

**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"**

**THIRTY-THIRD REPORT OF THE MONITOR
NOVEMBER 3, 2006**

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.

**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"**

**THIRTY-THIRD REPORT OF THE MONITOR
NOVEMBER 3, 2006**

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 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 and the related limited partnerships Ivaco Rolling Mills Limited Partnership ("IRM") and Ifastgroupe and Company Limited Partnership ("Ifastgroupe").
3. This Thirty-third Report of the Monitor is provided to this Honourable Court in support of the Monitor's request for an Order appointing Ms Monique Jilesen as Amicus Curiae to assist the D&O Claims Officer.

TERMS OF REFERENCE

4. Capitalized terms not defined in this Report are as defined in the Initial Order, the D&O Claims Order, the Claims Procedure Order and the Monitor's previous reports. All references to dollars are in Canadian currency unless otherwise noted.

D&O CLAIMS PROCESS

5. On April 19, 2005, this Honourable Court granted an order approving the D&O Claims Process. On January 16, 2006, the Court approved certain amendments to the D&O Claims Process. To date, the D&O Claims Officer has delivered 10 determinations. No party has appealed any of the determinations.
6. The D&O Claims Officer has informed the Monitor that, in reviewing certain of the remaining D&O Claims, the D&O Claims Officer is concerned that the Claimants have failed to address the potential liability of the Directors and Officers under certain provincial and federal legislation. Further, the D&O Claims Officer is concerned that the Claimants (virtually all of who are unrepresented) are unlikely to be able to properly address these claims as they involve complex questions of law. Consequently, the D&O Claims Officer has indicated that he requires the assistance of counsel.
7. The D&O Claims Officer has appointed Ms Monique Jilesen of Lenczner Slaght Royce Smith Griffin LLP as Amicus Curiae to assist the D&O Claims Officer with these legal questions. Ms Jilesen has agreed to act in such capacity.
8. The Monitor canvassed the members of the Informal Advisory Committee of Unsecured Creditors, the Superintendent of Financial Services and the Pension Committee, as the most significant and involved creditors. Some of the creditors expressed a concern with the incursion of additional costs. The Monitor discussed a cap on fees and disbursements with Ms Jilesen who has

agreed to a cap of \$20,000, subject to any reasonable increase approved by the Monitor or the Court.

9. The Monitor understands that none of the creditors contacted by the Monitor intends to oppose the appointment.

MONITOR'S ANALYSIS AND RECOMMENDATION

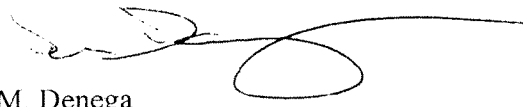
10. For the reasons outlined above and based on the importance to the estates of completing the D&O Claims Process, the assistance Ms Jilesen can provide to the D&O Claims Officer and the agreed cap, the Monitor recommends that Ms Jilesen be appointed as Amicus Curiae.

All of which is respectfully submitted this 3rd day of November, 2006.

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.