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"

TWENTY-EIGHTH REPORT OF THE MONITOR
AUGUST 11, 2005

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

Ashley John Taylor/LSUC #39932E
Tel: (416) 869-5236
Fax: (416) 947-0866

Solicitors for the Monitor,
Ernst & Young Inc.

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INTRODUCTION

1. On September 16, 2003 Ivaco Inc. ("Ivaco") and certain of its affiliates (collectively the "Applicants" or the "Companies") filed for and obtained protection from their creditors pursuant to the *Companies' Creditors Arrangement Act* R.S.C. 1985 c. C-36, *as amended* (the "CCAA"). The terms of these proceedings are governed by 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").

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

3. This Twenty-Eighth Report of the Monitor (the "Report") is provided to this Honourable Court in support of the Monitor's request for: (a) approval of the sale of a parcel of real property owned by IFC USA Corp ("IFC USA") and (b) an amendment to the June 15, 2005 approval of this Honourable Court of the sale of the Cartersville, Georgia property.

TERMS OF REFERENCE

4. 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.

IFC USA CORP.

5. As discussed in the Twenty-Seventh Report of the Monitor, the real property located at 49 Jonergin Drive in Swanton, Vermont (the "Vermont Property") was used by Vermont Fasteners Manufacturing ("VFM"), a division of IFC USA (a non-Applicant subsidiary of IFC (Fasteners) Inc.). The Vermont Property is comprised of a parcel of land covering approximately 14 acres with an 85,000 square foot building situated on it.

6. The Applicants retained Redstone Brokerage Services ("Redstone") to list the Vermont Property for sale on March 18, 2004 at an initial listing price of US$2.7 million. As there was very little interest in the property, the listing price was decreased to US$2.25 million in February 2005, at which time Redstone re-launched the marketing program as described in Appendix "A".

7. In March 2005, Redstone identified a potential purchaser for the Vermont Property. An initial offer dated May 2, 2005 was received from Leader Evaporator Co., Inc. ("Leader") for an amount of US$1.7 million, but contained a number of conditions that were unacceptable to the Monitor. A revised offer was negotiated with Leader providing for a total purchase price of US$1.8 million. A deposit of US$50,000 was paid upon the signing of the Purchase and Sale Agreement and the remaining purchase price of US$1,750,000 is payable on closing.

8. The Vermont Property is being sold on an "as is, where is" basis. The closing is expected to occur on or before September 30, 2005 and is subject to a number of

conditions, including this Honourable Court's approval. The risk associated with these conditions cannot be determined at this time; however, the Monitor believes it is appropriate and prudent to pursue this transaction and to permit Leader to attempt to clear these conditions as opposed to continuing to market a property that has been exposed to the market for almost one and a half years. A copy of the Purchase and Sale Agreement has not been attached to this Report for commercial reasons but can be provided to this Honourable Court on a sealed basis if necessary.

9. Paragraph 18(d) of the Initial Order provides that GE Canada Finance Inc.'s consent to the sale is required. However, as the DIP Facility was terminated effective December 1, 2004, the Monitor has not requested GE's approval.

10. Based on the marketing plan conducted by Redstone Brokerage Services for the Vermont Property, the small number of potential purchasers for an 85,000 square foot building located in Swanton, Vermont and the paucity of interest expressed in the property, it is the Monitor's view that the purchase price and terms are reasonable and represent the highest recovery available in the circumstances. Accordingly, the Monitor recommends approval of the sale of the Vermont Property.

CARTERSVILLE, GEORGIA PROPERTY

11. As previously indicated in the Twenty-Seventh Report of the Monitor, the parcel of real property consisting of approximately 13.7 acres of heavy industrial land in Cartersville, Georgia (the "Cartersville Property") is owned by Ivaco and represents the remaining parcel of vacant land from the Cartersville Steel Facility.

12. The Cartersville Property was listed for sale with North Star Realty on December 20, 2003 at an initial listing price of US$409,800.

13. In May 2004, the Applicants received an offer on the Cartersville Property of US$275,000. The transaction was never concluded due to the inability of the potential purchaser to obtain financing.

14. No further interest was expressed in the property for twelve months until, on June 2, 2005, the Monitor received an "as is, where is" offer in the amount of US$250,000 (the "Offer").

15. On June 15, 2005, the Monitor sought and obtained the pre-approval of this Honourable Court to sell the Cartersville Property on the basis described in the Twenty-Seventh Report.

16. During the closing procedures and subsequent to obtaining Court approval, the purchaser was made aware of three easements on title in favour of the neighbouring property owner (the "Neighbour"). The easements were unacceptable to the purchaser as they provided the Neighbour with full access to the property and could potentially prevent the purchaser from building a fence around the Cartersville Property. As a result, the purchaser requested that the Monitor attempt to have the Neighbour remove or modify the easements.

17. The purchaser subsequently indicated that he would be willing to purchase the Cartersville Property for either US$250,000 free and clear or for US$150,000 as encumbered by the easements and would bear the risk of negotiating an acceptable compromise regarding the existing easements with the Neighbour.

18. The Monitor communicated with the Neighbour and was informed that it was not interested in modifying its existing easement rights.

19. Given the length of time the Cartersville Property has been on the market, the lack of serious interest in the property, the uncertainty as to the environmental status of the property, and the absence of conditions in the revised offer, it is the Monitor's view that the reduced purchase price of US$150,000 offered for the

Cartersville Property represents the best offer available. Accordingly, the Monitor recommends that this Honourable Court authorize the completion of the transaction substantially on the amended terms described above.

MONITOR'S ANALYSIS AND RECOMMENDATION

20. For the reasons outlined above, the Monitor recommends that this Honourable Court approve:

    (a) the sale of the Vermont Property to Leader as described herein; and

    (b) the sale of the Cartersville Property on the amended terms described herein.

All of which is respectfully submitted.

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"

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

APPENDIX A

Redstone

Brokerage Services
Development
Property Management
Construction

Transmittal

Date: March 17, 2005

To: Marc André Labelle and Michel Marleau

From: Rachel DiGiammarino, Director of Marketing

Re: Property Status Report for 49 Jonergin Drive, Swanton., VT

Marketing Efforts: February 24, 2005 – present:

- (Revised) Marketing sheet created and provided to interested parties and brokers.
- Marketing package created and provided to interested parties and brokers.
- Ongoing promotion on our website www.redstonevt.com providing property information 24 hours a day on our property listings page.
- Virtual tour filmed of property, posted on our website and available in email format or on CD to interested parties.
- Property is featured on the Vermont Department of Economic Development's website www.thinkvermont.com under their Resource Guide for Industrial Sites: beginning February 18, 2005 – present.
- Display Cases at 4 local health clubs: Featured Property: January – March 2005
- Business People Vermont Magazine Display Ad: February 2005
- Champlain Business Journal Display Ad: February 2005
- Business People Vermont Magazine Display Ad: March 2005
- Champlain Business Journal Display Ad: March 2005
- Burlington Free Press Commercial Corner Display Ad: March 20 & 21, 2005 – *scheduled*
- Montreal Gazette Classified Ad: March 20, 2005 – *scheduled*
- St. Albans Messenger Display Ad: March 19, 21, 25 & 26 - *scheduled*
- Business People Vermont Magazine Display Ad: April 2005 - *scheduled*
- Vermont Business Magazine Display Ad: April 2005 - *scheduled*
- Cold calling campaign to over 60 business owners and investors: ongoing
- Chittenden Commercial Real Estate Association (CCREA) networking- distributed marketing information: February & March 2005
- Networking opportunities with commercial brokers in Plattsburgh, NY regarding electrical companies interested in relocation and/or expansion