Maximum authorized DIP***	**DIP (Cash) balances as at July 30, 2004 ******
IRM	$16.5 **	$ (16.2)
Ifastgroupe	$3.5 ***	$ (11.5)
Ivaco (Internal DIP)	$5.0	$ (0.6)
Docap (Internal DIP)	$1.0	$ (1.6)

* Based on the limits authorized in the Amended and Restated Initial Order and the March 15th court order.

** IRM has two letters of credit outstanding in the aggregate amount of $1.6 million to two trade suppliers, thereby reducing the availability under its DIP to $15.0 million as at July 30th, 2004.

*** Ifastgroupe has two letters of credit outstanding in the aggregate amount of $1.1 million to two suppliers, thereby reducing the availability under its DIP to $2.4 million.

**** The DIP (Cash) balances show the net amounts outstanding under the DIP facilities as at July 30th, 2004, net of customer payments deposited into the Applicants' blocked bank accounts but not yet swept by GE and including the outstanding letters of credit.

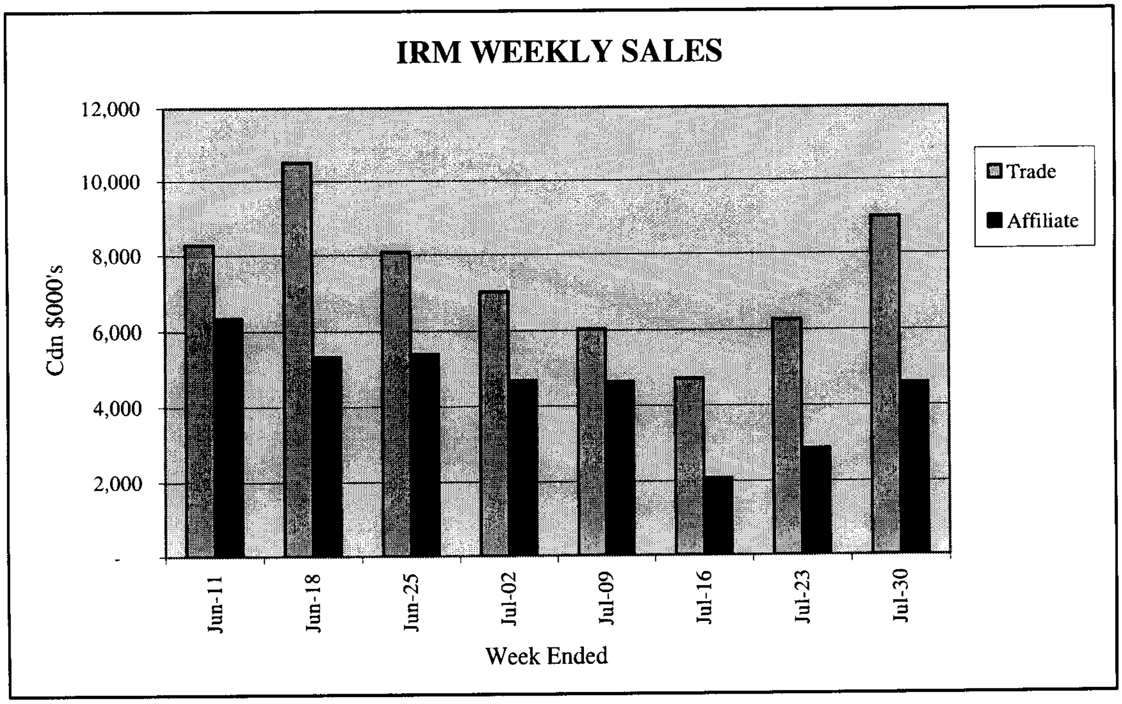
Flash Report

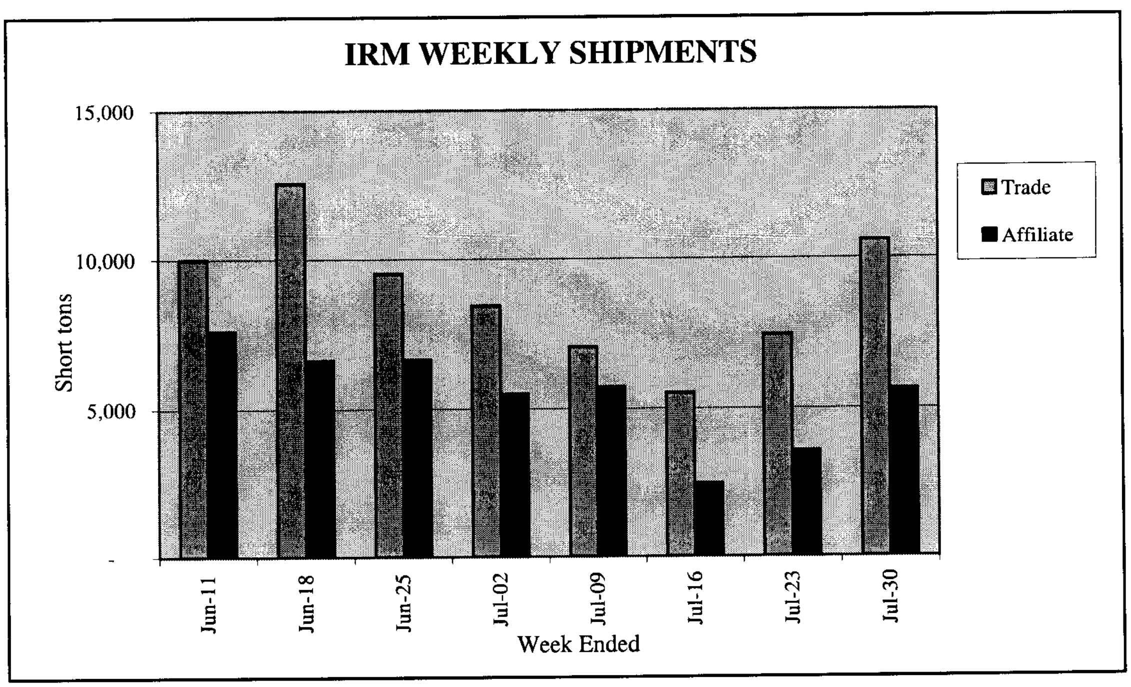
Below is a flash report on the operations of each major entity for the period from June 5 to July 30, 2004.

IRM:

Sales

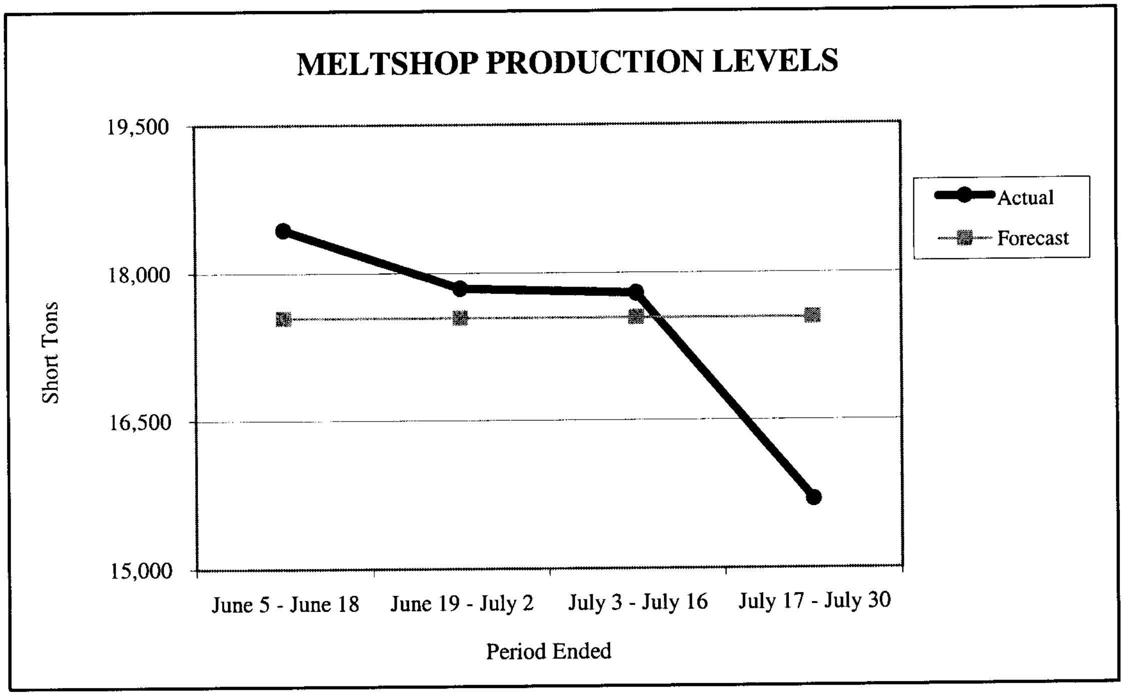
Below are IRM's weekly sales in dollars ($) and short tons, for the period from June 5, 2004 to July 30, 2004:

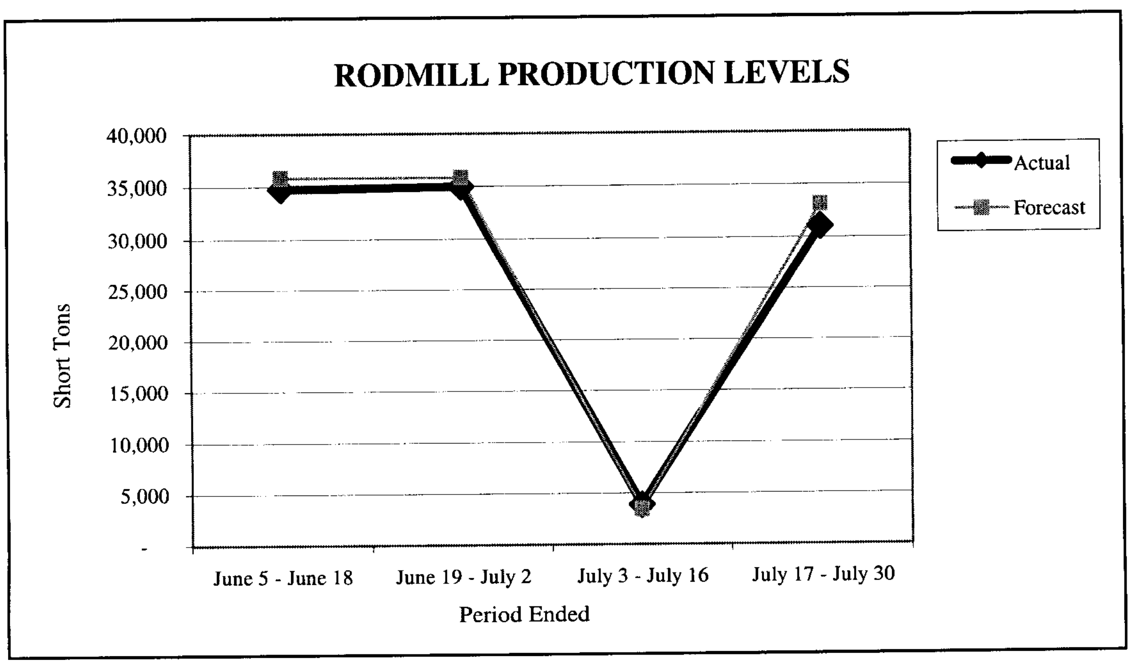




Production

Summarized below are IRM's production levels (in short tons) for the period from June 5, 2004 to July 30, 2004 for both the melt shop and rod mill.





Management Discussion & Analysis

Scrap

As expected, scrap prices remained the same in this period. Scrap surcharges are expected to recover in September.

Production Efficiency

Rod mill production for this period returned to pre-shutdown levels, averaging 2,480 tons per day, which is 10% lower than the forecast of 2,756 tons per day. This negative variance is due to start-up troubles, which are common after the annual shutdown.

Average melt shop production for this period decreased from the prior period to 1,207 tons per day, which is 11% lower than the forecast of 1,350 tons per day. The melt shop suffered from several breakdowns. This will be reviewed and rectified during the shutdown for repairs and maintenance in late August.

Shipments & Price Trends

Shipments during the period returned to pre-shutdown levels. Tons shipped in the week ended July 23rd, were 11,046 tons and in the week ended July 30th, were 14,733 tons. Management expects to meet the forecast of 49,000 tons for the month of July.

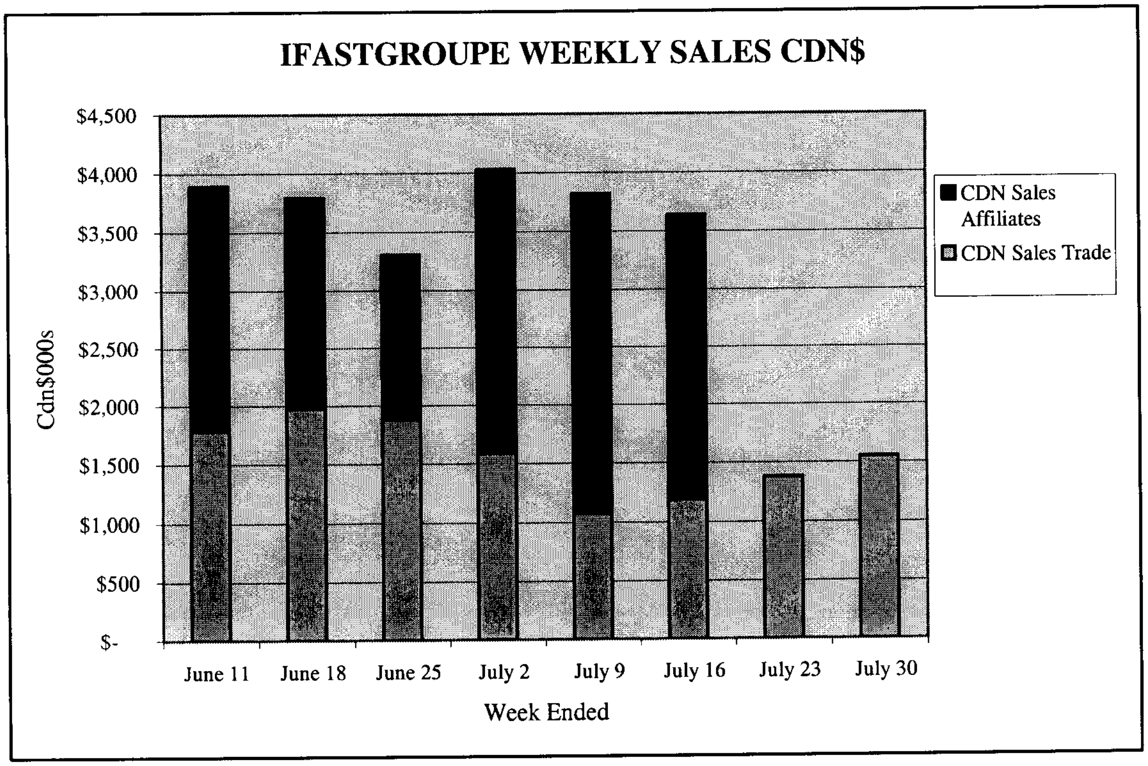
Incoming Orders/Backlog

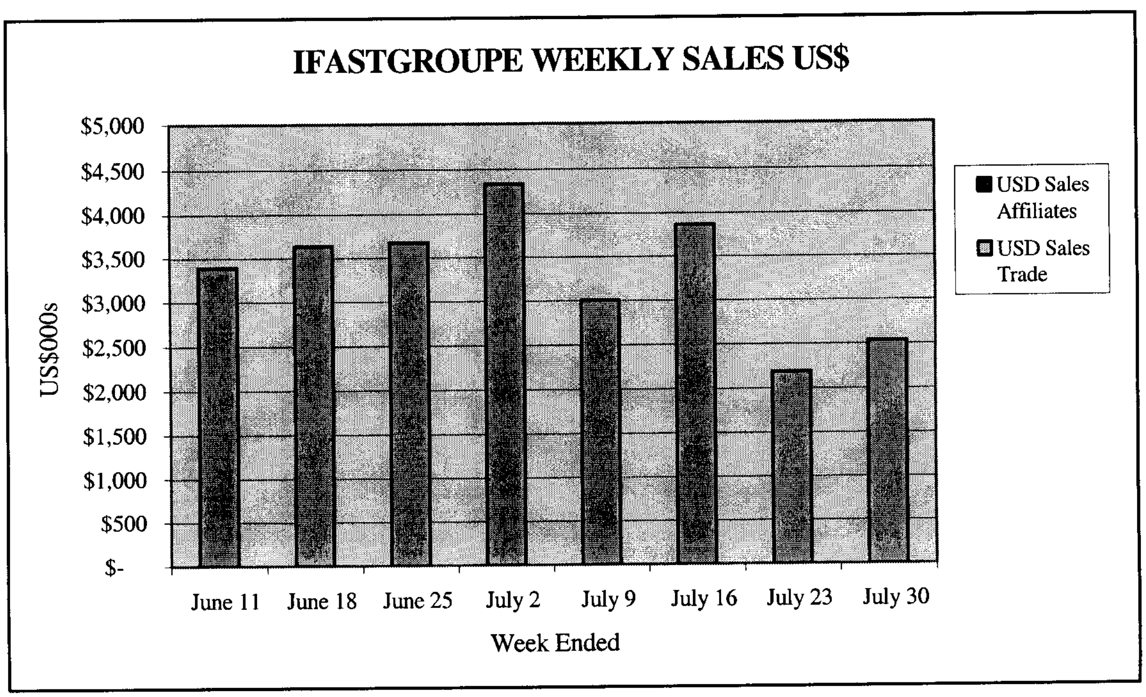
Order backlog decreased from the prior period to 146,293 tons. All the orders for the 3rd quarter have been received. Orders are now being accepted for the 4th quarter and the order log is expected to increase as a result. Demand still remains strong.

IFASTGROUPE:

Sales

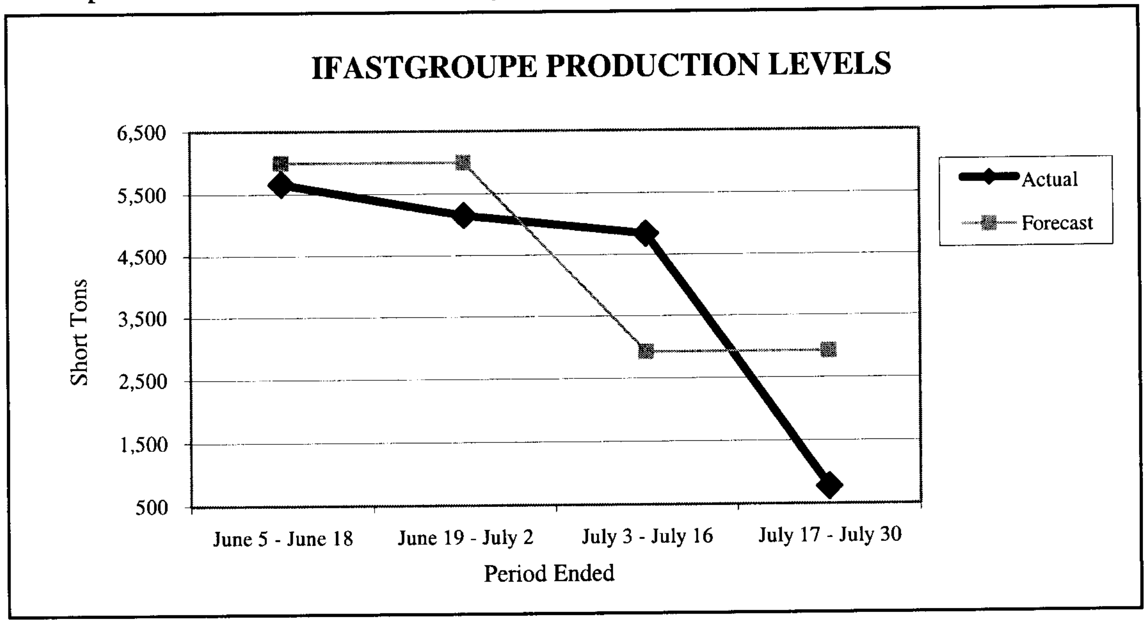
Below are Ifastgroupe's weekly sales for the period from June 5, 2004 to July 30, 2004:





Production

Summarized below is the consolidated Ifastgroupe's production (*) levels (in short tons) for the period from June 5, 2004 to July 30, 2004.



(*) – Includes production at Infasco, IFC Fasteners, Ingersoll Fasteners Infasco Nut

Management Discussion & Analysis

Infasco and IFC Fasteners

Infasco is in a two week shutdown from July 17th to August 1st.

Orders on hand totaling 29,797 tons for future shipments and includes 12,591 tons for tons for July and August, 7,497 tons for September, 6,935 tons for October, and 2,774 tons in the months following.

Shipments to trade customers by Infasco were 222 tons during the week ended July 23rd and 200 tons the week ended July 30th. Shipments were very low because no shipments were made out of Marieville during the shutdown.

Shipments to trade customers by IFC were 929 tons during the week ended July 23rd and 1,110 tons the week ended July 30th. Shipments increased over the prior reporting period, which averaged 821 tons per week.

There was no production during the period due to the shutdown.

Sales for the week ended July 23rd were $2.8 million, and for the week ended July 30th were $3.2 million.

Ingersoll Fasteners

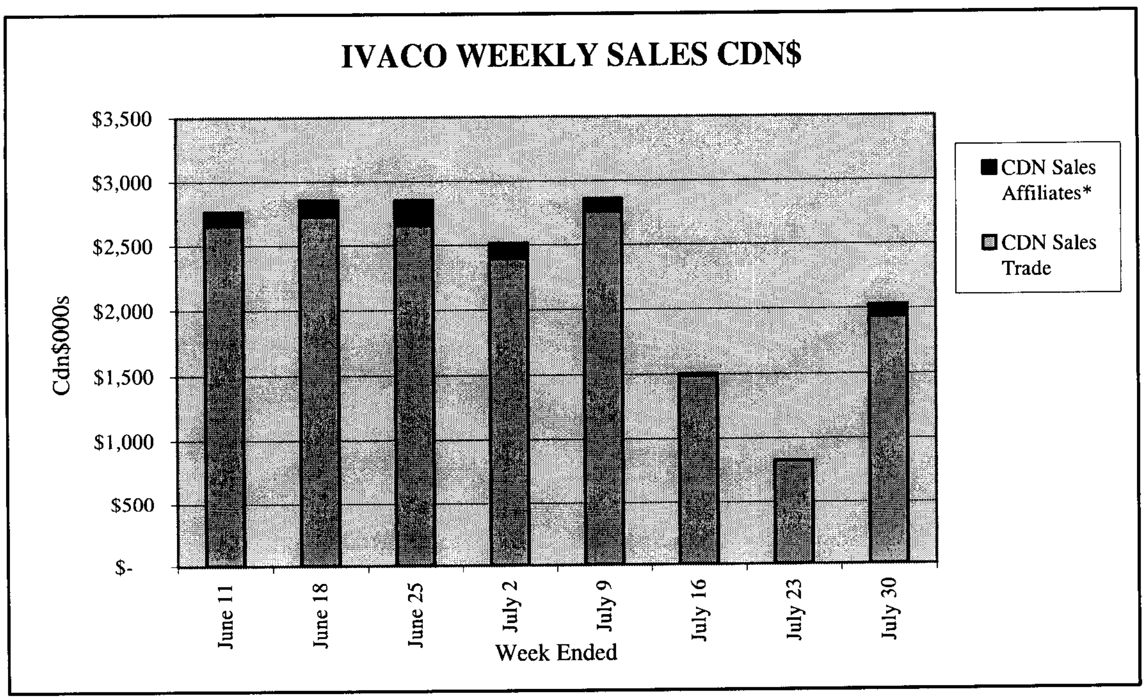
Ingersoll Fasteners restarted production during the week ended July 30th after a three week shutdown. Production totalled 476 tons. Shipments totalled 401 tons.

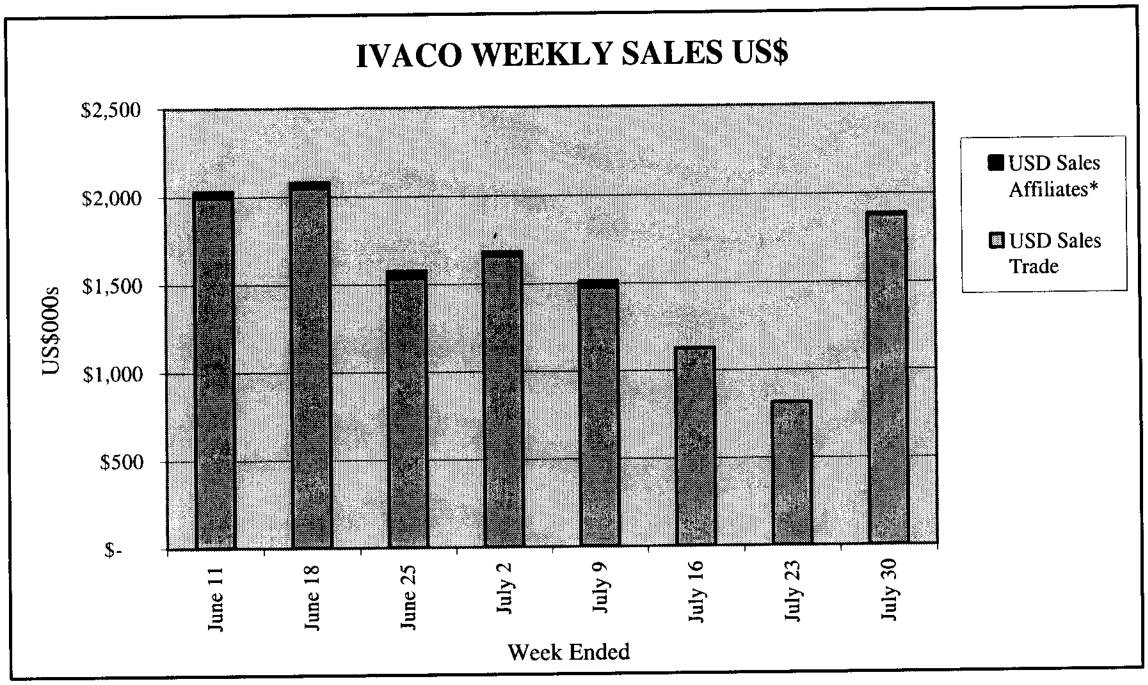
Infasco Nut

Infasco Nut has restarted production and shipped 158 tons during the week ended July 23rd and 186 tons during the week ended July 30th.

IVACO:

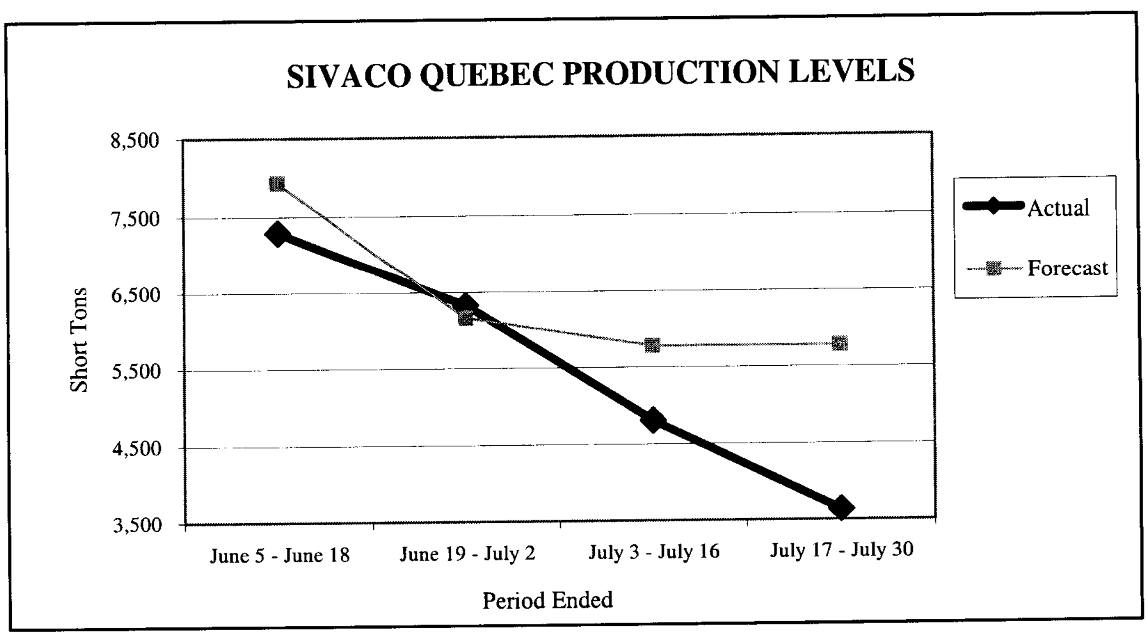
<u>Sales</u>
Below are Ivaco's weekly sales for the period from May 22, 2004 to July 30, 2004:

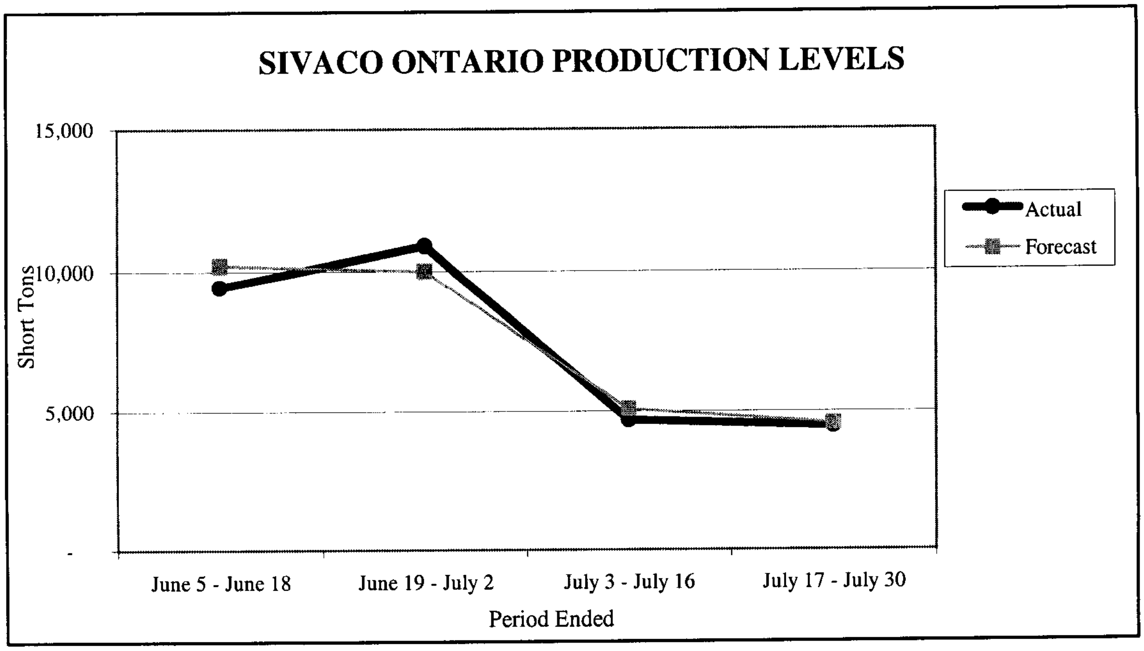




Production

Summarized below is the Sivaco Quebec and Sivaco Ontario production (*) levels (in short tons) for the period from June 5, 2004 to July 30, 2004.





Management Discussion & Analysis

Sivaco Quebec

The finished goods production for the reporting period averaged 536 tons per day during the week ended July 30th and 236 tons per day during the week ended July 23rd. This compares to an average of approximately 741 tons per day for the month of June, 752 tons per day for the month of May and 779 tons per day for the month of April. Production during the week ended July 23rd was lower due to a partial summer shut down during 4 of the days.

The wire order intake for the period was 1,934 tons (reflecting the slower vacation period and now booking November – December), compared to an estimated 3,360 tons for an average week in 2004. Wire orders on hand at July 30th of 56,850 tons are being scheduling to be produced over the next 14-16 weeks.

Tons in inventory (rod and finished goods) are remaining materially consistent with the prior reporting period, dropping slightly to approximately 22,593 tons, which is still a relatively low level.

Trade shipments for the period were 3,093 tons in the week ended July 30th and 1,625 tons in the week ended July 23rd. The average weekly shipments are lower than the average weekly forecast of 2,888 tons per week for the period, and the averages for June of 3,679 tons per week, May of 3,379 tons per week and April of 4,135 tons per week.

Sivaco Ontario

There was no production during the week ended July 23rd due to the annual shutdown.

Cleaning Production for the week ended July 30th was 3,164 tons. This production level is close to forecast and is expected to continue.

Annealing Production for the week ended July 30th was 1,257 tons. This production level is below normal but is the result of the plant shutdown through July 31st and August 1st.

The orders booked during the week were very light due to summer vacations. A normal trend should return during the week ended August 6th.

Raw material inventory has decreased slightly to 3,157 tons. Inventory levels should increase to between 3,600 to 4,000 tons.

The total shipments during the week ended July 30th were 1,786 tons. This volume of shipments is lower than usual due to the plant shutdown.

DOCAP:

Management Discussion & Analysis

The average daily sales for the week ended July 30th were $46,900 and for the week ended July 23rd were $49,600. This is consistent with the prior year's results for this period and a slight increase over the previous months as expected.

Suppliers are continuing to ship normally. Inventories have been replenished and remain at normal levels.

IVACO - Ivaco Rolling Mills Limited Partnership
Comparison of Actual to Forecast
For the period July 17, 2004 to July 30, 2004

(in thousands)	Actual July 17 - July 30	Forecast July 17 - July 30	Variance	Notes
RECEIPTS				
TRADE	16,014	14,630	1,384	(1)
OTHER	(1,516)	-	(1,516)	(2)
TOTAL RECEIPTS	**14,498**	**14,630**	**(132)**	
DISBURSEMENTS				
PAYROLL & RELATED	(1,750)	(2,300)	550	(3)
MATERIAL	(28,257)	(12,274)	(15,983)	(4)
CONSUMABLES	(1,637)	(1,450)	(187)	
FREIGHT, CUSTOMS & DUMPING DUTY	(1,386)	(3,244)	1,858	(5)
UTILITIES	(1,707)	(1,880)	173	
OTHER	(1,508)	(1,442)	(66)	
PROFESSIONAL FEES	--	--	-	
DIP INTEREST AND CLOSING FEE	--	--	-	
CONTRIBUTIONS TO CORPORATE	(570)	(500)	(70)	
TOTAL DISBURSEMENTS	**(36,815)**	**(23,090)**	**(13,725)**	
NET INTER-COMPANY (excluding cont. to corporate)	**10,375**	**6,414**	**3,961**	(6)
CHANGE IN CASH	**(11,942)**	**(2,046)**	**(9,896)**	

Variance Analysis:

1) Trade collections were higher than forecast due to higher than forecast collections and higher than forecast selling prices.

2) Other receipts were negative due to delayed GST refund expected as an offset to the QST payment made in the period.

3) Payroll disbursements were lower than forecast due to timing of payroll charges. This is a reversal of prior period variances.

4) Material disbursements were higher than forecast due to two unscheduled purchases. One was the purchase of QIT consignment inventory for $10.4 million and the second was the purchase of finished billets from a separate third party for resale to Ivaco.

5) Freight & customs disbursements were lower than forecast due to lower than forecast shipments. This variance is expected to reverse in future periods.

6) Inter-company receipts were higher than forecast due to the timing of shipments and a third party purchase for resale to Ivaco. This variance is expected to reverse in future periods.

IVACO - Ifastgroupe and Company, Limited Partnership & Ifastgroupe Inc.
Comparison of Actual to Forecast
For the period July 17, 2004 to July 30, 2004

(in thousands)	**Actual July 17 - July 30**	**Forecast July 17 - July 30**	**Variance**	**Notes**
RECEIPTS				
TRADE	13,184	11,086	2,098	(1)
OTHER	--	17	(17)	
TOTAL RECEIPTS	**13,184**	**11,103**	**2,081**	
DISBURSEMENTS				
PAYROLL & RELATED	(1,089)	(1,235)	146	
MATERIAL	(830)	(914)	84	
CONSUMABLES	(617)	(1,382)	765	(2)
FREIGHT & CUSTOMS	(34)	(512)	478	(3)
UTILITIES	(73)	(78)	5	
OTHER	(149)	(1,407)	1,258	(4)
PROFESSIONAL FEES	--	--	--	
DIP INTEREST AND CLOSING FEE	--	--	--	
CONTRIBUTIONS TO CORPORATE	190	(460)	650	(5)
TOTAL DISBURSEMENTS	**(2,602)**	**(5,988)**	**3,386**	
NET INTER-COMPANY (excluding cont. to corporate)	**(1,118)**	**(2,307)**	**1,189**	(6)
CHANGE IN CASH	**9,464**	**2,808**	**6,656**	

Variance Analysis:

1) Trade receipts were higher than forecast due to the timing of receipts. This variance is expected to reverse over the forecast period.

2) Consumables were lower than forecast due to timing of payments. This variance is expected to reverse over the forecast period.

3) Freight & customs disbursements were lower than forecast due to a lower than forecast volume of shipments.

4) Other disbursements were lower than forecast due to the timing of payments and the amount of commissions paid.

5) Contributions to corporate were lower than forecast due to the reimbursement by Ivaco of an overpayment made by Ifastgroupe.

6) Net inter-company charges were lower than forecast due to reduced shipments received during the shut-down period. This variance is expected to reverse over the reporting period as production will ramp up.

Ivaco- Ivaco Inc.
Comparison of Actual to Forecast
For the period July 17, 2004 to July 30, 2004

(in thousands)	Actual July 17 - July 30	Forecast July 17 - July 30	Variance	Notes
RECEIPTS				
TRADE	10,659	11,437	(778)	(1)
OTHER	12	700	(688)	(2)
INTER-COMPANY RECEIPTS BY CORPORATE	380	1,030	(650)	(3)
TOTAL RECEIPTS	**11,051**	**13,167**	**(2,116)**	
DISBURSEMENTS				
PAYROLL & RELATED	(1,442)	(1,479)	37	
MATERIAL	(336)	(291)	(45)	
CONSUMABLES	(221)	(637)	416	(4)
FREIGHT & CUSTOMS	(491)	(567)	76	
UTILITIES	(176)	(570)	394	(5)
OTHER	(161)	(632)	471	(6)
PROFESSIONAL FEES	(496)	(610)	114	
DIP INTEREST AND CLOSING FEE	--	(20)	20	
CONTRIBUTIONS TO CORPORATE	--	--	--	
TOTAL DISBURSEMENTS	**(3,323)**	**(4,806)**	**1,483**	
NET INTER-COMPANY (excluding cont. to corporate)	**(9,229)**	**(4,017)**	**(5,212)**	(7)
CHANGE IN CASH	**(1,501)**	**4,344**	**(5,845)**	

Variance Analysis:

1) Trade receipts were lower than forecast due to a lower amount of collections than expected. This variance is a reversal of the variance in the prior period.

2) Other receipts were lower than forecast due to timing. This variance is expected to reverse over the forecast period.

3) Inter-company receipts were lower than forecast due to the reimbursement by Ivaco of an overpayment made by Ifastgroupe.

4) Consumables were lower than forecast due to the reduced need as a result of the plant shut-down. This variance is expected to reverse over the forecast period as production ramps up.

5) Utilities were lower than forecast due to the plant shutdown. This variance is expected to reverse over the reporting period as production ramps up.

6) Other charges were lower than forecast due to reduced costs as a result of the plant shutdown. This variance is expected to reverse over the reporting period as production ramps up.

7) Net inter-company payments were higher than forecast due to the timing of shipments and a third party purchase through IRM. This variance is expected to reverse over the forecast period.

IVACO - DOCAP Corporation
Comparison of Actual to Forecast
For the period July 17, 2004 to July 30, 2004

(in thousands)	Actual July 17 - July 30	Forecast July 17 - July 30	Variance	Notes
RECEIPTS				
TRADE	630	600	30	
OTHER	--	--	--	
TOTAL RECEIPTS	**630**	**600**	**30**	
DISBURSEMENTS				
PAYROLL & RELATED	(75)	(93)	18	
MATERIAL	(263)	(310)	47	
FREIGHT & CUSTOMS	(51)	(68)	17	
UTILITIES	(3)	(2)	(1)	
OTHER	(139)	(123)	(16)	
PROFESSIONAL FEES	--	--	--	
DIP INTEREST AND CLOSING FEE	--	--	--	
CONTRIBUTIONS TO CORPORATE	--	--	--	
TOTAL DISBURSEMENTS	**(531)**	**(596)**	**65**	
NET INTER-COMPANY (excluding cont. to corporate)	**(28)**	**(92)**	**64**	
CHANGE IN CASH	**71**	**(88)**	**159**	

Variance Analysis:

No significant variances.

APPENDIX D

IVACO GROUP

SUMMARY OF ESTIMATED DIRECTORS' LIABILITIES

(in thousands)	Sept. 30 Estimate $	Dec. 31 Estimate $	Feb. 28 Estimate $	Apr. 30 Estimate $	June 30 Estimate $
Payroll and source deductions (note 1)					
Ivaco	300	152	129	304	182
IRM	0	247	247	210	0
Ifastgroupe	560	177	177	393	297
Docap	40	2	2	5	5
Subtotal	900	578	555	912	484
Vacation pay (note 2)					
Ivaco	1,360	1,452	1,791	2,149	2,484
IRM	2,050	3,670	4,550	5,000	4,200
Ifastgroupe	2,930	3,243	3,606	3,919	4,069
Docap	60	67	72	69	60
Subtotal	6,400	8,432	10,019	11,137	10,813
Pension funding (note 3)					
Ivaco	1,670	3,857	4,984	5,864	7,265
IRM	6,380	11,357	13,345	15,334	18,108
Ifastgroupe	690	2,508	3,683	4,590	5,955
Docap	15	40	55	70	92
US Plans	5,245	6,800	8,431	10,451	13,124
Subtotal	14,000	24,562	30,498	36,309	44,544
GST/PST/QST					
Ivaco	0	0	0	0	0
IRM	680	1,790	1,925	2,117	2,710
Ifastgroupe	0	524	524	524	524
Docap	20	27	74	65	94
Subtotal	700	2,341	2,523	2,706	3,328
Total					
Ivaco	**3,330**	**5,461**	**6,904**	**8,317**	**9,931**
IRM	**9,110**	**17,064**	**20,067**	**22,661**	**25,018**
Ifastgroupe	**4,180**	**6,452**	**7,990**	**9,426**	**10,845**
Docap	**135**	**136**	**203**	**209**	**251**
US Plans	**5,245**	**6,800**	**8,431**	**10,451**	**13,124**
	22,000	**35,913**	**43,595**	**51,064**	**59,169**

Notes

1. Payroll is paid weekly, with source deductions also remitted weekly several days after each pay. None of the estimates include any amount for payroll as these payments were current as at the estimate dates.

2. Vacation pay in general increases on a linear basis until July 2004, at which time employees are required to take their annual vacation.

3. The September 30th estimate includes approximately $1.8 million for current service contributions and $7.0 million for past service contributions. Also included in the September 30th estimate is US$3.9 million outstanding in respect of various US pension plans.

   The December 31st estimate includes approximately $2.5 million for current service contributions and $15.2 million for past service contributions. In addition, the December 31st estimate includes US$5.1 million outstanding in respect of the US plans.

   The February 28th estimate includes approximately $2.5 million for current service contributions and $19.6 million for past service contributions. In addition, the February 28th estimate includes US$6.3 million outstanding in respect of the US plans.

   The April 30th estimate includes approximately $2.5 million for current service contributions and $23.3 million for past service contributions. In addition, the April 30th estimate includes US$7.5 million (approximately $10.5 million) outstanding in respect of the US plans.

   The June 30th estimate includes approximately $2.5 million for current service contributions and $28.9 million for past service contributions. In addition, the June 30th estimate includes US$9.9 million (approximately $13.1 million) outstanding in respect of the US plans.

4. Analysis is based on preliminary financial information provided by management. Directors' liability issues are under review by the Applicants and their legal counsel and have not been reviewed by the Monitor to verify which items may be enforceable.

5. No amounts are listed for potential non-statutory liabilities of directors including, but not limited to, severance and termination pay. Management is in the process of quantifying these amounts.