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"

SUPPLEMENT TO THE FIFTH REPORT OF THE MONITOR NOVEMBER 27, 2003

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. ("EYI") was appointed as monitor (the "Monitor").

2. The Fifth Report of the Monitor dated November 14, 2003 (the "Fifth Report") was served on the service list on the evening of November 14, 2003. It was provided to this Honourable Court to serve as an update on the Applicants' activities and certain events occurring since the date of the Initial Order and to support the Applicants' motion for an extension of the stay of proceedings to February 13, 2004.

3. This Supplement to the Fifth Report of the Monitor is provided to this Honourable Court as an update to the Fifth Report on the following:

- Financial Performance and Cash Flow Projections;

- DIP Financing;
- Corporate Allocation and Inter-Company Transactions;
- Bi-weekly Reporting to Stakeholders;
- Labour Discussions;
- Pension Plans:
- Restructuring Activities; and
- Sale Process.

TERMS OF REFERENCE

4. In preparing this Report, the Monitor has relied upon unaudited financial information, company records, company prepared financial information and discussions with management of the Applicants. The Monitor has not performed an audit or other verification of such information. An examination of the financial forecast as outlined in the Canadian Institute of Chartered Accountants Handbook has not been performed. Future oriented financial information relied upon in this report is based on management's assumptions regarding future events and actual results achieved will vary from this information and the variations may be material.

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.

FINANCIAL PERFORMANCE AND CASH FLOW PROJECTIONS

<u>Actual Cash flow and Variance Analysis</u>

6. Included with the bi-weekly report attached as Appendix A to this Report is a summary of the Applicants' receipts and disbursements for the period from November 1, 2003 to November 14, 2003 along with the Applicants' analysis of variances from the cash flow

projections filed with the Fifth Report or included with this report, as the case may be. The Applicants had consolidated net cash inflow of approximately $9.5 million for the period from November 1, 2003 to November 14, 2003, compared to the projections filed with the Fifth Report, which reflected net cash inflow of approximately $4.4 million.

7. The actual and projected cash flows for the period from November 1, 2003 to November 14, 2003 were as follows (in thousands):

Entity (000's)	**Actual Net Inflow**	**Projected Net Inflow (Net Outflow)**	**Variance**
Ivaco	602	(895)	1,497
IRM	1,073	(1,639)	2,712
Ifastgroupe	7,626	6,932	694
Docap	183	(15)	198
Total	9,484	4,383	5,101

8. Overall, the Applicants experienced a favourable cash flow variance of approximately $5.1 million. This positive variance is partly attributable to better than expected collections of accounts receivable, lower than expected material costs and other timing differences that are expected to reverse in future weeks. As well, the Applicants experienced certain permanent differences in the form of other refunds and lower than expected purchases.

Cash Flow Forecast

9. Attached to the Fifth Report was a copy of the Applicants' preliminary cash flow forecasts for the period from November 1, 2003 to February 29, 2004. Management has completed its review of the cash flow forecasts filed with the Fifth Report and, in the case of IRM and Ifastgroupe, have made certain adjustments based on the most current

information. Accordingly, attached as Appendix B to this report are the revised cash flow forecasts for each of IRM and Ifastgroupe for the period from November 1, 2003 to February 29, 2004, as prepared by the Applicants, with the assistance of the Monitor. For ease of reference, the cash flows for Ivaco and Docap, which have not changed, are also attached.

DIP FINANCING

10. The table below shows the net amounts outstanding under the DIP facilities, internal and external, as at November 21, 2003, net of customer payments deposited into the Applicants' blocked bank accounts but not yet swept by GE (as a daily repayment of the GE DIP loans) and including outstanding letters of credit:

DIP Entity	DIP Balance (Note 1)	Sub DIP to Ivaco	Sub DIP to Docap
IRM	6.5 Million	0.6 million	-------
Ifastgroupe	0.8 Million	0.6 million	-------
Total	7.3 Million	1.2 million	-------

Note 1: DIP balances include outstanding letters of credit in respect of IRM and Ifastgroupe in the amounts of $1.5 million and $2.1 million respectively.

CORPORATE ALLOCATION AND INTER-COMPANY TRANSACTIONS

11. As discussed in the Fifth Report, the Applicants settle the allocation of corporate costs on a regular basis. The outstanding inter-company balances as at October 31, 2003 have been updated to reflect more current information and are presented in the table below:

Entity (000's)	Inter-company Sales/ (Purchases) Sept 16 – Oct 31	Allocation of Corporate Costs Receivable/(Payable) Sept 16 – Oct 31	Net Inter-company (Receipts) / Disbursements Sept 16– Oct 31	Outstanding Inter-company Receivable/ (Payable) as at Oct 31
Ivaco	(9,785)	5,011	5,886	1,112
IRM	17,508	(3,211)	(13,886)	411
Ifastgroupe	(7,723)	(1,800)	8,000	(1,523)

12. The outstanding balances as at November 14, 2003 for inter-company transactions and corporate cost allocations were as follows:

Entity (000's)	Outstanding Inter-company Receivable / (Payable) as at Oct 31	Inter-company Sales/ (Purchases) Nov 1 – Nov 14	Allocation of Corporate Costs Receivable/(Payable) Nov 1 – Nov 14	Net Inter-company (Receipts) / Disbursements Nov 1 – Nov 14	Outstanding Inter-company Receivable/ (Payable) as at Nov 14
Ivaco	1,112	(3,841)	1,004	2,605	880
IRM	411	7,606	(687)	(5,053)	2,277
Ifastgroupe	(1,523)	(3,765)	(317)	2,448	(3,157)

13. The outstanding receivable balance of Ivaco as at November 14, 2003 of approximately \$0.9 million represents a receivable from Ifastgroupe for trade transactions of approximately \$0.4 million, a receivable from Ifastgroupe for corporate allocations of approximately \$1.0 million, a receivable from IRM for corporate allocation of approximately \$1.1 million and a net payable to IRM for raw material purchases and annealing services of approximately \$1.6 million.

14. IRM's outstanding receivable balance as at November 14, 2003 of approximately \$2.3 million represents a net payable to Ivaco for corporate allocation of approximately \$1.1 million, a net receivable from Ivaco for trade transactions of approximately \$1.6 million

and a net receivable from Ifastgroupe for trade transactions of approximately $1.8 million.

15. Ifastgroupe has an outstanding payable balance of approximately $3.2 million. The outstanding balance represents a net payable to IRM for trade transactions of approximately $1.8 million, a net payable to Ivaco for trade transactions of approximately $0.4 million and a net payable to Ivaco for corporate allocations of approximately $1.0 million.

16. The following payments were made by the Applicants to settle a portion of the outstanding November 14, 2003 balances:

   a) Ifastgroupe paid $1.1 million to IRM on November 18, 2003; and

   b) Ivaco paid $1.6 million to IRM on November 20, 2003.

BI-WEEKLY REPORTING

17. Attached as Appendix A is the Applicants' third bi-weekly report for the period from November 1 to November 14, 2003.

18. Attached as Appendix C are updated Statements of Receipts and Disbursements for IRM, Ivaco and Ifastgroupe that were included with the second bi-weekly report for the period from October 4 to October 31, 2003. These have been updated to reflect more current information based on management's ongoing review of cash flow information.

LABOUR DISCUSSIONS

19. The Fifth Report contains, amongst other things, an update on the status of discussions with the two labour unions and refers to several meetings and exchange of information between management of the Applicants and representatives of the United Steel Workers of America ("USWA").

20. In a lawyer's affidavit, the USWA took issue with some paragraphs in the Fifth Report. The Monitor has been integrally involved in the Applicants' analysis of the labour issues

and dealings with the USWA. On two occasions, October 16th and 20th, 2003 the Monitor, together with representatives of the Applicants met with the USWA. At the October 20th meeting, the USWA's financial advisor was present.

21. The Monitor understands that the Fifth Report and the USWA Affidavit have proven a catalyst for discussions between the Applicants and the USWA which are in the offing. Therefore, to foster those discussion, the Monitor does not propose to address the particulars in the USWA Affidavit at this time but will do so when, and if, it is appropriate.

PENSION PLANS

22. As discussed in the Fifth Report, the Applicants have 16 pension plans all of which were in deficit positions as of the valuation dates. Additionally, the Applicants have accrued unpaid past service contributions owing as at September 16, 2003 in the approximate amount of $10 million and ongoing monthly past service contributions of approximately $2 million.

23. Based on the most current cash flow forecasts prepared by the Applicants, there is insufficient availability under the Applicants' current and authorized DIP loan limits to make payments to the various pension plans in respect of all of the past service contributions accrued to September 16, 2003 and monthly thereafter even if funds were otherwise available under the conditions of the DIP Loan which is itself an issue. These payments would amount to approximately $21 million to February 29, 2004 as compared to the current DIP loan limit of $15 million, the majority of which is being used by the Applicants to fund current operations. The Monitor also considers it exceptionally unlikely that other stakeholders of the Applicants would accept the use of the DIP for this purpose and it would imperil the proposed process.

24. To the knowledge of the Monitor, similar orders to that sought by the Applicants have been made in other recent restructurings and the Monitor therefore recommends the relief sought by the Applicants to allow them to retain directors.

RESTRUCTURING ACTIVITIES

Staff Reductions:

25. On November 20, 2003, the Applicants announced that 78 management and supervisory positions have been eliminated. These include positions at IRM, the Infasco division of Ifastgroupe and at the Sivaco Quebec division of Ivaco.

26. These staff reductions, when added to the ones discussed in previous reports, bring the total positions eliminated to just fewer than 200, since the commencement of these proceedings.

Sale of Non-Core Assets:

27. As indicated in the Fifth Report, the Applicants were in the process of engaging a financial advisor to conduct a formal sale process in respect of IMT and had held discussions with several prospective purchasers in respect of Docap.

28. The Applicants have now engaged Continua Capital Inc. ("Continua") to act as their financial advisor in connection with the proposed divestiture of IMT and Docap. A copy of the Continua engagement letter is attached as Appendix D. The Monitor has reviewed the engagement letter and considers it appropriate that the Applicants proceed with an engagement letter, substantially in the form attached as Appendix D.

SALE PROCESS

29. As indicated in the Fifth Report, and as more fully set out the Affidavit of Mr. Randall C. Benson dated November 20, 2003 (the "November 20th Affidavit"), the Applicants have decided to run a sale process concurrently with the restructuring analysis and business planning process that is already underway.

30. Attached to the November 20th Affidavit is a memorandum prepared by the Applicants, which describes the concurrent restructuring and sale process that the Applicants intend to pursue. The Monitor has reviewed the process and recommends that this Honourable

Court approve the Applicants' dual-track sale and restructuring process, as more fully set out in the November 20th Affidavit.

31. In terms of the sale process, the Applicants have now engaged UBS to solicit proposals from prospective purchasers, including investors, for the sale of all or some of the assets of IRM, Ifastgroupe and Ivaco and their respective divisions and affiliates. A copy of the UBS engagement letter is attached to the Affidavit of Mr. Randall C. Benson sworn November 25, 2003 (the "November 25th Affidavit"). The Monitor recommends that the Applicants be authorized to execute the UBS engagement letter, substantially in the form attached to the November 25th Affidavit.

32. UBS has already begun to prepare a Confidential Information Memorandum ("CIM") for each of the respective businesses, which is expected to be completed by mid to late-December 2003, after the long-term business plan is finalized. The CIM will contain more detailed timelines for the sale process.

33. UBS has also begun the process of assembling a list of prospective purchasers, with the assistance of the Applicants, to be contacted once the CIM is complete. The CIM will be provided to those prospective purchasers, who sign a confidentiality agreement, and who wish to commence due diligence.

34. The Monitor considers that the proposed process is reasonable and balances the need for transparency and consultation with stakeholders with the necessary flexibility to run an appropriate process to maximize value. The Monitor will work with the Applicants to ensure that the process, as it unfolds, accommodates both concerns to the extent practicable.

MONITOR'S ANALYSIS AND RECOMMENDATION

35. The Applicants are working diligently on their restructuring analysis and intend to meet with major stakeholders in mid-December 2003 and again at the beginning of January 2004 to present them with the information relating to the restructuring analysis. As well, the Applicants are continuing to respond to information requests from major stakeholders

and intend to continue to hold regular dialogue with the stakeholders in order to receive their input on the various aspects of the restructuring.

36. The parallel sale process that the Applicants have commenced, with the assistance of UBS, provides for a framework within a reasonable period of time, after which the Applicants together with the Stakeholders will be able to make a more informed determination as to the best course of action.

37. In view of the timelines set out in the memorandum attached to the November 20th Affidavit, the Monitor is of the view that the extension to the Stay period as requested by the Applicants is reasonable and necessary to allow the Applicants the opportunity to complete their parallel restructuring analysis and sale process. Accordingly, the Monitor recommends extension to February 13, 2004, obviously with the potential for a further extension at that time dependent upon the information generated by the dual-track process.

All of which is respectfully submitted this 27th day of November 2003.

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

<u>SCHEDULE "A"</u>

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

DATE:	November 27th, 2003
TO:	Service List
FROM:	Hugh Blakely, Ivaco Inc.
CC:	Brian Denega, Ernst & Young Inc.
RE:	**Ivaco Inc. and certain of its affiliates. (the "Applicants") Bi-weekly Report for the period ended November 14th, 2003**

Notice To Reader

In accordance with the Monitor's Third Report to the Court dated October 9, 2003, with the assistance of the Monitor, the Applicants are hereby reporting to its stakeholders on the results for the two-week period ended November 14th, 2003.

This report is prepared for the exclusive use of those to whom it is addressed and, consequently, it must 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 the Stakeholders

On a bi-weekly basis, the stakeholders will receive from the Applicants the following information:

1. Statements of receipts and disbursements by entity showing bi-weekly variations;
2. A summary of DIP borrowings by entity; and
3. A flash report on operations at each major entity.

Results for the bi-weekly period ended November 14th, 2003

A copy of the statements of receipts and disbursements for the bi-weekly period ended on November 14th, 2003 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 Monitor's Fifth Report or as restated in the Monitor's

Supplemental Report dated November 27, 2003 and the actual results are discussed at the bottom of each statement.

Summary DIP borrowings

The following table shows the DIP borrowings as at November 14, 2003 for each entity.

Entity (in millions)	Maximum authorized DIP*	DIP balances as at November 14, 2003 ****
IRM	$11.5 **	$5.3
Ifastgroupe	$3.5 ***	$0.0
Ivaco (Internal DIP)	$5.0	$1.2
Docap (Internal DIP)	$1.0	$0.0

* Based on the limits authorized in the Amended and Restated Initial Order in which an amendment was made to the maximum DIP borrowings allowable. Maximum borrowings were changed from $8.0M to $11.5M for IRM, from $6.0M to $3.5M for Ifastgroupe and from $7.0M to $5.0M for Ivaco. Docap remained unchanged.

** IRM has issued two letters of credit in the aggregate amount of $1.5 million to two trade suppliers, thereby reducing the availability under its DIP to $10 million.

*** Ifastgroupe has issued three letters of credit in the aggregate amount of $2.1 million, thereby reducing the availability under its DIP to $1.4 million.

**** The DIP balances show the net amounts outstanding under the DIP facilities as at November 14, 2003, net of customers 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 of the operations of each major entity for the period from September 16 to November 14, 2003.

IRM:

Production

Summarized below are IRM's production levels (in short tons) for the period from September 16, 2003 to November 14, 2003 for both the melt shop and rod mill.

MELTSHOP (production in short tons)	Actual	Forecast	Variance
September 16 to October 5	23,880	25,540	-1,660
October 6 to October 17	14,504	15,157	-653
October 18 to October 31	17,923	17,913	10
November 1 to November 14	16,798	17,914	-1,116

RODMILL (production in short tons)	Actual	Forecast	Variance
September 16 to October 5	48,776	49,704	-928
October 6 to October 17	29,874	29,648	226
October 17 to October 31	34,780	34,880	-100
November 1 to November 14	32,494	34,880	-2,386

Sales

Below are IRM's weekly sales in tons and dollars for the period from September 16, 2003 to November 14, 2003:

Period	Total trade sales		Total sales to Affiliates	
	Tons Shipped	Cdn $000	Tons Shipped	Cdn $000
September 16 to September 20	7,267	4,035	2,768	1,534
September 21 to September 27	10,206	5,450	4,311	2,501
September 28 to October 4	11,454	5,750	3,431	1,867
October 5 to October 11	13,382	7,279	3,921	2,154
October 12 to October 18	16,705	8,240	3,266	1,864
October 19 to October 25	15,863	7,892	6,651	3,836
October 26 to October 31	14,671	7,503	5,952	3,459
November 1 to November 7	14,500	7,388	6,376	3,553
November 8 to November 14	13,441	7,022	7,303	4,332

IFASTGROUPE:

Sales

Below are Ifastgroupe's weekly sales for the period from September 16, 2003 to November 14, 2003:

Period		Total trade sales (000's)	Total sales to Affiliates (000's)
September 16 - September 19	Cdn $	2,022	993
	US $	2,331	0
September 22 - September 26	Cdn $	2,210	965
	US $	2,776	0
September 29 - October 3	Cdn $	2,421	1,131
	US $	2,295	0
October 6 - October 10	Cdn $	2,112	1,207
	US $	2,789	0
October 13 - October 17	Cdn $	1,697	966
	US $	2,611	0
October 18 - October 24	Cdn $	2,057	1,163
	US $	2,672	0
October 25 - October 31	Cdn $	2,467	1,316
	US $	2,859	0
November 1 - November 7	Cdn $	1,998	1,336
	US $	2,944	0
November 7 - November 14	Cdn $	1,832	1,567
	US $	2,240	0

IVACO:

Sales

Below are Ivaco's weekly sales for the period from September 16, 2003 to November 14, 2003:

Period		Total trade sales (000's)	Total sales to Affiliates (000's)
September 16 - September 19	Cdn $	1,407	110
	US $	952	66
September 22 - September 26	Cdn $	1,451	88
	US $	1,287	34
September 29 - October 3	Cdn $	1,546	82
	US $	1,439	62
October 6 - October 10	Cdn $	1,553	98
	US $	1,348	65
October 13 - October 17	Cdn $	1,214	75
	US $	1,103	54
October 18 - October 25	Cdn $	1,890	99
	US $	1,371	69
October 26 - October 31	Cdn $	1,496	100
	US $	1,371	58
November 1 - November 7	Cdn $	1,721	84
	US $	1,160	62
November 7 - November 14	Cdn $	1,788	111
	US $	1,178	73

* Sales to Affiliates includes wire rod processing fees.

IVACO - Ivaco Rolling Mills Limited Partnership
Comparison of Actual to Forecast
For the period from November 1, 2003 to November 14, 2003

(in thousands)	Actual Nov 1- Nov 14	Forecast Nov 1 - Nov 14	Variance	Notes
RECEIPTS				
TRADE	13,668	11,722	1,946	
OTHER	--	--	--	
TOTAL RECEIPTS	13,668	11,722	1,946	(1)
DISBURSEMENTS				
PAYROLL & RELATED	(1,668)	(2,185)	517	(2)
MATERIAL	(9,375)	(10,207)	832	(3)
CONSUMMABLES	(1,151)	(937)	(214)	(4)
FREIGHT, CUSTOMS & DUMPING DUTY	(2,787)	(2,844)	57	
UTILITIES	(711)	(1,116)	405	(5)
OTHER	(1,913)	(1,919)	6	
PROFESSIONAL FEES	--	--	--	
DIP INTEREST AND CLOSING FEE	(43)	(43)	--	
CONTRIBUTIONS TO CORPORATE	--	--	--	
TOTAL DISBURSEMENTS	(17,648)	(19,252)	1,603	
NET INTERCOMPANY (excluding cont. to corporate)	5,053	5,890	(837)	(6)
CHANGE IN CASH	1,073	**(1,639)**	**2,712**	

Variance Analysis:

1) Actual receipts were higher than forecast due to better than expected cash collection in the week ended November 14th. This is a timing difference that is expected to reverse over the forecast period.

2) Actual payroll was lower than forecast primarily as a result of the timing of two payments for benefits and union dues. These payments were made in the following week ended November 21st.

3) Materials purchased were less than forecast as a result of lower than forecasted production in the mill.

4) Consumable purchases were forecast to be paid on a cash on delivery basis. The unfavourable variance is a result of IRM currently being required to prepay for some of these purchases.

5) Utilities expenses were less than forecast due to the corporate division of Ivaco paying the weekly BP gas invoice on behalf of all Applicants and subsequently charging it back.

6) Intercompany receipts were lower than anticipated. This is a timing difference that is expected to reverse over the forecast period.

IVACO - Ifastgroupe and Company, Limited Partnership & Ifastgroupe Inc.
Comparison of Actual to Forecast
For the period from November 1, 2003 to November 14, 2003

(in thousands)	**Actual Nov 1 - Nov 14**	**Forecast Nov 1 - Nov 14**	**Variance**	
RECEIPTS				
TRADE (1)	16,081	16,158	(77)	
OTHER		-	--	
TOTAL RECEIPTS	**16,081**	**16,158**	**(77)**	
DISBURSEMENTS				
PAYROLL & RELATED	(1,581)	(1,437)	(144)	
MATERIAL	(755)	(1,069)	314	(1)
CONSUMABLES	(1,323)	(1,079)	(244)	
FREIGHT & CUSTOMS	(640)	(905)	265	
UTILITIES	(100)	(144)	44	
OTHER	(1,588)	(2,155)	567	(2)
PROFESSIONAL FEES	-	--	--	
DIP INTEREST AND CLOSING FEE	(20)	(17)	(3)	
CONTRIBUTIONS TO CORPORATE	-	--	--	
TOTAL DISBURSEMENTS	**(6,007)**	**(6,806)**	**799**	
NET INTER-COMPANY (excluding cont. to corporate)	**(2,448)**	**(2,420)**	**(28)**	(3)
CHANGE IN CASH	**7,626**	**6,932**	**694**	

Variance Analysis:

1) Material costs were lower than forecast due to timing of payments for finished good purchases at Infasco Nut. This variances is expected to reverse over the forecast period.

2) Other costs were lower than forecast. This is a timing difference that is expected to reverse over the forecast period.

Ivaco- Ivaco Inc.
Comparison of Actual to Forecast
For the period from November 1, 2003 to November 14, 2003

(in thousands)	Actual Nov 1 - Nov 14	Forecast Nov 1 - Nov 14	Variance	
RECEIPTS				
TRADE	6,796	6,369	427	(1)
OTHER	569	281	288	(2)
INTER-COMPANY RECEIPTS BY CORPORATE	13	13	--	
TOTAL RECEIPTS	7,378	6,663	715	
DISBURSEMENTS				
PAYROLL & RELATED	(1,555)	(1,858)	303	(3)
MATERIAL	--	--	--	
CONSUMABLES	(377)	(395)	18	
FREIGHT & CUSTOMS	(515)	(490)	(25)	
UTILITIES	(946)	(312)	(634)	(4)
OTHER	(489)	(513)	24	
PROFESSIONAL FEES	(289)	(463)	174	
DIP INTEREST AND CLOSING FEE	--	(22)	22	
CONTRIBUTIONS TO CORPORATE	--	--	--	
TOTAL DISBURSEMENTS	(4,171)	(4,053)	(118)	
NET INTER-COMPANY (excluding cont. to corporate)	(2,605)	(3,505)	900	(5)
CHANGE IN CASH	602	(895)	1,497	

Variance Analysis:

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

2) Other receipts were higher than forecast due primarily to two unforecasted refunds received from Revenue Quebec and an insurance company.

3) Payroll costs were lower than forecast due to the timing of a benefit payment. This payment was made during the week ended November 21, 2003.

4) Utility expenses for the period were higher than forecast primarily due to payments made by Ivaco on behalf of the other Applicants, which will be reimbursed as part of the corporate allocation receipts. There was also an extra hydro payment of $80K that was made as a result of Ivaco changing the timing of their weekly payments. The residual difference is due to timing of the normal monthly utilities payments which were forecast in the third week of November rather than the second, therefore this variance is expected to reverse over the forecast period.

5) The favourable variance in net intercompany payments is a timing variance that is expected to reverse over the forecast period.

IVACO - DOCAP (1985) Corporation
Comparison of Actual to Forecast
For the period from November 1, 2003 to November 14, 2003

(in thousands)	**Actual Nov 1 - Nov 14**	**Forecast Nov 1 - Nov 14**	**Variance**
RECEIPTS			
TRADE	434	358	76
OTHER	15	19	(4)
TOTAL RECEIPTS	**449**	**377**	**72**
DISBURSEMENTS			
PAYROLL & RELATED	(122)	(96)	(26)
MATERIAL	(90)	(159)	69
CONSUMABLES	--	--	--
FREIGHT & CUSTOMS	(32)	(32)	--
UTILITIES	(2)	(9)	7
OTHER	(20)	(96)	76
PROFESSIONAL FEES	--	--	--
DIP INTEREST AND CLOSING FEE	--	--	--
CONTRIBUTIONS TO CORPORATE	--	--	--
TOTAL DISBURSEMENTS	**(266)**	**(392)**	**126**
NET INTER-COMPANY (excluding cont. to corporate)	**--**	**--**	**--**
CHANGE IN CASH	**183**	**(15)**	**198**

Variance Analysis:

No significant variances.

APPENDIX C

IVACO - Ivaco Rolling Mills Limited Partnership
Comparison of Actual to Forecast
For the period from October 4, 2003 to October 31, 2003

(in thousands)	Actual Oct 4 - Oct 31	Forecast Oct 4 - Oct 31	Variance	Notes
RECEIPTS				
TRADE	26,678	23,821	2,857	
OTHER	1,587	1,500	87	
TOTAL RECEIPTS	**28,265**	**25,321**	**2,944**	(1)
DISBURSEMENTS				
PAYROLL & RELATED	(3,401)	(4,238)	837	(2)
MATERIAL	(20,809)	(21,233)	424	(3)
CONSUMABLES	(2,916)	(2,337)	(579)	(4)
FREIGHT, CUSTOMS & DUMPING DUTY	(6,370)	(4,842)	(1,528)	(5)
UTILITIES	(1,933)	(3,000)	1,067	(6)
OTHER	(2,377)	(4,217)	1,840	(7)
PROFESSIONAL FEES	--	(1,600)	1,600	(8)
DIP INTEREST AND CLOSING FEE	--	(317)	317	
CONTRIBUTIONS TO CORPORATE	(2,734)	(2,084)	(650)	(8)
TOTAL DISBURSEMENTS	**(40,540)**	**(43,868)**	**3,328**	
NET INTER-COMPANY (excluding cont. to corporate)	**11,928**	**14,288**	**(2,360)**	(9)
CHANGE IN CASH	**(347)**	**(4,259)**	**3,912**	

Variance Analysis:

1) Actual receipts were higher than forecast as a result of better than expected cash collection by IRM. This is supported by a slight decrease in the number of days sales in their US trades receivables from 32 to 31 days.

2) Actual payroll was lower than forecast as a result of several factors. The forecast included US$200 per month for commissions of sales and technical support staff in the US which is now included in Other as payment to Commercial & Technical Services LLC. In addition, the actual payroll is lower than the forecast due to the timing of benefit payments and union dues and lower than anticipated overtime pay.

3) Materials purchased were less than forecast as a result of tight financial control and review of all purchase orders and disbursements by management.

4) Consumables purchased were higher than forecast primarily as a result of prepayments that IRM needed to make to several key suppliers due to the CCAA filing. At the end of October 31, IRM had made payment of $531 for goods that they had not yet received. IRM did not consider the prepayment in their October forecast.

5) Freight, customs and dumping duty expenses were higher than forecast as a result of making a number of prepayment and deposits to custom brokers and transport companies, which were not provided for in the forecast and shipping 35,000 tons more than forecast in the month of October. In addition, IRM is having to pay fuel surcharges to trucking companies, prior to filing IRM had never been charged for such surcharges.

6) Utilities expenses were less than forecast as a result of Ivaco Inc. paying British Petrolium Gas and then the amounts are settled through the inter-company amount. IRM budgets approximately $200 per week in BP spending; resulting in a total favorable variance of $1 million.

7) Other expenses were less than forecast as a result of tight cost controls, cash conservation efforts and timing of payments for processing. The timing differences are expected to reverse in future weeks.

8) Professional fees and contributions to corporate should be considered together as all of the professional fees were paid directly by Ivaco. The favourable variance is due to IRM not paying all of the inter-company fee charges owing as of October 31, 2003.

9) Inter-company receipts are lower than forecast as a result of inter-company payments not fully paid each week and inter-company volume was slightly lower than expected. This amount is offset by a $1 million deposit received by IRM from their affiliates, on October 22, 2003.

IVACO - Ivaco Inc.
Comparison of Actual to Forecast
For the period from October 4, 2003 to October 31, 2003

(in thousands)	Actual Oct 4 - Oct 31	Forecast Oct 4 - Oct 31	Variance	
RECEIPTS				
TRADE (1)	13,326	11,562	1,764	(2)
OTHER	440	110	330	(3)
INTER-COMPANY RECEIPTS BY CORPORATE	3,835	2,938	897	(4)
TOTAL RECEIPTS	**17,601**	**14,610**	**2,991**	
DISBURSEMENTS				
PAYROLL & RELATED	(3,122)	(3,597)	475	(5)
MATERIAL	(137)	--	(137)	
CONSUMABLES	(206)	(283)	77	
FREIGHT & CUSTOMS	(1,190)	(1,024)	(166)	
UTILITIES	(2,265)	(840)	(1,425)	(6)
OTHER	(1,016)	(2,692)	1,676	(7)
PROFESSIONAL FEES	(3,242)	(1,120)	(2,122)	(8)
DIP INTEREST AND CLOSING FEE	--	(17)	17	
CONTRIBUTIONS TO CORPORATE	--	--	--	
TOTAL DISBURSEMENTS	**(11,178)**	**(9,573)**	**(1,605)**	
NET INTER-COMPANY (excluding cont. to corporate)	**(6,653)**	**(8,575)**	**1,922**	(9)
CHANGE IN CASH	**(230)**	**(3,538)**	**3,308**	

Variance Analysis:

1) The forecast for the period from October 4, 2003 to October 31, 2003 has been adjusted to exclude approximately $6.3 million of receipts received but not deposited in the period from September 16, 2003 to October 3, 2003.

2) Actual receipts were higher than forecast as a result of better than expected cash collection by Ivaco. This is supported by a slight decrease in the number of days sales in their US trade receivables. In addition, the forecast provided for a discount of 10% on forecast receipts for conservatism which has proven to be unnessessary.

3) Actual other receipts are higher than forecast due to certain GST and QST refunds received that were not forecast.

4) The actual inter-company receipts by corporate are higher by $1.4 million mainly due to the repayment by IRM and Ifastgroupe of utilities and professional fees paid by Ivaco. These payments were forecast to be made directly by IRM and Ifastgroupe.

5) Actual payroll disbursements are lower than forecast mainly due the postponement of the group insurance and benefits payments and the payment of only 50% of the current service pension for the month of September.

6) Utility expenses for the period were higher than forecast primarily due to payments made by Ivaco on behalf of the other Applicants, which have been included in the corporate allocation calculation. These utilities were forecast to be made directly by IRM and Ifastgroupe.

7) The other disbursements are lower than forecast by $1.4 million mainly due to the timing of insurance payments and other cash conservation strategies.

8) Actual professional fees are higher than the forecast due to the direct payment of professional fees by Ivaco, which have been included in the corporate allocation calculation. The forecast provided for the payment of professional fees by Ivaco, IRM and Ifastgroupe, separately.

9) Inter-company rod payments were lower than forecast. This variance is expected to reverse over the upcoming months.

IVACO - Ifastgroupe and Company, Limited Partnership & Ifastgroupe Inc.
Comparison of Actual to Forecast
For the period from October 4, 2003 to October 31, 2003

(in thousands)	Actual Oct 4 - Oct 31	Forecast Oct 4 - Oct 31	Variance	
RECEIPTS				
TRADE (1)	18,224	20,517	(2,293)	(2)
OTHER	-	192	(192)	
TOTAL RECEIPTS	**18,224**	**20,709**	**(2,485)**	
DISBURSEMENTS				
PAYROLL & RELATED	(4,722)	(3,630)	(1,092)	(3)
MATERIAL	(4,705)	(2,224)	(2,481)	(4)
CONSUMABLES	(2,227)	(1,883)	(344)	(5)
FREIGHT & CUSTOMS	(1,357)	(1,583)	226	(6)
UTILITIES	(324)	(187)	(137)	(7)
OTHER	(1,740)	(4,105)	2,365	(8)
PROFESSIONAL FEES	-	(1,280)	1,280	(9)
DIP INTEREST AND CLOSING FEE	-	--	--	
CONTRIBUTIONS TO CORPORATE	(1,100)	(850)	(250)	(9)
TOTAL DISBURSEMENTS	**(16,175)**	**(15,742)**	**(433)**	
NET INTER-COMPANY (excluding cont. to corporate)	**(5,274)**	**(8,000)**	**2,726**	(10)
CHANGE IN CASH	**(3,225)**	**(3,033)**	**(192)**	

Variance Analysis:

1) The forecast for the period from October 4, 2003 to October 31, 2003 has been adjusted to exclude approximately $4,900 of receipts received but not deposited in the peiod from September 16, 2003 to October 3, 2003.

2) The trade receipts were lower than forecast as a result of timing of collections. This variance is expected to reverse in the upcoming months.

3) The payroll was higher than forecast as a result of timing differences in actual payment of payroll, pension and benefit costs for this period. Some factors affecting this were the accumulation of benefits, pension and source deductions for September that were paid in October.

4) The material purchases were higher than forecast as a result of buying more inventory. The forecast materials line included inventory purchased from a limited number of suppliers.

5) Consumable purchases were higher than forecast as a result of replenishing consumables stock depleted in September and early October.

6) Freight & customs were lower than forecast as a result of timing differences and a change in the payment strategy with some of the freight companies. The requirement for deposits and special payment arrangements before providing on-call service resulted in payments being made later than forecast.

7) Utilities were slightly higher than forecast as a result of advanced payments required by some utility suppliers.

8) Other purchases were lower than forecast as a result of Ifastgroupe's cash conservation efforts, timing differences and reduced levels of purchases. Actual purchases were from a limited number of suppliers rather than the extensive list used in the forecast.

9) Professional fees and contributions to corporate should be considered together as all of the professional fees were paid directly by Ivaco. The combined variance is a result of accumulating a payable balance due to Ivaco in the amount of 700 K as well as an over-forecast of professional fee charges.

10) Net inter-company payments were lower than forecast as a result of the timing of inter-company payments and the volume shipped being slightly lower than expected. This variance is expected to reverse.

APPENDIX D

November 19, 2003

PRIVATE AND CONFIDENTIAL

Mr. Hugh W. Blakely
Senior Vice-President and
Chief Financial Officer
IVACO INC.
Le 2001 McGill College
770, rue Sherbrooke ouest
Montreal, QC H3A 1G1

Dear Hugh:

Re: Divestiture of Certain Divisions of IVACO INC.

Continua Capital Inc. ("Continua") would like to extend its appreciation for the opportunity to act as a financial advisor to IVACO INC. ("IVACO") in connection with the proposed divestiture of Docap (1985) Corporation and IMT Corporation, wholly owned subsidiaries of IVACO, (the "Transaction(s)"). Our engagement will ensure that the divestiture of these companies occurs through a systematic, documented process adhering to IVACO's restructuring procedures and governance obligations. The purpose of this letter is to set forth our mutual understanding of the terms of Continua's advisory engagement by IVACO.

1. Continua will be engaged on a monthly basis, estimated at four (4) months, to perform the following services (collectively, the "Services") in connection with the Transaction(s) as outlined below:

   (a) review and obtain a detailed understanding of the operations and assets of the respective divisions;
   (b) prepare financial models and other financial analysis as may be required;
   (c) prepare Information Memorandums to be utilized in discussions with potential acquirors;
   (d) assist IVACO in discussions with previously identified potential acquirors, including divisional management;
   (e) should IVACO support the buyout of any division by the current management, at the request of IVACO, Continua will provide management with introductions to potential investment partners on an arm's length basis;
   (f) present the Transaction(s) to a broader group of selected potential acquirors from the investment community and other public and private companies;
   (g) prepare reports on the sale process and offers for presentation to the Monitor and the Court;
   (h) assist in the negotiation of definitive agreements and the timely closing of the Transaction(s); and,
   (i) render such other financial advisory and investment-banking services as may be required from time to time to be agreed upon by IVACO and Continua.

2. For performing the Services, IVACO shall pay Continua a monthly Advisory fee of twenty five thousand dollars ($25,000) with the first payment due on the execution of this letter.

In addition to the Advisory Fee, for Transaction(s) in the aggregate completed with an acquiror introduced to IVACO by Continua or with which Continua had contact with on behalf of IVACO, IVACO will pay Continua a Success Fee equal to 2% of the value of the Transaction(s) up to $20 million and 1% of the value of the Transactions in excess of $20 million, subject to a minimum of $150,000 per the first Transaction and subject to a minimum of $100,000 per Transaction thereafter.

The Success Fee will be reduced by the amount of any Advisory Fees paid to Continua in excess of $50,000.

The value of the Transaction(s) shall be the amount of the cash consideration and the fair market value of the non-cash consideration paid to IVACO in connection with the Transaction(s). If the non-cash consideration consists of property, the fair market value thereof shall be determined by using the methodology determined by Continua to be the most appropriate for such type of property. In the event that IVACO disagrees with Continua's determination of the fair market value of such property, IVACO shall have the right to object in writing within 10 business days of delivery of Continua's determination, and shall provide with such objection IVACO's determination of the fair market value. If Continua and IVACO have not agreed upon the fair market value within 10 business days thereafter, either party may refer the matter to a mutually agreed independent third party valuator for a binding determination.

All fees do not include the Goods and Services Tax, which will be added to the extent prescribed by law.

IVACO shall also pay to Continua, as and when invoiced from time to time the reasonable out-of-pocket expenses incurred by Continua as financial advisor hereunder.

3. IVACO hereby agrees to indemnify and hold Continua and each of its directors, officers, employees and representatives (collectively, the "Personnel") harmless from and against any and all expenses, losses (other than loss of profits), claims, actions, damages or liabilities (a "Claim") and the reasonable fees and expenses of its counsel with respect to any Claim to which Continua and/or its Personnel may become subject as a result of or based, directly or indirectly, upon the performance of Continua's services hereunder unless:

(i) Continua and/or its Personnel have been negligent or dishonest or have committed any fraudulent act or engaged in other willful misconduct; or
(ii) Continua has breached any material provisions of this letter agreement.

4. This letter agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

5. This letter agreement constitutes the entire agreement between Continua and IVACO and may only be amended by agreement in writing.

6. If one or more provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not effect any other provision of this letter agreement, but this letter agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

7. This letter agreement may be delivered by facsimile and may be signed in one or more counterparts each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement.

If the foregoing accurately reflects your understanding of the terms of our agreement, please so indicate by executing this letter where indicated below and return a copy (personally, by facsimile or by courier) to Continua, 161 Bay Street, Suite 3840, Toronto, Ontario, M5J 2S1, Attention: John McMahon, telephone number (416) 214-3450, facsimile number (416) 216-0823, whereupon this letter shall become a binding agreement.

Yours very truly,

CONTINUA CAPITAL INC.

Per: ______________________
John McMahon
Chief Executive Officer

The undersigned hereby accepts and agrees to the terms contained in this letter on this 26th day of November 2003.

IVACO INC.

Per: ______________________
Hugh W. Blakely
Senior Vice-President and Chief Financial Officer