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"

FIFTH REPORT OF THE MONITOR
NOVEMBER 14, 2003

INTRODUCTION

1. On September 16, 2003 Ivaco Inc. ("Ivaco") and certain of its affiliates (collectively the "Applicants") 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 ("Monitor").

2. On October 15, 2003, the Applicants brought a motion requesting an Order to extend the stay period beyond October 15, 2003. On that date, the Honourable Mr. Justice Farley extended the stay period to November 24, 2003.

3. The Applicants included in the Initial Order consist of, amongst others, Ivaco, Ivaco Rolling Mills Inc. ("IRM"), Ifastgroupe Inc. (Ifastgroupe"), IFC (Fasteners) Inc. ("IFC"), and Docap (1985) Corporation ("Docap") and the CCAA stay extends to related limited partnerships.

4. This Fifth Report of the Monitor (the "Report") is provided to this Honourable Court as an update as to the activities of the Applicants and certain events occurring since the date of the Initial Order, including the following:

- Proceedings under the United States Bankruptcy Code;
- Operations;
- Financial Performance and Cash Flow Projections;
- Debtor-in-Possession Financing;
- Restructuring Activities;
- Information Requests from Stakeholders;
- Pension Plans and Other Retirement Benefits;
- Environmental Liabilities;
- Estimated Directors' and Officers' Liabilities;
- Sale of non-core assets;
- Ivaco Inc. Liquidation Analysis;
- Statutory Requirements; and
- Request for an Extension to the Stay of Proceedings.

TERMS OF REFERENCE

5. 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 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.

6. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars. Capitalized terms not otherwise defined are as defined the Initial Order.

OVERVIEW

7. In its Third Report, the Monitor said that the critical question for this proceeding was: Does the enterprise have more value as a whole (including each of its component parts) than the respective stakeholders could garner from attempting a separate realization of the pieces?

8. In continuing to consult with stakeholders, the Applicants and the Monitor found that some of the major stakeholders maintained quite firm views as to the optimal course for the Applicants and/or their interest in the Applicants and expressed scepticism as to the utility of the assessments that were in the process of being developed by the Applicants and their advisors.

9. The Applicants, in consultation with the Monitor, have determined that the best and most likely the only way to surmount that scepticism is to develop objective evidence as to market interest in the whole and the separate parts of the enterprise.

10. To that end, the Applicants intend to pursue the parallel courses of: (i) running a sale process to canvass the market for purchasers of or investors in all or parts of the business; and (ii) pursuing the feasibility, planning and structuring of an overall enterprise restructuring, which is the fundamental purpose of a CCAA proceeding. This express dual track process has been utilized in prior Canadian restructurings and the Monitor strongly recommends it as entirely appropriate in this situation.

11. The sale process proposed will canvass the market in a thorough and professional manner. It will identify and develop all reasonably available prudent purchasers and provide objective evidence of the realizations available in the sale alternative. Comparison of the realizations or values available in the enterprise restructuring alternative or some combination of sale and restructuring to those generated by

the sale process will be, if not self-evident, at least far simpler than the present situation, entailing as it does now the juxtaposition of necessarily hypothetical and largely untestable subjective opinions as to value and the future. The Monitor understands that the Applicants continue to believe that an enterprise restructuring of all or part of the business may be best for most, if not all, stakeholders of the Applicants and, if this view is correct, the proposed method will demonstrate this to be so.

12. This mode of proceeding also necessarily entails a different approach to information flow. As set out in the Third Report, the plan of the Applicants had been to share with stakeholders assessments of value. A number of stakeholders said they were not interested in receiving this. Obviously, providing a view as to value would be inappropriate in the proposed two-track process and in order to preserve both the integrity and utility of the sale process, the Monitor recommends that the information provided to third parties be restricted to the information normally provided in a sale process with customary confidentiality conditions. As matters proceed in the parallel restructuring track, and assuming participants in that track agree they are not bidders in the sales track and to other ancillary terms, it may become appropriate to share assessments of overall enterprise value with those persons.

13. The Monitor therefore recommends the extension of the CCAA stay period to allow the Applicants to pursue the parallel tracks which the Monitor understands will be outlined in further detail prior to November 24, 2003.

PROCEEDINGS UNDER THE UNITED STATES BANKRUPTCY CODE

<u>Section 304 Proceedings</u>

14. Pursuant to the terms of the Initial Order, the Monitor was appointed the Foreign Representative of the Applicants and was authorized, directed and empowered to apply to any other Court in any other jurisdiction for an order recognizing this proceeding or to take such steps, actions or proceedings as may be necessary or

desirable for the receipt, preservation, protection, maintenance or disposal of all or any part of the property of the Applicants.

15. Immediately after the Initial Order was made, the Monitor sought and received interim recognition of these CCAA proceedings under Section 304 of the United States Bankruptcy Code (the "Bankruptcy Code") in the form of a Temporary Restraining Order ("TRO") enjoining any party from taking any action against the assets or operations of the Applicants situated in the U.S. The TRO granted by the Honourable Judge Steven Rhodes of the United States Bankruptcy Court for the Eastern District of Michigan provided for a second hearing on September 29, 2003, at which time the Monitor sought and received a Preliminary Injunction Order that continued the stay of proceedings pending a full hearing, which was scheduled for October 27, 2003.

16. On October 27, 2003, the Monitor attended at the United States Bankruptcy Court for the Eastern district of Michigan and obtained an Order Granting Permanent Injunction and related relief pursuant to Section 304 of the Bankruptcy Code, a copy of which is attached as Appendix A.

17. Pursuant to the Order Granting Permanent Injunction, a copy thereof was served on or before November 5, 2003 upon all of the Applicants' creditors situated in the United States by the Applicants' US legal counsel.

<u>Chapter 7 Proceedings</u>

18. On October 10, 2003, the following Ivaco subsidiaries, which are not Applicants in these CCAA proceedings, filed for bankruptcy protection pursuant to Chapter 7 of the Bankruptcy Code:

- Atlantic Steel Company;
- Ivaco Rolling Mills (USA), Inc.;
- Ivaco Steel Processing (New York) LLC;

- Midtown Services LLC; and
- Sivaco Georgia LLC

19. At present, the Chapter 7 cases are being administered by one trustee. The Applicants have cooperated with the trustee and have been advised by him that all statutory notices have been provided to creditors, as required. The trustee has called a Meeting of Creditors to be held in Atlanta, Georgia on November 19, 2003.

OPERATIONS

Overview

20. The Applicants have continued to cooperate with the Monitor and have allowed unrestricted access to their premises, books and records. As noted in the Third Report of the Monitor (the "Third Report"), the Monitor has implemented procedures to monitor daily receipts and disbursements and is working with the Applicants to prepare a bi-weekly comparison and variance analysis of actual results against the cash flow forecasts filed with this Honourable Court.

21. Since the Initial Order was granted, the Monitor has been working closely with representatives of management, the Applicants' Canadian and US legal counsel and the recently appointed Chief Restructuring Officer ("CRO"), Mr. Randy Benson, on all matters relating to the ongoing operations and restructuring activities.

22. As explained in more detail below, since the start of the CCAA proceedings, the Monitor has been working with the Applicants to maintain stability of operations to the extent practicable.

23. Among other things, the Monitor has continued to assist the Applicants in:

- Evaluating opportunities for cost reduction through reduced payroll and overhead costs and the permanent closure of certain non-core facilities;
- Dealing with the various banking issues and logistics and monitoring daily Debtor-in-Possession ("DIP") loan balances;
- Completing bi-weekly reports to stakeholders, specifically the reporting of receipts and disbursements, variance analysis, and operating results;
- Preparing the data room and responding to information requests from creditors;
- Preparing cash flows and integrated financial projections; and
- Negotiating payment arrangements with suppliers.

<u>Banking</u>

24. The Monitor's previous reports provided detailed information on the state of the Applicants' banking crisis. Since the Third Report, the Applicants have largely overcome the difficulties encountered with their banking and cash management systems that plagued the Applicants during the first four weeks of these proceedings.

25. With the assistance of their legal counsel and the Monitor, the Applicants have established functioning banking arrangements at National Bank of Canada ("National Bank") in respect of Ivaco and Docap and at Royal Bank of Canada ("Royal Bank") in respect of IRM and Ifastgroupe (including IFC).

26. Ivaco and Docap have maintained their banking arrangements at National Bank because they are not borrowers under the GE DIP Term Sheets and, as a result, Royal Bank would not agree to open accounts for them.

27. Pursuant to blocked account agreements entered into with the GE DIP Lender, Royal Bank opened deposit and disbursement accounts for IRM and Ifastgroupe. Daily receipts are deposited into the blocked accounts and are swept by GE on a daily basis to be applied as a reduction to the outstanding loans under the DIP facilities.

28. On November 3, 2003, all of the Applicants' disbursement accounts at the Royal Bank and National Bank became operational and the various divisions commenced using the individual bank accounts assigned to them. The initiation of the new structure created delays in issuing payments to suppliers. This situation is improving daily.

29. Both of the Ifastgroupe and IRM now have full read-only on-line access to their Royal Bank blocked and disbursements bank accounts. In addition, the Royal Bank lock box operations are expected to commence on November 18, 2003.

30. Generally, the Applicants are working closely with the banks to further facilitate the transfer of funds between bank accounts, including the issuance of wire transfers and the effective management of foreign exchange transactions. However, the process still requires improvement in order to efficiently manage the Applicants' treasury functions.

31. Where appropriate, the Applicants are moving to third-party service providers to perform their weekly payroll functions. ADP, a payroll service provider, has agreed to accept payments from IRM on a pre-funded basis and in return ADP will electronically transfer these wage payments to IRM's employees. This ADP wire service does not require a pre-approved credit accommodation. It was further agreed that ADP would provide full payroll services commencing January 1, 2004.

32. Ivaco and Ifastgroupe continue to use National Bank for their payroll and Docap currently uses Ceridian Payroll Services.

Customers

33. The Applicants' senior management employees have been working with customers to ensure that outstanding customer orders are filled and to secure additional sales orders.

34. The Applicants continue to be in regular contact with key customers to assure them that operations are running at or near full capacity and that all customer programs continue to be honoured during these proceedings. The Applicants have addressed customers' questions as to the impact of these proceedings on the Applicant's commitments to their customers and their day-to-day operations.

35. Management has advised the Monitor that there has not been the loss of any key customers as a result of these proceedings and that the Applicants' customers continue to provide support with additional orders and regular payment terms.

General Motors:

36. General Motors ("GM") is one of Ifastgroupe's largest customers. Two divisions within Ifastgroupe, Infasco Nut and Ingersoll Fasteners, supply nuts and bolts respectively to GM.

37. On October 29, 2003, representatives of the Applicants and the Monitor met with the financial advisor representing GM in Montreal to discuss, among other things, the status of the Applicants' operations, payment of amounts owed to Ifastgroupe, the strength of the key supply chain to GM, specific divisional operational issues and an update on restructuring activities.

38. The Applicants have provided GM with financial information requested by GM and continue to cooperate with GM and its advisors to ensure that inventory levels held by the Applicants are at appropriate levels. To date, GM has continued to support the Applicants by continuing to place orders at pre-filing volumes.

Similarly, to date there have been no service interruptions to GM despite numerous difficulties with certain suppliers around the time the initial stay was granted.

39. At the conclusion of the meeting in Montreal, GM's financial advisors confirmed that the Applicants would continue to receive the support of GM during these proceedings with potential for new orders and no interruption to the payment cycle.

Vendors

40. The Monitor continues to assist with the Applicants' negotiation of payment arrangements with suppliers, including deposits and / or the issuance of letters of credit, other matters necessary to attempt to ensure that there is no interruption to daily operations.

41. The Monitor has communicated with virtually all of the Applicants' significant suppliers to ensure that their concerns and queries are promptly addressed and that the flow of goods and services continues during these proceedings.

42. Identified below are certain significant suppliers with whom representatives of the Applicants together with the Monitor have been dealing on an ongoing basis.

QIT

43. QIT is the most significant raw material supplier to IRM and was owed approximately $62 million at September 16, 2003. Although there have been a few interruptions to the supply of material from QIT due to the inability to make payments on a timely basis as a result of the banking crisis, QIT continues to support IRM with the daily supply of steel billets on a strict cash-on-delivery basis.

44. As discussed in the Third Report, IRM and QIT disagreed on how the consignment inventory program was to be administered resulting in additional payments to QIT and a greater than expected cash outflow. Representatives of the

Applicants together with the Monitor have met with QIT on several occasions to attempt to resolve the disagreement concerning the use of consignment inventory and to implement an agreed plan to avoid future disruptions.

45. As a result of those meetings, the Applicants and QIT agreed in principle on a form of arrangement that satisfies both parties and ensures the continuing supply of steel billets to IRM. The agreement provides for, amongst other things,

- A cap on consignment inventory that must be provided by QIT;
- Ongoing shipments from QIT into consignment inventory;
- An additional deposit of $1 million (over and above the previous deposit of $1 million) to be paid in six equal instalments commencing the week of October 27, 2003 to be held by QIT for the length of time the consignment program remains in place as security for any unpaid post-filing debt or loss incurred by QIT in case of repossession of the consigned billets; and
- An agreement that IRM will continue to pay for only the product removed by it from consignment inventory rather than for shipments into consignment.

Groupe Robert Inc.

46. Groupe Robert Inc. ("Robert") is one of the Applicants' major shippers of product to customers in both Canada and the United States. Robert and the Applicants have a strong long-standing relationship that has resulted in little or no interruption to ongoing operations since the commencement of these CCAA proceedings.

47. Representatives of the Applicants and the Monitor the president and other senior management of Robert on numerous occasions to deal with various matters and in particular to respond to specific concerns raised by Robert with respect to its pre-filing arrears and certain legal matters related thereto.

48. Robert's legal counsel has dealt with the Applicants' legal counsel concerning Robert's assertion that it is entitled and authorized by virtue of, amongst other things, the Bills of Lading Act to initiate legal collection proceedings against any of the Applicants' customers to recover amounts owing to Robert pre-filing. Robert asserts that the Applicants' customers are obliged to pay the carrier for product shipped to them. Robert's counsel has also indicated that, based on recent case law, there is an argument to suggest that the Applicants' banks may be holding money in trust for the carrier based on pre-filing deposits made by the Applicants. The Applicants have advised Robert that they disagree with these views.

49. Although Robert and the Applicants have opposing views on this matter, representatives from each of Robert, the Applicants and the Monitor are working cooperatively to seek a solution. The Applicants have advised Robert that any action taken against customers would constitute a breach of the Initial Order and would cause significant disruption to the collection of existing accounts receivable and accordingly the Applicants' cash flow and operations.

Canadian National Railway

50. Canadian National Railway ("CN") provides rail transportation services to IRM. On an annual basis, IRM purchases approximately $12.5 million in CN's railway services. Upon the commencement of these CCAA proceedings, the Monitor was contacted by CN's legal counsel who expressed concern about CN's credit exposure to IRM for post-filing services.

51. Given the size and complexity of the CN organization and the nature of IRM's business, paying for CN's services on a strict cash on delivery basis is not practical for either organization. Given the importance of CN's services to the ongoing operations of IRM, IRM agreed to provide a letter of credit (under the GE DIP Term Sheets) in favour of CN in the amount $500,000 as security for post filing obligations.

52. CN and IRM entered into an agreement on October 23, 2003 whereby each agreed to conduct business in accordance with pre-existing contractual arrangements with the following modifications:

- Payment by IRM for services rendered by CN will be made upon receipt of invoices;
- IRM will ensure that the credit exposure of CN for post-filing debt does not exceed $500,000; and
- CN shall be entitled to draw on the letter of credit for unpaid post-filing amounts should there be a breach of any material term or condition of the agreement, or if IRM does not obtain the necessary approvals of its Plan of Arrangement and Compromise, or should IRM become bankrupt or an interim receiver or receiver is appointed.

53. To date, as a result of the ongoing communication with CN and the co-ordinated effort of representatives of the Applicants and the Monitor, there has not been any significant disruption to ongoing rail service to and from the IRM facility.

Major Utility Providers

54. As indicated in the Third Report, the Applicants have key relationships with various providers of natural gas and electricity, including ancillary contracts related thereto, including BP Canada Energy Company, Gas Metropolitan, Hydro Quebec, Bruce Power LP ("Bruce Power") and the Independent Electricity Market Operator ("IMO"). With the assistance of the Monitor, the Applicants have finalized agreements with most of the utility service providers, resulting in ongoing and undisrupted supply. Significant developments since the Third Report are discussed below.

Bruce Power

55. With the assistance of the Monitor, the Applicants finalized their discussions with Bruce Power resulting in the execution of a fixed price contract for a monthly minimum quantity of electricity until April 30, 2004 and payments to Bruce Power for their electricity usage weekly in advance. As part of the arrangement, Bruce Power required that the Applicants provide a letter of credit in the amount of $1 million as performance security under the contract. Accordingly, on October 16, 2003, IRM caused a letter of credit to be issued to Bruce Power under the GE DIP Term Sheets.

56. IRM continues to make weekly payments to Bruce Power in accordance with the terms of the contract.

IMO

57. As described in the Third Report, the Applicants entered into discussions with the IMO to ensure the continued supply of post-filing electricity. Since the date of filing, the IMO has drawn on the pre-filing $2 million letter of credit issued by the Bank of Nova Scotia ("BNS") that it held in the approximate amount of $238,000 in respect of its pre-filing arrears for the period from September 1 to 15, 2003.

58. Because the amount of the letter of credit, which was held as security under the Ontario market rules, has now been reduced, the IMO has identified additional assurances that it requires in order to avoid a situation in which the Applicants' electricity usage exceeds their trading limit.

59. Counsel for the IMO is currently working with the Applicants' counsel to establish an acceptable post-filing arrangement that will maintain necessary supply and will require the Applicants to do the following:

- Notify the IMO immediately if there is any default or termination under the Bruce Power contract; and

- Within two business days of the 25th of each month, pay an amount equal to one half of the actual amount owing on the 25th for consumption during that month.

60. Another concern raised by the IMO involves the rules and procedures that the IMO is bound to follow if the Applicants fail to remit payment as required and the IMO, in order to cease supplying credit to the Applicants, causes the disconnection of the Applicants from the electrical grid. Since the disconnection procedure can take up to 24 days to complete, the IMO calculates the letter of credit requirements based on an amount to secure the IMO for both the amount of the Applicants' consumption up to the trading limit plus the estimated value of the additional electricity that would be supplied while the disconnection process is undertaken.

61. The IMO's concern is that if there were a default in the payment of a post-filing invoice and it were forced to first obtain leave from this Honourable Court before it could commence a disconnection procedure, this would most likely result in the extension of the disconnection process such that the letter of credit would not be sufficient to cover the IMO's exposure. Accordingly, the IMO has proposed that the Applicants agree to allow the process of seeking leave and the disconnection period to run parallel to each other.

62. The Applicants and their legal counsel are in communication with the counsel to the IMO to reach a mutually acceptable resolution to this issue, which will likely require an amendment to the Initial Order to permit the parallel process described above.

Employee Related Matters

Discussions with Labour Unions

63. For the last several weeks, the Applicants have been preparing their preliminary business plan, which is to be the foundation for the operational and financial restructuring of the Applicants.

64. Resolution of labour issues is essential to the successful restructuring of the Applicants. Management has attended several meetings with the various unions to present a preview of it preliminary business plan. Representatives of management and the Monitor met with United Steel Workers of America ("USWA") and representatives of the Applicants have met with Canadian Auto Workers ("CAW")

65. At each of the meetings, the Applicants presented information concerning the current situation, the new cost environment facing the Applicants, competitive challenges in the industry, structural challenges to be overcome, a preliminary high level review of the status quo financial projections for the Applicants, preliminary restructuring plan requirements and an estimate of financial concessions requested from the union.

66. There are 14 collective agreements covering over 1,400 employees, of which approximately 1,350 employees are members of the USWA. The various collective agreements run between three to five years with expiry dates into 2005 and beyond.

67. In the meetings with the unions, management presented a timetable to renegotiate the various agreements and achieve labour cost savings. The Applicants have advised the unions of the urgency of these matters and the necessity to complete negotiations as soon as possible. Without significantly lowered total labour costs, including the significant costs related to pension and post-retirement benefits, the forecasted earnings of the Applicants will not be sufficient to allow for a successful restructuring.

General

68. As previously advised, the Applicants eliminated approximately 115 jobs from the Sivaco Quebec division of Ivaco. The Applicants have also eliminated eight positions from the Ivaco corporate office, four management and four administrative. Two of the managers have been retained by Ivaco on contract to

provide specific services deemed necessary by the Applicants. The Applicants are reviewing the labour compliment throughout the Applicants to determine if additional positions can be eliminated.

69. The Applicants also announced that the corporate office information technology team will be relocated to the Marieville, Quebec facility to be integrated with the existing information technology group there.

70. From the date of the Initial Order, there have been no voluntary departures of any of the Applicants' senior management team.

Employee benefits to retirees

71. As indicated in the Third Report, the Applicants initially took the position that they would not continue the payment of post-filing benefits on behalf of retired employees. In accordance with the Initial Order, notices to creditors were sent to certain of these employees with respect to whom these unpaid benefits would have amounted to greater than $5,000.

72. Subsequently, the Applicants decided that only the post-filing benefits of retired employees of Ivacan and Arrowhead (defunct divisions of Ivaco Inc) would be terminated effective October 24, 2003. Accordingly, letters have been sent by the Applicants to the retirees of Ivacan and Arrowhead to notify them that their benefits have been terminated. The benefits of all other retired employees who at the date of filing were entitled to such benefits are being paid at present on a month-to-month basis, at a monthly cost of approximately $85,000.

73. As indicated in the Third Report, effective immediately after obtaining the Initial Order, the Applicants ceased making any supplementary and unfunded pension payments to former employees and officers of the Applicants. These payments, totalling approximately $208,000 per month, were being made to 27 individuals.

Insurance

74. As previously reported, the Applicants' property insurance, which was financed by CAFO Inc., expired on September 30, 2003. In accordance with the Initial Order, the Applicants did not make any payments to CAFO in respect of pre-filing arrears or post-filing principal and interest payments. CAFO brought a motion to have the Court confirm, amongst other things, that CAFO was a secured creditor in respect of return premiums and was authorized to terminate the policies and obtain the return premiums.

75. The motion was heard on October 9, 2003. On October 15, 2003, the Honourable Mr. Justice Farley released his decision and dismissed CAFO's motion on the basis that CAFO was not a secured creditor under its contract with the Applicants and was not entitled to terminate the policies. Accordingly, the Applicants' policies in respect of directors and officers coverage and their umbrella policy remain in full force until their expiry on June 30 and May 31, 2004 respectively. In light of this Honourable Court's decision, the Applicants will not make any post-filing payments to CAFO in respect of these policies.

76. On October 1, 2003, the Applicants obtained new property insurance and entered into discussions with AIG Credit Corporation of Canada ("AIG") to have it finance the premiums which total approximately $3.3 million and are due to be paid the week of November 24, 2003.

77. The Applicants, their legal counsel and insurance broker held numerous discussions with AIG to determine its interest in financing the insurance premiums.

78. AIG has delivered a Premium Finance Term Sheet to the Applicants. The agreement was reviewed by the Applicants' legal counsel and amended to reflect the CCAA proceedings and other relevant terms and conditions. As well, the Applicants negotiated the payment terms in order to achieve a reduced down payment. As a result, the Applicants will be required to make a down-payment of

approximately $832,000 and nine equal monthly payment of approximately $285,000.

79. It is anticipated that the Applicants will bring a motion to have this Honourable Court authorize the financing transactions and the granting of a first ranking security interest in the return premium in favour of AIG in the event the policy is terminated for any reason.

Corporate Allocation and Inter-company Transactions

80. Pursuant to the Initial Order, the Applicants may continue to sell goods and services and allocate costs, including head office expenses and shared goods and services, to each other, provided that all such goods and services shall be priced at market and supplied on a strict cash-on-delivery basis.

81. Due to the constant stream of inter-company shipments between IRM and the other Applicants, payments are being made twice weekly with the intervening exposure of two to three days being covered by a deposit instituted on October 22, 2003. The deposits paid to IRM to cover its exposure were calculated based on 2.5 days of average shipments to Ivaco and the Ifastgroupe over the previous 4 weeks. Ivaco and Ifastgroupe paid deposits to IRM of $658,000 and $402,000 respectively.

82. The Applicants settle the allocation of corporate costs on a regular basis. The outstanding inter-company balances at October 31, 2003 for inter-company transactions and corporate cost allocations were as follows:

Entity (000's)	Inter-company Sales/(Purchases) Sept 16 – Oct 31 (Note 1)	Allocation of Corporate Costs Receivable/(Payable) Sept 16 – Oct 31 (Note 2)	Net Inter-company (Receipts) / Disbursements Sept 16 – Oct 31	Outstanding Inter-company Receivable/ (Payable) as at Oct 31
Ivaco	(10,973)	6,624	4,994	645
IRM	17,620	(3,211)	(13,887)	522
Ifastgroupe	(6,647)	(3,413)	8,893	(1,167)

Note 1: For purposes of this table, inter-company sales and purchases includes 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 (of which there have been none), computer hardware, software and support, employee benefits, other direct expenses and professional fees. In addition, the allocation of corporate costs includes three utility bills that were paid directly by Ivaco for a total of $2.3 million (before sales taxes) during the period of which $1.3 million and $0.2 million were allocated to IRM and Ifastgroupe respectively.

83. Ivaco's inter-company receivable balance as at October 31, 2003 of approximately $0.7 million represents a receivable from Ifastgroupe of approximately $0.6 million for corporate allocations and a net receivable from IRM of approximately $0.1 million for raw material purchases and annealing services. The outstanding payable to IRM represents less than 2 days worth of purchases and services for Ivaco.

84. IRM's outstanding receivable balance as at October 31, 2003 of approximately $0.5 million represents a net payable to Ivaco of approximately $0.1 million and a

net receivable of approximately $0.6 from Ifastgroupe. The Ifastgroupe receivable represents approximately 2 days of purchases from IRM.

85. Ifastgroupe has an outstanding payable balance of approximately $1.2 million. The outstanding balance is comprised of an amount of $0.6 million payable to IRM and an amount of $0.6 million payable to Ivaco.

Inter-company transfer pricing

86. UBS has prepared a summary of goods and services amongst the various divisions, a copy of which is attached as Appendix B.

87. The Monitor has continued to review the inter-company pricing and terms for sales and purchases between the Applicants. Based on the preliminary information reviewed, it appears that:

- On average, IRM's steel prices to Sivaco Quebec were in line with the prices of competitors for the same grades of product. In certain instances, it appears that competitors were offering lower prices and Sivaco-Quebec took advantage of this better pricing; and

- IRM's steel prices to Ifastgroupe were historically between 5% to 10% lower than that of its competition. The Applicants, with the input of the Monitor, are reviewing this situation to reduce this gap and better align their selling prices to market.

Payments to Non-Applicant Affiliates

88. Paragraph 15 (h) of the Initial Order provides for a restriction on payments made to non-Applicant affiliates, which are not to exceed $100,000.

89. Since the date of filing, Infasco (an Applicant and a subsidiary of Ifastgroupe) has purchased finished goods from Vermont Fasteners Manufacturing (a subsidiary of Ifastgroupe based in the U.S. that is not an Applicant) in the approximate amount of U.S. $2 million as at November 11, 2003. These finished goods are required

by Infasco to fill customer orders. These purchases have been made at market prices and should these purchases have been prohibited, Infasco would have had to find an alternate supplier to complete customer shipments.

90. In the Monitor's view, paragraph 15 (h) of the Initial Order is not intended and does not limit business transactions that are made in a customer - supplier relationship between affiliated members of the Applicants on market terms. The Monitor provided notice of these purchases to the Service List on October 20, 2003.

FINANCIAL PERFORMANCE AND CASH FLOW PROJECTIONS

Actual Cash Flow and Variance analysis

91. Included with the bi-weekly report attached as Appendix F to this Report is a summary of the Applicants' receipts and disbursements analysis for the period from October 4, 2003 to October 31, 2003 along with an analysis of variances from the cash flow projections filed with the Third Report, as provided by the Applicants. The Applicants had consolidated net cash outflow of approximately $1.4 million for the period from October 4, 2003 to October 31, 2003, compared to the projections filed with the Third Report, which reflected net cash outflows of approximately $10.1 million, for the same period.

92. The actual and projected cash flows for the period from October 4, 2003 to October 31, 2003 were as follows (in thousands):

Entity (000's)	Actual Net Inflow (Net Outflow)	Projected Net Inflow (Net Outflow) Note 1	Variance
Ivaco	(122)	(3,538)	3,416
IRM	1,293	(4,259)	5,552
Ifastgroupe	(3,225)	(3,033)	(192)
Docap	697	652	45
Total	(1,357)	(10,178)	8,821

Note 1: Projected net inflows (outflows) have been adjusted to exclude receipts received but not deposited in the period from September 16, 2003 to October 3, 2003.

93. Overall, the Applicants experienced a favourable cash flow variance of approximately $8.8 million, primarily in respect of Ivaco and IRM. This positive variance is attributable to improved cash management, better than expected collections of accounts receivable and other favourable disbursement timing differences, which are expected to reverse in future weeks.

Cash Flow Forecast

94. Attached as Appendix C to this Report is a copy of the preliminary cash flow forecasts for the period from November 1, 2003 to February 29, 2004 as prepared by the Applicants, with the assistance of the Monitor. Although management has updated these forecasts based on the most current information and taken into

consideration events that have occurred post filing, the Applicants are continuing their review of the cash flows and intend to submit finalized cash flow projections prior to November 24, 2003.

95. The preliminary cash flow forecast indicates that the Applicants expect to have positive consolidated cash flow of approximately $1.5 million for the period from November 1, 2003 to February 29, 2004. Ifastgroupe and Docap are expected to generate $4.2 million and $0.1 million respectively while Ivaco and IRM are expected to generate negative cash flow of $1.2 million and $1.6 million respectively during the period.

STATUS OF DIP FINANCING

96. In the Third Report, the Monitor recommended that the Applicants' DIP limits be increased in respect of IRM and Ifastgroupe from a total of $14 million to $15 million as summarized below. The DIP in respect of Ivaco was decreased from $7 to $5 million and the Docap limit remained unchanged. This is summarized below:

Entity (millions)	Initial Limits	Revised Limits
IRM	8.0	11.5
Ifastgroupe	6.0	3.5
Ivaco	7.0	5.0
Docap	1.0	1.0

97. Since October 15, 2003, the Applicants have operated within the revised DIP loan limits. The table below shows the net amounts outstanding under the DIP facilities as at October 31, 2003, net of customer payments deposited into the

Applicants' blocked bank accounts but not yet swept by GE (as daily repayment of the GE DIP loans) including outstanding letters of credit.

Entity	DIP Balance	Sub DIP to Ivaco	Sub DIP to Docap
IRM	$6.1 million	$0.6 million	------
Ifastgroupe	--------	$0.6 million	------
Ivaco	--------	-------	-------
Total	$6.1 million	$1.2 million	------

RESTRUCTURING ACTIVITIES

Appointment of Chief Restructuring Officer ("CRO")

98. In its Fourth Report, the Monitor reported on the recent engagement of Mr. Randy Benson as CRO by the Independent Committee of the Ivaco Board of Directors effective October 24, 2003, subject to obtaining Court approval. A motion to approve the Retainer Agreement of the CRO is now scheduled for November 24, 2003.

99. Since the appointment of Mr. Benson, the Monitor has worked closely with him on all matters including, but not limited to, operational issues and restructuring activities.

Management Reorganization

100. The Applicants announced that Ivaco's Board of Directors had appointed Gordon Silverman as President and CEO and as a director effective October 1, 2003.

101. In addition, on October 24, 2003, as part of the Applicants' restructuring, Ivaco announced it's new senior management team consisting of the following individuals:

- Hugh Blakely as Senior Vice-President and Chief Financial Officer;
- David Goldsmith as Senior Vice-President, Business Development;
- Peter Sorenti as Vice-President Tax and Administration;
- Mike Boudreault as Vice-President Human Resources; and
- Guy-Paul Massicotte as Vice-President, General Counsel and Secretary of Ivaco.

102. Notwithstanding that Messrs. Goldsmith and Boudreault have moved from the day-to-day operations at IRM to Ivaco, the management team at IRM remains able to run the IRM business. Given the size and importance of IRM within the Ivaco group and these two individuals' knowledge of its operation, they continue to be directly involved in all important issues and discussions affecting IRM.

103. In addition to the above-noted changes, Ivaco also announced that effective October 31, 2003 Sydney Ivanier and Albert Kassab will no longer serve as Senior Vice-President and Chief Financial Officer, respectively. Mr. Kassab has also resigned as a director of Ivaco.

Other Restructuring Activities

104. In accordance with paragraph 18 (c) of the Initial Order, the Applicants may terminate or repudiate any real property lease on not less than 5 business days written notice to the affected landlord. In that regard, the Applicants are currently completing a detailed analysis of all of their leased premises to identify opportunities to reduce costs by moving people and functions to owned or less expensive leased premises. In particular, the Applicants are reviewing the

corporate office lease in downtown Montreal with a view to either relocating or downsizing.

105. In accordance with paragraph 18 (a) of the Initial Order, the Applicants may permanently or temporarily cease, downsize or shut down any of its operations or locations and to make provision for any consequences thereof in the plan. The Applicants are currently reviewing all of their operations to identify any unprofitable segments which may be discontinued.

106. The Applicants have initiated a complete review of all of their contractual commitments with a view to:

- Terminating unnecessary contracts; and
- Identifying contracts, including equipment leases, which do not reflect current market conditions and therefore should be renegotiated or disclaimed.

<u>Business Plan and Sale Process</u>

Business Plan

107. The Applicants and UBS have made considerable progress in developing a baseline financial model and business plan that reflects the current operating structure of the businesses. The model has been developed at the divisional level and is designed to facilitate the modelling of alternative assumptions and structures over a five-year horizon. In order to assist creditors in understanding the current structure of the business, the Applicants have put a summary of the status quo business plan for the period ending June 30, 2004 in the data room.

108. Senior management of the Applicants is now engaged in a structured process to evaluate opportunities to improve profitability and cash flow. This process is focused on operating and financial issues within each individual division as well as opportunities to improve and realize synergies among the businesses.

Sale process

109. As noted in the Overview, in response to issues raised by certain creditors as to the breadth of alternatives being considered by the Applicants and recognizing that the best source of information concerning the value of the businesses in whole and in pieces is the market, the Applicants have decided to run a sale process concurrently with the restructuring analysis and business planning process described above.

110. Subject to the approval of this Honourable Court, the Applicants intend to engage UBS to canvass the market for interest in any or all of the businesses on a stand-alone or combined basis. In the understanding of the Monitor, the proposed engagement letter of UBS will provide that:

(i) UBS shall act as the exclusive financial advisor in connection with the Applicants' proposed sale of IRM, Ifastgroupe and the Sivaco divisions of Ivaco;

(ii) UBS shall be responsible for identifying and contacting prospective purchasers and investors and preparing confidential information materials to be distributed to them, coordinating due diligence, and analyzing, structuring and negotiating the financial aspects of any proposed sale and reporting thereon; and

(iii) UBS's fees will include transaction fees in an engagement letter to be approved by this Honourable Court.

111. The Monitor understands that further details of the proposed engagement and outline of the process will be filed in supplementary material as soon as possible and before November 24, 2003.

INFORMATION REQUESTS FROM STAKEHOLDERS

General:

112. The Monitor continues to work with the Applicants and their major stakeholders balancing their need for timely access to information with the difficulties of

gathering and generating such information given the many demands on the Applicants' management and staff.

113. Certain of the major stakeholders have requested that the Applicants pay their advisors, in whole or in part. The Applicants have not agreed to do so.

Meetings with Stakeholders

114. The Monitor coordinated meetings with major stakeholders. To date, representatives of management, the Applicants' financial advisors and the Monitor have met with representatives of the following significant stakeholders:

- QIT;
- National Bank of Canada;
- Noteholders;
- USWA;
- Groupe Robert; and
- General Motors.

Establishment of Data Room

115. With the assistance of the Monitor, the Applicants have established a data room in Montreal in which relevant forward-looking and historical data is available for review by the stakeholders. The Monitor circulated a data room index, together with a confidentiality agreement and other ancillary documents to the Service List on October 29, 2003 and invited all stakeholders to attend at the data room. The notice to the Service List is attached as Appendix D. The data room was first available on October 29, 2003.

116. The data room currently contains 27 binders of financial information relating to the Applicants and their non-Applicant affiliates. The Applicants have added material to the data room and a revised index of documents is circulated weekly to the Service List.

117. Confidentiality agreements are required from parties wishing access to the data room. A number of stakeholders have executed confidentiality agreements and visited the data room. Others are expected shortly.

Bi-weekly report:

118. Further to the Third Report, the Applicants with the assistance of the Monitor have put in place a bi-weekly reporting protocol for the benefit of stakeholders. The bi-weekly report covers the following items:

a) an actual to budget results analysis of cash flows by week;

b) a summary of DIP borrowings by entity; and

c) a report on operations of each major entity.

119. On October 31, 2003, the Applicants circulated their first bi-weekly report to the Service List. This report covered the period from October 4, 2003 to October 17, 2003 and is attached as Exhibit "E".

120. The second bi-weekly report covering the period from October 18, 2003 to October 31, 2003 is attached as Exhibit "F".

PENSION PLANS AND OTHER RETIREMENT BENEFITS

Overview

121. The Applicants have 16 pension plans in place for various entities including three U.S. pension plans. The Monitor provided a preliminary status review in the Third Report.

122. As previously reported, based on information provided by management and using the most current actuarial reports, all pension plans were in deficit positions as of the valuation dates, with funding ratios varying from one pension plan to another. The Canadian plans have an aggregate solvency deficit of approximately $90 million. The U.S. plans have an aggregate solvency deficiency of approximately U.S. $59 million before consideration of US $20 million cash collateral held by Willmington Trust for the sole benefit of the U.S. based pension plans.

123. In addition to the solvency deficiencies, the Applicants had accrued unpaid pension amounts as at September 16, 2003 for current and past service contributions totalling approximately $2.47 million and $10.1 million respectively. This is summarized below by entity:

Entity (Cdn$ 000's)	**Current Service**	**Past Service**	**Total**
Ivaco	524	2,060	2,584
IRM	1,482	7,305	8,787
Ifastgroupe	452	754	1,206
Docap	12	11	23
Total	2,470	10,130	12,600

124. Ongoing monthly pension amounts for current and past service contributions are approximately $763,000 and $2 million respectively as summarized below:

Entity (Cdn$ 000's)	**Current Service**	**Past Service**	**Total Monthly Contributions**
Ivaco	206	504	710
IRM	288	995	1,283
Ifastgroupe	261	459	720
Docap	8	7	15
Total	763	1,965	2,728

125. Post-filing, the Applicants have continued to pay the scheduled current service contributions. The contributions relating to September 2003 that fell due on October 31, 2003 were pro-rated so that only the post-filing portion was paid. The past service contributions falling due after September 16, 2003 are not being paid.

Communication with Provincial Pension Boards

126. The Applicants received correspondence from the Pension Plan Branch of the Financial Services Commission of Ontario ("FSCO") and from the Regie des rentes du Quebec (the "Regie") requesting advice from the Applicants concerning their intention to pay pre and post-filing contributions.

127. Additionally, FSCO has requested of the Applicants when they intend to file the actuarial valuation report as of January 1, 2003 for the Ingersoll Fasteners division of Ifastgroupe that was due on September 30, 2003.

128. On November 10th and 11th, 2003, the Applicants, through their legal counsel, responded to FSCO and the Regie respectively, advising them that the Applicants have the discretion under the Initial Order to make their pension contributions in whole or in part and that they intend to seek an Order of this Honourable Court that will clarify that they should not make pre or post-filing past-service contributions or special payments relating to the solvency deficiency while they continue under Court protection. However, the Applicants confirmed that they would continue to make employer contributions for current service cost for the period subsequent to September 16, 2003.

129. The letter to the FSCO also confirmed that the actuarial valuation report for Ingersoll Fasteners was sent to the Pension Plan Branch of FSCO on September 26, 2003. The Applicants also confirmed that it is their intention to provide notice and copies of the motion material in respect of the application to FSCO and the Regie so that they may respond to the motion.

Deemed Trust and Lien Issues

130. Under the Supplemental Pension Plans of Quebec ("SPPA") and the Pension Benefits Act of Ontario ("PBA"), a deemed trust may be created in respect of unpaid pension contributions. As well, these statutes contain director liability provisions potentially exposing the directors to personal liability in certain circumstances for contributions that have fallen due but are not paid, absent the proposed clarification of the Initial Order. The Director's Charge may not be sufficient to fully protect the directors from this possible liability.

ENVIRONMENTAL LIABILITIES

131. With the assistance of the Monitor, the Applicants and their Canadian and US legal counsel have conducted a preliminary review of the Applicants' environmental exposure to various holdings within the Ivaco group.

132. The vast majority of the environmental issues relate to the Applicants' US operations and in particular, obligations arising from either contractual sales of properties or from Orders issued by either the Federal U.S. Environmental Protection Agency ("EPA") or State protection agencies involving both Atlantic Steel Company and Atlantic Steel Industries, a division of Ivaco.

133. The Applicants, on advice from counsel and with the Monitor's concurrence are continuing to incur costs to remedy and / or monitor certain properties in the U.S., which are not stayed pursuant to the Permanent Injunction Order

134. The costs associated with either the clean-up or ongoing monitoring of these US properties have been estimated at $250,000 per month. These costs together with the total costs associated with the remediation of the Canadian properties of approximately $370,000 have been included in the current cash flow forecast.

ESTIMATED DIRECTORS' AND OFFICERS' LIABILITIES

Overview:

135. The Applicants have prepared a summary of directors' and officers' liabilities as at October 31, 2003, a copy of which is attached as Exhibit "G". The Applicants continue to update these liabilities on a monthly basis for distribution to the Board of Directors.

Pre-Filing Goods and Services and other taxes

136. As at the date of the Initial Order, the Applicants owed approximately $1 million in goods and services and other similar taxes to various levels of government, the most significant of which was in respect of IRM, which owed approximately $925,000 in respect of Quebec Sales Taxes. As at the date of this Report, these amounts remain unpaid, the reasons for which are discussed below.

137. Pursuant to paragraph 12 (b) of the Initial Order the Applicants shall remit or pay, in accordance with statutory requirements:

> "all goods and services, excise, other applicable taxes payable by such Applicant or partnership or its customers in connection with the sale of goods and services by such Applicant or Partnership to such customers".

138. Paragraph 13 of the Initial Order states that:

> "except as otherwise provided in this Order, the Applicant and Partnerships are hereby directed, until further Order of this Court, to make no payments, whether of principal, interest thereon or otherwise, on account of amounts owing by any of the Applicants or Partnerships to any of its creditors as of the date of this Order".

139. The Monitor has reviewed the wording in the Initial Order with its legal counsel, the Applicants and their legal counsel and counsel to the restructuring committee of the Ivaco Board of Directors. The Applicants have taken the position that in

the absence of a further order from this Honourable Court, these amounts are stayed and accordingly will not be paid. The Monitor agrees with this position.

SALE OF NON-CORE ASSETS

IMT Corporation

140. As advised in the Third Report, IMT Corporation ("IMT") is a wholly owned subsidiary of Ivaco. With operations in Ingersoll and Port Colborne, Ontario, it manufactures high quality precision-machined components for the tractor-trailer, original equipment manufacturing and defence industries.

141. IMT, which is not part of these CCAA proceedings, owes its principal secured lender, Canadian Imperial Bank of Commerce ("CIBC") approximately $12 million. The Applicants together with the Monitor met with CIBC immediately prior to the commencement of these proceedings, at which time, CIBC indicated that it would continue to provide short-term support to IMT, provided that the Applicants initiated a process to canvass the market for a buyer or new financier of IMT.

142. Given CIBC's desire to exit its relationship with IMT, the Applicants' have entered into discussions with a financial advisor with a view to engaging them to conducting a formal sale process.

Docap

143. Docap's principal lender is National Bank. National Bank was owed approximately $5 million as at the date of the Initial Order. Docap is an importer and distributor of automotive and industrial products to customers located in both Canada and the United States. The majority of its products are imported from overseas.

144. The Applicants have entered into preliminary discussions with several potential purchasers.

IFC USA Corp.

145. The Applicants have initiated a sale process in respect of the operations of IFC USA Corp. ("IFC USA") including Vermont Fasteners Sales Corp. and Vermont Fasteners Manufacturing, a subsidiary and division of IFC USA respectively. A preliminary expression of interest has been received and the prospective purchaser is in the process of performing its due diligence through the data room in Montreal.

Real Estate

146. The Applicants recently received an unsolicited offer to purchase a piece of vacant land consisting of 38.8 acres located in Etobicoke, Ontario, commonly referred to as the Arrowhead property. As there are ongoing negotiations, it is not proposed to comment at this time as to the likelihood of a binding agreement being consummated or the expected proceeds to be realized from a sale of the property. The Applicants intend to consult with and involve the National Bank in the sales process before any offer is accepted.

IVACO INC. LIQUIDATION ANALYSIS

147. As discussed in the Third Report, additional information and analysis is required in order to prepare a more formal report on the estimated liquidation scenario for Ivaco. The Applicants have engaged DoveBid Valuation Services to provide updated information on the inventory at Sivaco Quebec and Sivaco Ontario, divisions of Ivaco. It is expected that the report will be available shortly. Upon receipt, if appropriate in light of the dual track process, the Monitor would be in a position to update and expand upon the Estimated Liquidation Analysis that was initially prepared as at September 9, 2003. Circulation of an updated estimate would depend upon the factors addressed in the Overview.

STATUTORY REQUIREMENTS

Ongoing Communication with Creditors

148. The Monitor provides mailings to creditors as they are identified. In addition, the website established by the Monitor is updated to include all Court Orders issued both in Canada and the United States. The Monitor has received numerous telephone calls from creditors inquiring as to the status of the CCAA proceedings. The Monitor seekss to promptly respond to questions raised by creditors.

Claims Process

149. The Applicants will eventually be required to seek the approval of this Honourable Court of a claims process in order to obtain and evaluate proofs of claim received. The Applicants are of the view that it is premature to initiate this process as the Applicants are continuing to negotiate with their labour unions and other stakeholders, review contracts and other commitments which may be repudiated, run a sale process and formulate and implement various restructuring initiatives. All of these must be advanced further before it is possible to identify the claims to be compromised and to quantify the claims. The Monitor accepts that this is a reasonable position; however, it has advised the Applicants that they should provide creditor profile information by legal entity to interested creditors. The Applicants agree and are preparing information on the creditors at each Applicant to be included in the data room as soon as practicable.

150. The Applicants with the assistance of the Monitor and legal counsel will report to this Honourable Court and obtain the necessary Order approving the claims process in respect of the Applicants in due course.

REQUEST FOR AN EXTENSION TO THE STAY OF PROCEEDINGS

151. Pursuant to the Order of this Honourable Court dated October 15, 2003, the stay period expires November 24, 2003. The Applicants are seeking an extension of the stay period to February 13, 2004.

152. An extension to the stay period is necessary for the Applicants to complete their sale process and continue negotiations with the creditors, its labour force and the other stakeholders. All of this activity must occur before the Applicants are in a position to fully develop a Plan.

MONITOR'S ANALYSIS AND RECOMMENDATION

153. The Applicants have made progress in stabilizing business operations and moving beyond the banking difficulties encountered in the first part of these proceedings. Some restructuring initiatives designed to strengthen their respective businesses have already been implemented and the Applicants are engaged in a robust process to identify additional opportunities.

154. Management and UBS are developing a long-term business plan for each of the businesses that will form the foundation for the two track sale/restructuring process. The Monitor believes that the Applicants are acting in good faith and with due diligence.

155. For the reasons described above, the Monitor recommends that this Honourable Court approve the extension of the stay period to February 13, 2004 to permit the Applicants to complete their business plans and implement the parallel sale and restructuring process.

All of which is respectfully submitted this 14th 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

4751956\3

APPENDIX A

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN

In re:	:	11 U.S.C. § 304
IFC (Fasteners) Inc., et al.,	:	Case No. 03-65608 (Jointly Administered)
Debtors in Foreign Proceeding.	:	Honorable Steven W. Rhodes

ORDER GRANTING PERMANENT INJUNCTION AND RELATED RELIEF PURSUANT TO SECTION 304 OF THE BANKRUPTCY CODE

Upon the Petitions Pursuant to 11 U.S.C. § 304 to Commence a Case Ancillary to a Foreign Proceeding (the "304 Petitions") and the Motion Pursuant to Section 304 of the Bankruptcy Code and Rule 7065 of the Bankruptcy Rules for a Temporary Restraining Order and a Preliminary and Permanent Injunction (the "Motion") of Ernst & Young Inc. (the "Petitioner"), the foreign representative of Ivaco Inc. ("Ivaco"), IFC (Fasteners) Inc. ("IFC"), and Ivaco Rolling Mills Limited Partnership ("IRM"),[1] for entry of an order enjoining, among other things, the commencement or continuation of any action or proceeding, or the taking of any act against the property of the Companies held in the United States or property involved in the Companies' filing under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, in the Ontario Superior Court of Justice in Toronto, Canada (the "Foreign Proceeding");

1 The petitioners in these section 304 proceedings are Ivaco, IFC, and IRM. The applicants under the Foreign Proceeding are Ivaco, Ivaco Rolling Mills Inc., Ifastgroupe Inc., IFC, Ifastgroupe Realty Inc., Docap (1985) Corporation, Florida Sub One Holdings, Inc., and 3632610 Canada Inc. Although IRM and Ifastgroupe and Company, Limited Partnership are not applicants under the Foreign Proceeding, they are included in, and will receive all of the protections of, the CCAA Order (defined below). As used herein, the "Companies" shall mean Ivaco, IFC, IRM, and all of the aforementioned companies.

And upon the Declaration of Brent Beekenkamp of Ernst & Young Inc. in support of the Motion;

And upon the Declaration of Peter F.C. Howard of Stikeman Elliott LLP in support of the Petition and Motion;

And upon the testimony of Brian M. Denega of Ernst & Young Inc. in support of the Petition and the Motion;

And notice of the Motion having been given to all necessary parties;

And a hearing of the Motion having been held on October 27, 2003, to consider the entry of a permanent injunction;

And having considered the Order dated September 16, 2003, entered by the Ontario Superior Court of Justice in the Foreign Proceeding (the "CCAA Order");

And the Court having entered a temporary restraining order dated September 17, 2003, granting the relief requested by the Motion on a temporary basis;

And the Court having entered a preliminary injunction by order dated September 29, 2003, granting the relief requested by the Motion on a preliminary basis;

And the Court having made findings of fact and conclusions of law as more fully set forth on the record at the hearing and incorporated herein by reference;

And the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334;

And good and sufficient cause appearing therefore, the Court finds as follows:

1. The Companies are subject to a foreign proceeding in Canada as defined in section 101(23) of the Bankruptcy Code.

2. Petitioner is the foreign representative of the Companies in connection with the Foreign Proceeding.

3. Without the requested injunctive relief, the Companies' estates will be irreparably harmed.

4. Injunctive relief should be granted to allow the Companies to achieve a successful reorganization, ensure the orderly administration of the estates in the Foreign Proceeding, and to prevent certain creditors from obtaining a preference to the detriment of other creditors.

5. Any hardship caused to individual creditors by the requested relief is substantially outweighed by the benefits to all creditors of the Companies.

6. Granting the injunctive relief requested will best assure the economical and expeditious administration of the Companies' estates in the Foreign Proceeding, consistent with the factors set forth in section 304 of the Bankruptcy Code.

7. The Companies have determined that it is critical to obtain post-petition financing to fund their ongoing operations, implement and complete their restructuring efforts and preserve the going concern values of their businesses for the benefit of their estates and creditors. The Companies have been unable to obtain alternative sources of cash or credit, either in the form of unsecured or secured credit on terms and conditions more favorable to their estates than those set forth in the DIP Term Sheets and the Definitive Documents (each as defined in the CCAA Order).

8. General Electric Finance Inc. ("GE Canada") and any additional lender from time to time party to such financings are willing to provide separate credit facilities to IRM and to Ifastgroupe and Company, Limited Partnership ("Ifastgroupe"). Ifastgroupe and IRM will, in turn, provide financing to Ivaco during the Foreign Proceeding (the "DIP Financing").[2] Pursuant to the CCAA Order, the Canadian Court approved the terms of the DIP Financing, including the

2 GE Canada and any additional lenders party to the DIP Financing, including Ifastgroupe and IRM (in their capacity as Lenders) are collectively referred to as the "Lenders." GE Canada, as agent for the Lenders lending to IRM and Ifastgroupe, is referred to herein as the "Agent."

Companies' execution and delivery of the DIP Term Sheets and the Definitive Documents, and the consummation of the transactions contemplated thereby. In the CCAA Order, the Canadian Court further requested that the appropriate court(s) in the United States confirm, recognize and effectuate the terms and provisions of the CCAA Order.

9. The Agent and Lenders have acted in good faith in agreeing to extend the DIP Financing to the Companies in accordance with the CCAA Order. Any credit extended and loans made to the Companies by any or all of the Agent and Lenders pursuant to the CCAA Order, this Order, the DIP Term Sheets and/or the Definitive Documents shall be deemed to have been extended in good faith, as that term is used in Section 364(e) of the Bankruptcy Code.

IT IS THEREFORE:

ORDERED, that the CCAA Order entered on September 16, 2003, by the Ontario Superior Court of Justice shall be and hereby is confirmed, recognized and effective and shall have the same force and effect as if such CCAA Order were entered by this Court, and all other orders of the Ontario Superior Court of Justice in Canada with respect to the Companies' interests and affairs shall be granted comity and enforced. Without limiting the foregoing, all of the liens, security interests and charges granted to the Agent (for itself and the Lenders) and to the Lenders on all of the Companies' respective real and personal property (the "DIP Collateral") pursuant to the provisions of the CCAA Order, the DIP Term Sheets and the Definitive Documents are hereby confirmed and recognized, and shall have the priority specified in the CCAA Order.

ORDERED, that all persons and entities (other than the Companies and the Petitioner, and to the extent permitted by the CCAA Order and the Definitive Documents, the Agent and Lenders), are hereby enjoined and restrained:

i. from commencing or continuing any Proceeding[3] in connection with any claim against the Companies;

ii. from taking any action against any property of the Companies or property involved in the Foreign Proceeding, including the commencement or continuation of any Proceeding or act (a) to foreclose upon, seize or otherwise obtain possession of or exercise control over such property, (b) to create, perfect or enforce any lien, setoff, judgment, attachment, garnishment, restraint, assessment or order, or collect, assess or recover any claim against such property or (c) to interfere with the Companies' exercise of control over their property;

iii. from enforcing any judgment, assessment, order or award obtained against the Companies in any Proceeding;

iv. from commencing or continuing any Proceeding against the Companies' officers or directors or the Companies, and from seeking discovery of any nature against such parties, where such action, Proceeding, or discovery would interfere in any way with the Foreign Proceeding;

v. other than with the consent of Petitioner, from transferring, relinquishing or disposing of any property of the Companies or property involved in the Foreign Proceeding, or the proceeds of such property, except to Petitioner or to such persons or entities as Petitioner directs.

ORDERED, that all persons and entities are directed to turnover to Petitioner, or to such persons or entities as the Petitioner directs, for administration in the Foreign Proceeding, such property of the Companies in the United States as is subsequently identified by the Petitioner as property of the Companies' estates, or the proceeds of such property.

ORDERED, that the Petitioner is hereby established as the exclusive representative of the Companies in the United States for the purposes of performing its duties and exercising its powers with respect to the Companies' interests and affairs in the United States.

ORDERED, that every creditor that has a claim of any nature or source against the Companies and that is a party to any action or Proceeding in which any of the Companies is or was named as a party, or as a result of which a liability of the Companies may be established, is

3 For purposes hereof, "Proceeding" shall include any arbitration or any judicial, quasi-judicial, administrative or regulatory action or process.

required to place the Companies' United States counsel Pepper Hamilton LLP, 100 Renaissance Center, 36th Floor, Detroit, MI 48243 (Attn: Lisa Gretchko, Esq.) and Fried, Frank, Harris, Shriver & Jacobson, One New York Plaza, New York, NY 10004 (Attn: Janice Mac Avoy, Esq. and Gary Kaplan, Esq.) on the service list for any such action or Proceeding and to take such other steps as may be necessary to ensure that such counsel receives copies of any and all correspondence or other documents circulated to parties named in the service list, including, without limitation, documents served by the parties to such action or Proceeding or issued by the court, arbitrator, administrator, regulator or similar official having jurisdiction over such action or legal Proceeding.

ORDERED, that all security interests on or liens in the DIP Collateral granted to the Agent and the Lenders, for the benefit of the Agent and the Lenders, by this Order, the CCAA Order, the DIP Term Sheets and/or the Definitive Documents shall be, and they hereby are, deemed duly perfected and recorded under all applicable federal or state or other laws as of the date hereof, and no notice, filing, mortgage recordation, possession, further order, landlord or warehousemen lien waivers or other act, shall be required to effect such perfection; provided, however, that notwithstanding the injunctive provisions of this Order, (i) the Agent and the Lenders may, at their sole option, file or record or cause any of the Companies to execute, file or record, such UCC financing statements, notices of liens and security interests, mortgages and other similar documents or obtain landlord ~~or~~ warehousemen lien waivers or other third party consents as the Agent or the Lenders may require, and (ii) the Agent or the Lenders may require any of the Companies to deliver to the Agent or the Lenders any chattel paper, instruments or securities evidencing or constituting any DIP Collateral, and the Companies are directed to cooperate and comply therewith. If the Agent on behalf of itself and Lenders or the Lenders shall elect for any reason to cause to be obtained any such landlord or warehousemen lien waivers or other third party consents or cause to be filed or recorded any such notices, financing statements, mortgages or other documents with respect to such security interests and liens, or if the Agent or the Lenders shall elect to take possession of any DIP Collateral, all such landlord or warehousemen lien waivers or other third party consents, financing statements or similar documents or taking possession shall be deemed to have been filed or recorded or taken in this ancillary proceeding as of the commencement of these proceedings but with the priorities as set forth herein. The Agent and the Lenders may (in their discretion) but shall not be required to file a certified copy of this Order in any filing or recording office in any county or other jurisdiction in which any of the Companies has real or personal property and such filing or recording shall be accepted and shall constitute further evidence of perfection of the interests of the Agent and the Lenders, for the benefit of the Agent and the Lenders, in the DIP Collateral.

ORDERED, that the Agent and the Lenders shall be entitled to exercise, enjoy and enforce any and all rights, benefits, privileges, powers and remedies (including, without limitation, all default-related rights and remedies) available under any or all of the CCAA Order, this Order, the DIP Term Sheets, the Definitive Documents without further notice, or motion or application to, or hearing before, or order from the Court, and nothing in this Order (including, without limitation, the injunctive provisions contained herein), the Bankruptcy Code (including without limitation Section 105 of the Bankruptcy Code) or applicable law shall be utilized to prohibit, restrict or otherwise interfere with, ~~and~~ none of the Companies shall seek to prohibit, restrict or otherwise interfere with the Agent's or any Lender's exercise, enjoyment and enforcement of any of such rights, benefits, privileges, powers and remedies regardless of any change in circumstances (whether or not foreseeable).

ORDERED, that if these proceedings are dismissed or converted into a bankruptcy case under chapter 7 or 11 of the Bankruptcy Code or if any bankruptcy case under chapter 7 or 11 of the Bankruptcy Code of which any Company is the subject (any such subsequent or superceding bankruptcy case, a "Subsequent Case") is commenced, and notwithstanding any such dismissal, conversion or commencement, all of the terms and conditions of this Order, including, without limitation, the liens, security interests, priorities, benefits, protections, rights and remedies granted to Agent and Lenders under this Order, the CCAA Order, the DIP Term Sheets and the Definitive Documents shall be and remain in full force and effect as if these proceedings had not been dismissed or converted or any Subsequent Case had not been commenced.

ORDERED, that having been found to be making loans and other financial accommodations to the Companies in good faith, the Agent and the Lenders shall be entitled to the full protection of Section 364(e) of the Bankruptcy Code with respect to all of the indebtedness, liabilities and obligations of each of the Companies to any or all of the Agent and Lenders under the CCAA Order, the DIP Term Sheets and the Definitive Documents (collectively, the "DIP Indebtedness") and the security interests, liens and priorities created or authorized by this Order in the event that this Order or any authorization contained herein is stayed, vacated, reversed or modified on appeal. Each of the terms and conditions set forth in this Order constitutes a part of the authorization under Section 364, and is therefore, subject to the protections contained in Section 364(e) of the Bankruptcy Code. Any stay, modification, reversal or vacatur of this Order shall not affect the validity of any DIP Indebtedness outstanding immediately prior to the effective time of such stay, modification or vacatur, or the validity or enforceability of any security interest, lien, priority, right, privilege, protection or benefit authorized hereby with respect to any such DIP Indebtedness.

ORDERED, that notwithstanding anything to the contrary contained herein, nothing herein or in any other relief obtained by the Companies in this proceeding shall (i) limit the rights of the Pension Benefit Guaranty Corporation (the "PBGC") to institute administrative or judicial proceedings to terminate the Companies' pension plans in accordance with Title IV of the Employee Retirement Income Security Act of 1974 as amended 29 U.S.C. § 1301 *et seq.* ("ERISA"); (ii) require turnover of, or limit the PBGC's rights with respect to, the sums held in the Cash Collateral Account as defined in that certain Amended and Restated Consent Agreement dated as of December 17, 1999, and that certain Cash Collateral Agreement dated August 23, 1999, as amended on December 17, 1999, among Ivaco, Atlantic Steel Industries, Inc., Florida Sub One, Inc., Ivacan Industries Inc., and the PBGC; or (iii) grant or seek to grant, any liens to the DIP Lenders in such Cash Collateral Account; provided, however, that in no event shall the PBGC seek to enforce or perfect any lien on any assets of any of the Companies other than the Cash Collateral Account.

ORDERED, that nothing contained herein shall affect the rights and claims of the United States, which has asserted that its sovereign immunity has not been waived in this Section 304 ancillary case. The temporary restraining order entered in this matter is dissolved as to the United States as if it had never been entered.

ORDERED, that notwithstanding anything to the contrary contained herein, the entry of this permanent injunction is without prejudice to the rights of Olin Corporation to bring a subsequent motion to lift the stay imposed by this permanent injunction with respect to the lawsuit currently pending in the United States District Court for the Middle District of Georgia, Albany Division, captioned *United States of America v. American Cyanamid, et al.*, Case No. 1:02-CV109-1.

ORDERED, that if this Order is inconsistent with the Stipulation and Order by and between IFC and Creditor Global Materials Services LLC Withdrawing Emergency Motion to Vacate Temporary Restraining Order and Objection to Injunctive Relief (the "Stipulation"), filed with this Court on September 29, 2003, then the Stipulation shall govern.

ORDERED, that the time for a party in interest to timely controvert the 304 Petitions has expired.

ORDERED, the security provision of Rule 65(c) of the Federal Rules of Civil Procedure made applicable to this case by Bankruptcy Rule 7065 is hereby waived.

ORDERED, that this Order Granting Permanent Injunction shall be served by U.S. mail, overnight courier, or hand delivery on or before Nov. 5, 2003 upon all of the Companies' creditors situated in the United States of which they are aware. Service pursuant to this paragraph shall be good and sufficient service and adequate notice.

Dated: Detroit, Michigan
October 27, 2003

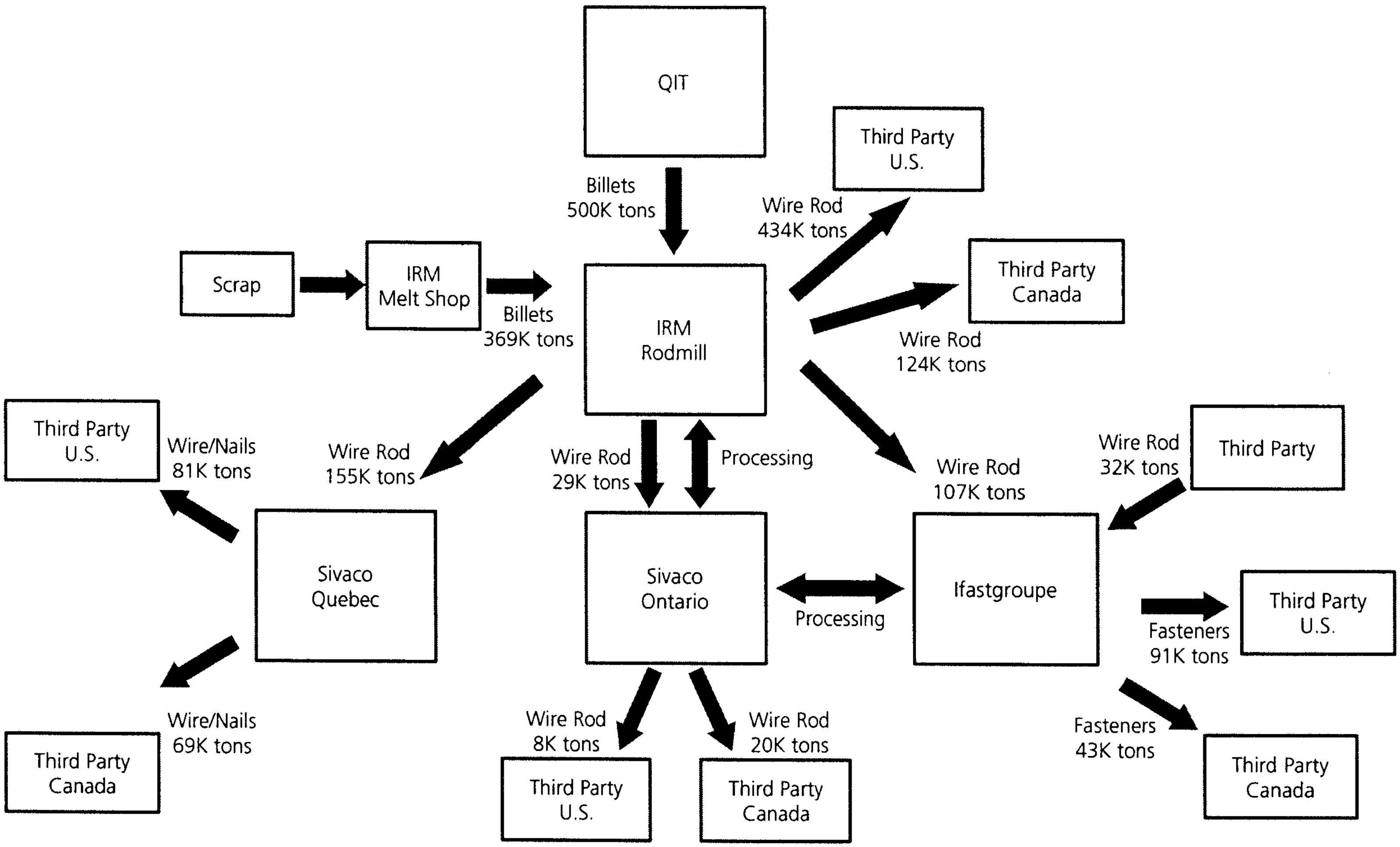
UNITED STATES BANKRUPTCY JUDGE

A TRUE COPY
CLERK, U.S. BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
BY:
Deputy Clerk
DATE: OCT 27 2003

DT: #250774 v1 (5DHY01!.DOC) 127822-2

APPENDIX B

IVACO Group Materials Flow Diagram



NOTE: Tonnage based on 2004 Company estimates

APPENDIX C

IVACO INC.
Notes to Cash Flow Forecasts
For the Period Ending February 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. Insurance payments are forecasted as a $1.1M lump sum payment in the week ended November 21, 2003 and then a further $285K monthly payment thereafter in accordance with the proposed premium financing agreement with AIG.

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.

   Included within Contributions to Corporate is the cost of insurance based on a premium financing agreement with AIG. There is a $1.1M lump sum payment forecasted to be paid in the week ended November 21, 2003 and then $285K each month thereafter.

8. Intercompany Receipts by Corporate

   Represents contributions to the corporate division of Ivaco for corporate costs and professional fees.

9. Net Intercompany

   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. The beginning DIP balance of $4.7M in IRM's cash flow forecast is the final balance outstanding on the GE DIP at the end of the day net of the balance in the RBC blocked bank account of $3.3M and excluding the letters of credit currently outstanding. The reconciliation to an intra-day DIP balance reflects the additional DIP facility required to manage IRM's daily cash flow requirements.

IVACO - Ivaco Inc.
Cash Flow Forecast
Period Ended February 2004

(in thousands)	Notes	Friday 10/31/03	Friday 11/7/03	Friday 11/14/03	Friday 11/21/03	Friday 11/28/03	Friday 12/5/03	Friday 12/12/03	Friday 12/19/03	Friday 12/26/03	Friday 1/2/04	Friday 1/9/04	Friday 1/16/04	Friday 1/23/04	Friday 1/30/04	Friday 2/6/04	Friday 2/13/04	Friday 2/20/04	Friday 2/27/04	January 1/30/03	February 2/27/03	TOTAL
		Forecast for the Week Ending																		Forecast for the Month Ending		
CASH IN BANK			1,276	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
RECEIPTS																						
TRADE	1		3,395	2,974	2,974	2,974	3,558	3,568	3,558	3,553	2,780	2,936	2,946	2,950	2,936	3,065	3,060	3,060	3,060	14,548	12,245	53,348
OTHER	2		121	160	–	398	–	–	–	400	–	–	–	–	400	–	–	–	400	400	400	1,879
INTERCOMPANY RECEIPTS BY CORPORATE	8		13	–	2,584	530	657	434	329	348	654	389	494	389	408	681	472	368	386	2,334	1,906	9,134
TOTAL RECEIPTS			3,529	3,134	5,558	3,902	4,215	4,002	3,888	4,301	3,434	3,325	3,440	3,339	3,744	3,746	3,532	3,428	3,846	17,282	14,551	64,362
DISBURSEMENTS																						
PAYROLL & RELATED	3		(718)	(1,140)	(564)	(670)	(796)	(759)	(504)	(670)	(737)	(520)	(775)	(520)	(686)	(737)	(775)	(520)	(686)	(3,238)	(2,718)	(11,777)
MATERIAL	4		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
CONSUMMABLES	5		(187)	(208)	(266)	(208)	(208)	(208)	(264)	(208)	(208)	(208)	(208)	(258)	(208)	(208)	(208)	(258)	(208)	(1,090)	(882)	(3,729)
FREIGHT & CUSTOMS			(237)	(253)	(253)	(253)	(253)	(253)	(253)	(245)	(238)	(253)	(253)	(253)	(253)	(253)	(253)	(253)	(253)	(1,250)	(1,012)	(4,262)
UTILITIES			(228)	(84)	(429)	(514)	(148)	(84)	(348)	(595)	(148)	(84)	(84)	(429)	(514)	(148)	(84)	(301)	(514)	(1,259)	(1,047)	(4,736)
OTHER	6		(356)	(157)	(1,343)	(228)	(513)	(413)	(236)	(238)	(516)	(235)	(408)	(235)	(238)	(518)	(402)	(238)	(237)	(1,632)	(1,395)	(6,511)
PROFESSIONAL FEES			(384)	(79)	(1,100)	(521)	(268)	(268)	(268)	(268)	(268)	(335)	(335)	(335)	(335)	(305)	(305)	(305)	(305)	(1,608)	(1,220)	(5,983)
DIP INTEREST AND CLOSING FEE			(22)				(16)			(42)										(49)	(67)	(80)
TOTAL DISBURSEMENTS			(2,132)	(1,921)	(3,955)	(2,394)	(2,202)	(1,985)	(1,873)	(2,266)	(2,115)	(1,635)	(2,063)	(2,030)	(2,234)	(2,169)	(2,027)	(1,875)	(2,203)	(10,077)	(8,274)	(37,078)
NET INTERCOMPANY (excluding cont. to corporate)	9		(1,104)	(2,401)	(1,570)	(2,020)	(1,661)	(1,626)	(1,211)	(1,661)	(1,622)	(1,765)	(1,350)	(1,800)	(1,800)	(1,804)	(1,389)	(1,839)	(1,839)	(8,338)	(6,872)	(28,463)
CHANGE IN CASH			293	(1,188)	33	(512)	352	391	804	374	(303)	(75)	26	(491)	(290)	(228)	116	(286)	(196)	(1,133)	(594)	(1,179)
DIP (ADVANCES TO)/REPAYMENTS FROM DOCAP			–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
IFASTGROUPE DIP ADVANCE/(REPAYMENT)			(285)	594	(17)	256	(176)	(195)	(402)	(187)	152	37	(13)	245	145	114	(58)	143	98	566	297	452
IVACO ROLLING MILLS DIP ADVANCE/(REPAYMENT)			(285)	594	(17)	256	(176)	(195)	(402)	(187)	152	37	(13)	245	145	114	(58)	143	98	566	297	452
ENDING CASH IN BANK		1,276	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
ENDING DIP OUTSTANDING TO IFASTGROUPE		(600)	(316)	(909)	(893)	(1,148)	(972)	(777)	(375)	(188)	(340)	(377)	(364)	(609)	(755)	(868)	(811)	(954)	(1,052)	(755)	(1,052)	
ENDING DIP OUTSTANDING TO IVACO ROLLING MILLS		(600)	(316)	(909)	(893)	(1,148)	(972)	(777)	(375)	(188)	(340)	(377)	(364)	(609)	(755)	(868)	(811)	(954)	(1,052)	(755)	(1,052)	
ENDING TOTAL IVACO DIP FACILITY BALANCE		(1,200)	(631)	(1,819)	(1,785)	(2,297)	(1,944)	(1,554)	(750)	(376)	(680)	(754)	(728)	(1,219)	(1,509)	(1,737)	(1,621)	(1,907)	(2,103)	(1,509)	(2,103)	
ENDING DIP BALANCE OWING FROM DOCAP		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	

IVACO - Ivaco Rolling Mills Limited Partnership
Cash Flow Forecast
Period Ended February 2004

(in thousands)	Notes	Friday 10/31/03	Friday 11/7/03	Friday 11/14/03	Friday 11/21/03	Friday 11/28/03	Friday 12/5/03	Friday 12/12/03	Friday 12/19/03	Friday 12/26/03	Friday 1/2/04	Friday 1/9/04	Friday 1/16/04	Friday 1/23/04	Friday 1/30/04	Friday 2/6/04	Friday 2/13/04	Friday 2/20/04	Friday 2/27/04	January 1/30/04	February 2/27/04	TOTAL
		Forecast for the Week Ending																		Forecast for the Month Ending		
		Note 1																				
CASH IN BANK			1,354	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,354
RECEIPTS																						
TRADE	1		5,571	6,151	7,828	9,469	5,678	5,678	7,506	7,255	7,255	5,493	5,493	7,442	6,992	5,431	5,431	6,911	6,911	32,676	24,682	112,493
OTHER	2		929	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	929
TOTAL RECEIPTS			6,500	6,151	7,828	9,469	5,678	5,678	7,506	7,255	7,255	5,493	5,493	7,442	6,992	5,431	5,431	6,911	6,911	32,676	24,682	113,422
DISBURSEMENTS																						
PAYROLL & RELATED	3		(790)	(1,395)	(760)	(1,040)	(1,085)	(1,000)	(760)	(1,040)	(1,024)	(749)	(889)	(699)	(979)	(1,024)	(939)	(699)	(979)	(4,340)	(3,641)	(15,851)
MATERIAL	4		(4,660)	(5,547)	(5,271)	(5,271)	(4,974)	(4,974)	(4,974)	(4,724)	(4,592)	(5,663)	(5,663)	(5,663)	(5,663)	(5,554)	(5,554)	(5,554)	(5,554)	(27,242)	(22,214)	(89,849)
CONSUMMABLES	5		(292)	(645)	(654)	(654)	(523)	(523)	(523)	(523)	(161)	(627)	(627)	(627)	(627)	(592)	(592)	(592)	(592)	(2,669)	(2,368)	(9,373)
FREIGHT, CUSTOMS & DUMPING DUTY			(1,443)	(1,401)	(1,401)	(1,401)	(1,180)	(1,180)	(1,180)	(1,180)	(1,180)	(1,401)	(1,401)	(1,401)	(1,401)	(1,399)	(1,399)	(1,399)	(1,399)	(6,782)	(5,594)	(22,740)
UTILITIES			(355)	(761)	(938)	(733)	(558)	(558)	(1,008)	(558)	(723)	(558)	(558)	(1,008)	(583)	(708)	(558)	(558)	(583)	(3,430)	(2,407)	(11,306)
OTHER	6		(976)	(943)	(893)	(1,155)	(924)	(1,107)	(943)	(1,155)	(931)	(931)	(1,219)	(931)	(1,194)	(931)	(1,219)	(931)	(1,194)	(5,207)	(4,276)	(17,578)
PROFESSIONAL FEES			–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
DIP INTEREST AND CLOSING FEE			(43)	–	–	(34)	–	–	–	(37)	–	–	–	–	(33)	–	–	–	(46)	(33)	(46)	(193)
CONTRIBUTIONS TO CORPORATE	7		–	–	(1,346)	(284)	(419)	(196)	(174)	(183)	(342)	(207)	(229)	(207)	(216)	(357)	(217)	(195)	(204)	(1,201)	(972)	(4,776)
TOTAL DISBURSEMENTS			(8,559)	(10,691)	(11,262)	(10,571)	(9,663)	(9,538)	(9,561)	(9,399)	(8,953)	(10,135)	(10,585)	(10,535)	(10,695)	(10,564)	(10,477)	(9,927)	(10,550)	(50,903)	(41,518)	(171,665)
NET INTERCOMPANY (excluding cont. to corporate)	9		1,967	3,923	4,449	3,390	3,408	3,437	3,438	1,656	2,219	3,656	3,498	3,497	3,398	3,692	3,692	3,692	3,676	16,269	14,754	56,689
CHANGE IN CASH			(92)	(617)	1,015	2,287	(577)	(422)	1,383	(489)	521	(986)	(1,593)	405	(305)	(1,441)	(1,354)	676	37	(1,958)	(2,083)	(1,553)
DIP (ADVANCES TO)/REPAYMENTS FROM IVACO			285	(594)	17	(256)	176	195	402	187	(152)	(37)	13	(245)	(145)	(114)	58	(143)	(98)	(566)	(297)	(452)
IRM DIP ADVANCE FROM/(REPAYMENT) TO GE			(547)	1,211	(1,031)	(2,031)	400	227	(1,785)	302	(369)	1,023	1,580	(159)	450	1,555	1,296	(533)	61	2,525	2,379	1,650
ENDING CASH IN BANK		1,354	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
ENDING DIP FACILITY BALANCE		(4,561)																				
DEPOSITS MADE INTO THE RBC BLOCKED ACCOUNT OCT 31		(3,300)																				
ENDING DIP FACILITY BALANCE	10	(7,861)	(7,314)	(8,526)	(7,494)	(5,463)	(5,863)	(6,090)	(4,306)	(4,608)	(4,239)	(5,262)	(6,842)	(6,683)	(7,132)	(8,687)	(9,983)	(9,451)	(9,512)	(7,132)	(9,512)	(9,512)
COURT AUTHORIZED DIP BORROWING LIMIT		(11,500)	(11,500)	(11,500)	(11,500)	(11,500)	(11,500)	(11,500)	(11,500)	(11,500)	(11,500)	(11,500)	(11,500)	(11,500)	(11,500)	(11,500)	(11,500)	(11,500)	(11,500)	(11,500)	(11,500)	(11,500)
DIP AVAILABILITY REDUCED FOR LETTERS OF CREDIT	11	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
ADJUSTED DIP BORROWING LIMIT		(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
ENDING DIP BALANCE OWING FROM IVACO		(600)	(316)	(909)	(893)	(1,148)	(972)	(777)	(375)	(188)	(340)	(377)	(364)	(609)	(755)	(868)	(811)	(954)	(1,052)	(755)	(1,052)	(1,052)

IVACO - Ifastgroupe and Company, Limited Partnership
Cash Flow Forecast
Period Ended February 2004

(in thousands)	Notes	Forecast for the Week Ending																		Forecast for the Month Ending		
		Friday 10/31/03	Friday 11/7/03	Friday 11/14/03	Friday 11/21/03	Friday 11/28/03	Friday 12/5/03	Friday 12/12/03	Friday 12/19/03	Friday 12/26/03	Friday 1/2/04	Friday 1/9/04	Friday 1/16/04	Friday 1/23/04	Friday 1/30/04	Friday 2/6/04	Friday 2/13/04	Friday 2/20/04	Friday 2/27/04	January 1/30/03	February 2/27/03	TOTAL
OPENING (DIP FACILITY BALANCE)/CASH			1,490	3,342	2,747	1,747	2,311	5,309	5,487	5,507	7,384	10,080	8,806	7,305	5,972	6,270	6,582	4,713	4,514	7,384	6,270	1,490
RECEIPTS																						
TRADE	1		5,161	10,997	5,322	5,713	8,465	5,462	4,816	5,541	6,563	4,689	4,264	4,188	4,713	6,502	4,629	5,428	5,871	24,416	22,430	98,323
OTHER	2		-	-	-	-	-	-	-	-	–	–	–	–	–	–	–	–	–	-	-	-
TOTAL RECEIPTS			5,161	10,997	5,322	5,713	8,465	5,462	4,816	5,541	6,563	4,689	4,264	4,188	4,713	6,502	4,629	5,428	5,871	24,416	22,430	98,323
DISBURSEMENTS																						
PAYROLL & RELATED	3		(721)	(716)	(753)	(969)	(757)	(711)	(754)	(728)	(1,061)	(737)	(812)	(703)	(1,053)	(713)	(805)	(710)	(1,055)	(4,366)	(3,283)	(13,758)
MATERIAL	4		–	(26)	(75)	(121)	–	(1,128)	(1,166)	(123)	–	(47)	(40)	(826)	(39)	(49)	(40)	(3,064)	(39)	(952)	(3,192)	(6,783)
CONSUMMABLES	5		(602)	(477)	(439)	(509)	(530)	(525)	(530)	(525)	(457)	(452)	(459)	(448)	(459)	(527)	(533)	(527)	(533)	(2,277)	(2,121)	(8,537)
FREIGHT & CUSTOMS			(353)	(552)	(223)	(502)	(223)	(223)	(176)	(557)	(218)	(218)	(193)	(479)	(179)	(182)	(197)	(522)	(229)	(1,287)	(1,130)	(5,225)
UTILITIES			(100)	(44)	(126)	(54)	(81)	(84)	(82)	(82)	(32)	(163)	(32)	(112)	(58)	(99)	(76)	(100)	(49)	(397)	(324)	(1,374)
OTHER	6		(1,064)	(6,433)	(1,588)	(1,080)	(1,849)	(220)	(108)	(1,609)	(824)	(2,384)	(1,929)	(468)	(782)	(2,138)	(2,320)	1,953	(1,161)	(6,387)	(3,666)	(24,003)
PROFESSIONAL FEES			–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
DIP INTEREST AND CLOSING FEE			(17)	–	–	–	(2)	–	–	–	(2)	–	–	–	(2)	–	–	–	(2)	(4)	(2)	(25)
CONTRIBUTIONS TO CORPORATE	7		–	–	(1,162)	(245)	(387)	(177)	(155)	(164)	(307)	(182)	(205)	(182)	(192)	(319)	(195)	(173)	(182)	(1,069)	(870)	(4,229)
TOTAL DISBURSEMENTS			(2,858)	(8,248)	(4,366)	(3,480)	(3,829)	(3,068)	(2,971)	(3,789)	(2,901)	(4,184)	(3,670)	(3,219)	(2,764)	(4,027)	(4,167)	(3,143)	(3,250)	(16,739)	(14,587)	(63,935)
NET INTERCOMPANY (excluding cont. to corporate)	9		(736)	(2,751)	(1,973)	(1,412)	(1,814)	(2,411)	(2,227)	(62)	(814)	(1,741)	(2,108)	(2,056)	(1,505)	(2,049)	(2,389)	(2,341)	(1,840)	(8,224)	(8,619)	(30,229)
CHANGE IN CASH			1,567	(1)	(1,017)	820	2,822	(17)	(382)	1,690	2,848	(1,236)	(1,515)	(1,087)	443	426	(1,927)	(56)	781	(547)	(777)	4,158
DIP (ADVANCES TO)/REPAYMENTS FROM IVACO			285	(594)	17	(256)	176	195	402	187	(152)	(37)	13	(245)	(145)	(114)	58	(143)	(98)	(566)	(297)	(452)
ENDING CASH IN BANK		1,490	3,342	2,747	1,747	2,311	5,309	5,487	5,507	7,384	10,080	8,806	7,305	5,972	6,270	6,582	4,713	4,514	5,197	6,270	5,197	5,197
ENDING IFASTGROUPE DIP FACILITY BALANCE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
ENDING DIP BALANCE OWING FROM IVACO		(600)	(316)	(909)	(893)	(1,148)	(972)	(777)	(375)	(188)	(340)	(377)	(364)	(609)	(755)	(868)	(811)	(954)	(1,052)	(755)	(1,052)	
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	3,500	3,500	3,500	3,500	
DIP AVAILABILITY REDUCED FOR LETTERS OF CREDIT		–	–	(2,000)	(2,400)	(2,400)	(3,200)	(2,195)	(1,029)	(1,029)	(1,029)	(1,579)	(2,379)	(1,599)	(1,599)	(2,149)	(2,949)	–	–	(1,599)	-	
ADJUSTED DIP BORROWING LIMIT		3,500	3,500	1,500	1,100	1,100	300	1,305	2,471	2,471	2,471	1,921	1,121	1,901	1,901	1,351	551	3,500	3,500	1,901	3,500	

IVACO - DOCAP (1985) Corporation
Cash Flow Forecast
Period Ended February 2004

(in thousands)	Notes	Forecast for the Week Ending Friday 10/31/03	Friday 11/7/03	Friday 11/14/03	Friday 11/21/03	Friday 11/28/03	Friday 12/5/03	Friday 12/12/03	Friday 12/19/03	Friday 12/26/03	Friday 1/2/04	Friday 1/9/04	Friday 1/16/04	Friday 1/23/04	Friday 1/30/04	Friday 2/6/04	Friday 2/13/04	Friday 2/20/04	Friday 2/27/04	Forecast for the Month Ending January 1/30/03	February 2/27/04	TOTAL
CASH IN BANK			692	658	677	769	698	614	648	732	801	864	894	1,046	1,138	1,014	869	847	944	801	1,014	
RECEIPTS																						
TRADE	1		98	260	550	210	210	273	560	200	260	278	485	475	185	188	245	470	200	1,683	1,103	5,147
OTHER	2		15	4	–	–	5	–	–	–	5	–	–	–	–	5	–	–	–	5	5	36
TOTAL RECEIPTS			113	264	550	210	215	273	560	200	265	278	485	475	185	193	245	470	200	1,688	1,108	5,182
DISBURSEMENTS																						
PAYROLL & RELATED	3		(78)	(18)	(75)	(39)	(51)	(18)	(101)	(13)	(24)	(46)	(44)	(59)	(67)	(50)	(46)	(49)	(53)	(240)	(198)	(831)
MATERIAL	4		(30)	(129)	(129)	(129)	(129)	(129)	(129)	(75)	(89)	(129)	(129)	(129)	(129)	(129)	(129)	(129)	(129)	(605)	(516)	(2,001)
FREIGHT & CUSTOMS			(21)	(11)	(11)	(11)	(11)	(11)	(11)	(1)	(1)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(47)	(45)	(183)
UTILITIES			(2)	(7)	–	–	–	–	(10)	–	–	–	–	–	–	–	–	–	–	–	–	(19)
OTHER	6		(16)	(80)	(81)	(101)	(104)	(80)	(157)	(41)	(84)	(61)	(148)	(77)	(101)	(144)	(80)	(89)	(111)	(471)	(424)	(1,557)
PROFESSIONAL FEES			–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	-
DIP INTEREST AND CLOSING FEE			–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	-
CONTRIBUTIONS TO CORPORATE	7		–	–	(17)	–	(4)	–	–	–	(4)	–	–	–	–	(4)	–	–	–	(4)	(4)	(30)
TOTAL DISBURSEMENTS			(147)	(246)	(313)	(281)	(300)	(239)	(409)	(131)	(203)	(248)	(333)	(277)	(309)	(339)	(267)	(279)	(305)	(1,368)	(1,188)	(4,620)
NET INTERCOMPANY (excluding cont. to corporate)	9		–	–	(145)	–	–	–	(68)	–	–	–	–	(107)	–	–	–	(95)	–	(107)	(95)	(415)
CHANGE IN CASH			(34)	19	92	(71)	(84)	34	83	69	63	30	152	91	(124)	(146)	(22)	96	(105)	213	(175)	147
ENDING CASH IN BANK		692	658	677	769	698	614	648	732	801	864	894	1,046	1,138	1,014	869	847	944	839	1,014	839	
ENDING DIP FACILITY BALANCE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	

APPENDIX D

Jeffrey D Kerbel

29/10/2003 07:59 PM

To: "Alain Daigle" <adaigle@gff.qc.ca>, "Amanda Kushnir" <amanda.kushnir@blakes.com>, "Andrew Kent" <andrew.kent@mcmillanbinch.com>, "Aubrey Kauffman" <akauffman@goodmancarr.com>, "Berl Nadler" <bnadler@dwpv.com>, "Brent Beekenkemp" <brent.beekenkamp@ca.ey.com>, "Cameron MacLeod" <cameron.macleod@opg.com>, "Charles Hurdon" <churdon@ogilvyrenault.com>, "Dan MacDonald" <dan.macdonald@mcmillanbinch.com>, "David Cohen" <david.cohen@gowlings.com>, "Deborah Grieve" <dgrieve@blaney.com>, "Diane Brooks" <dbrooks@goodmancarr.com>, "Dimitri Maniatis" <dimitri.maniatis@lkdnet.com>, "Donald Baty, Jr." <dbaty@honigman.com>, "Donald Milner" <dmilner@tor.fasken.com>, "Doug Black" <dblack2@bellnet.ca>, "Doug Lefaive" <douglefaive@sgmlaw.com>, "E. Peter Auvinen" <epauvinen@millerthomson.ca>, "Ed Lamek" <elamek@tor.fasken.com>, "Eric Vallieres" <evallieres@mendelsohn.ca>, "Fred Tayar" <fred@fredtayar.com>, "Gary Kaplan" <Gary.Kaplan@ffhsj.com>, "Geoff Ketcheson" <gketch@woolvan.com>, "Gerry Apostolatos" <gerry.apostolatos@lkdnet.com>, "Gus Camelino" <gcamelino@mcleankerr.com>, "James Thomson" <jpthomson@pmlaw.com>, "Jay Swartz" <jswartz@dwpv.com>, "Jeffrey Carhart" <jcarhart@millerthomson.ca>, "Jeffrey Larry" <jlarry@goodmancarr.com>, "Keith Landy" <klandy@landymarr.com>, "Kevin Zych" <zychk@bennettjones.ca>, "Lisa Corne" <lisa.corne@blakes.com>, "Lisa Sommers Gretchko" <gretchkol@pepperlaw.com>, "Lise Vautour" <lise.vautour@sitq.com>, "Lorne Segal" <lorne.segal@gowlings.com>, "Mario Forte" <mforte@ogilvyrenault.com>, "Matthew Gottlieb" <mgottlieb@dwpv.com>, "Matthew Milne-Smith" <mmilne-smith@dwpv.com>, "Max Mendelsohn" <mmendelsohn@mendelsohn.ca>, "Michael Anderson" <michael.anderson@gowlings.com>, "Michael Barrack" <mbarrack@mccarthy.ca>, "Michael Kainer" <michaelkainer@sgmlaw.com>, "Milly Chow" <milly.chow@blakes.com>, "Paula Turtle" <pturtle@uswa.ca>, "Peter Howard" <phoward@stikeman.com>, "Rachel Conway" <rachel.conway@gowlings.com>, "Richard Orzy" <orzyr@bennettjones.ca>, "Robert Staley" <staleyr@bennettjones.ca>, "Robin Cumine" <rcumine@mcleankerr.com>, "Robin Schwill" <rschwill@osler.com>, "Samantha Bishop" <samantha.bishop@gerlingncm.com>, "Sermina Rizvic" <sermina.rizvic@mcmillanbinch.com>, "Sheryl Seigel" <sseigel@tor.fasken.com>, "Steven Golick" <sgolick@osler.com>, "Sylvain Vauclair" <savauclair@mccarthy.ca>, "Terry Dolan" <tdolan@mccarthy.ca>, "Timothy Banks" <tbanks@stikeman.com>, "Wael Rostom" <wael.rostom@mcmillanbinch.com>, "Xeno Martis" <xmartis@mtl.fasken.com>, "Yves Robillard" <yrobillard@belangersauve.com>

cc:

Subject: Ivaco Inc.

To the Service List:

The Ivaco Data Room is now operational. This room has been set up in Montreal at Ernst & Young Inc.'s offices at 800 Rene-Levesque Blvd., Suite1900. Attached for your review are the following documents:

1. Data room protocol;
2. Data room reservation form;

3. Index of documents (which will be updated regularly); and
4. confidentiality agreement

Confidentiality agreements and reservation forms should be completed and returned to the Monitor to the attention of Mr. Martin Kamil (fax number 514-875-8749) to secure your reservation.

Data Room Protocol.do Data Room Reservation Form.d Confidentiality Agreement for Data Room.

Ivaco-Data Room Index.xl

Jeffrey D. Kerbel, CA, CIRP
Vice-President
Ernst & Young Inc.
416-943-3545
416-943-3300 (fax)
jeffrey.kerbel@ca.ey.com
**Please update your address book with my new e-mail address:
jeffrey.kerbel@ca.ey.com

Ivaco Group – Data Room Protocol

Companies:	Ivaco Inc., Ivaco Rolling Mills Inc., Ifastgroupe Inc., IFC (Fasteners) Inc. Docap (1985) Corporation (collectively the "Companies")
Place:	**Ernst & Young Inc.** 800 Rene-Levesque Blvd., Suite1900, Montreal 514-874-4686
Dates:	Commencing October 31, 2003.
Room and Services:	1 office (maximum of 4 people); one creditor group at a time
Contact:	Martin Kamil (514-874-4686)
Visiting Hours:	09:00 to 17:00 daily (extensions will be available upon request only)
Photocopies:	Parties visiting the data room will not be allowed to remove original documents. Requests for copies of documents will be considered on a case-by-case basis. Photocopying charges will be billed to the recipient of the copies.
Security:	The data room will contain one complete set of the data room contents. At the end of each visit/day, the contents will be verified by an Ernst & Young Inc. representative to ensure their integrity and that no pages have been inadvertently removed or marked up.
Questions Relating to Information:	All questions relating to information contained in the data room should be addressed, in writing (using the form to be provided), and delivered to an Ernst & Young Inc. representative to be provided to the Companies management
Questions Relating to Language:	Some of the information contained in the data room will be in French. Parties are responsible for providing their own means of translation.

Ivaco Inc. – Data Room Reservation Form

Please complete the following information and return by fax (514-875-8749) to the attention of Martin Kamil.

Data Room Visit Dates : (1 day per group)

October 30, 2003	☐	November 17, 2003	☐
October 31, 2003	☐	November 18, 2003	☐
November 3, 2003	☐	November 19, 2003	☐
November 4, 2003	☐	November 20, 2003	☐
November 5, 2003	☐	November 21, 2003	☐
November 6, 2003	☐	November 24, 2003	☐
November 7, 2003	☐	November 25, 2003	☐
November 10, 2003	☐	November 26, 2003	☐
November 11, 2003	☐	November 27, 2003	☐
November 12, 2003	☐	November 28, 2003	☐
November 13, 2003	☐	December 1, 2003	☐
November 14, 2003	☐	December 2, 2003	☐

Note: All parties will be contacted as soon as possible to confirm their visiting dates.

Data Room List of Attendees:

	Name	Title	Company
1	____________	____________	____________
2	____________	____________	____________
3	____________	____________	____________
4	____________	____________	____________

CONFIDENTIALITY AGREEMENT

, 2003

Ivaco Inc.
770, Rue Sherbrooke Ouest
Montreal, QC H3A 1G1

Attention: Hugh W. Blakely
Vice President Finance

Dear Sirs:

In connection with the filing made by Ivaco Inc. (the "Company") and certain of its subsidiaries and affiliates under the *Companies' Creditors Arrangements Act* (Canada) on September 16, 2003 and the Company's efforts to arrive at a proposed restructuring of the Company and certain of its subsidiaries and affiliates (a "Restructuring"), the Company has furnished, and will furnish, to us information which is either non-public, confidential or proprietary in nature. All information in whatever form (including, without limitation, oral information) furnished to us, our directors, officers, employees, agents or representatives, including our lawyers, accountants, consultants, financial advisors and lenders (collectively, "representatives"), and all analyses, compilations, data, studies or other documents or records (whether in writing or stored in computerized, electronic, disk, tape, microfilm or any other form) prepared by us or our representatives containing or based upon, in whole or in part, any such furnished information, is called the "Information" in this agreement. The term "Information" also includes all information furnished by or on behalf of the Company or any of its subsidiaries or affiliates (individually, an "Affiliate Company" and collectively, the "Affiliate Companies") to us or any of our representatives concerning the business, affairs, operations, results of operations, liabilities, prospects, financial condition or assets of any Affiliate Company.

For the purposes of this agreement, a person shall be deemed to be an "affiliate" of each other person which, directly or indirectly through one or more intermediaries, controls the other person or is controlled by or is under common control with the other person. A person shall be deemed to control, or be controlled by, another person hereunder if (a) in the case of a corporation, a person owns or controls, directly or indirectly, at least 50% of the outstanding voting securities or other beneficial interests of or in such corporation and the voting or other exercise of rights pertaining to such securities or interests entitles the person to elect a majority of the board of directors or similar managing body of such corporation, and (b) in the case of a partnership (general or limited), either (i) a person has the power to exercise more than 50% of the voting rights in such partnership or (ii) a person has the power to cause the direction of the management and policies of such partnership. For greater certainty, each of Ifastgroupe and Company, Limited Partnership and its subsidiaries and Ivaco Rolling Mills Limited Partnership shall be deemed to be an "affiliate" of the Company for purposes of this agreement. "Person" includes any individual, body corporate, partnership, joint venture, association, trust, unincorporated organization, the Crown or any other governmental agency or instrumentality or any other entity.

In consideration of and as a condition to the Company or any Affiliate Company furnishing Information to us, we agree as follows:

1. We will keep the Information confidential and, except as otherwise permitted below, will not without the prior written consent of the Company, disclose the Information or any part of it in any manner whatever, and we will not use the Information or any part of it, directly or indirectly, for any purpose other than evaluating or effecting a Restructuring. Moreover, we agree that we will furnish Information only to those representatives who need to know that Information and only to the extent necessary to evaluate or effect a Restructuring. We will ensure that our representatives observe and perform all of the covenants we have agreed herein to keep to the same extent as if they had signed this agreement. We agree to be liable to you for any breach of this agreement by any of our representatives. Before disclosing any Information to any representative we will provide the Company with the indemnity of each such person and a letter, signed by each such person and addressed to the Company, substantially identical hereto.

2. If at any time after Information is furnished to us, the Company so requests and for any reason whatsoever, we will promptly (and, in any event, within three business days after the Company's written request) deliver to the Company all Information furnished by the Company or any Affiliated Company or their representatives without retaining any copies thereof. In such event, within the same time period and except to the extent that we are prohibited from doing so under applicable law, we will also ensure that all documents and other data (whether in writing or stored in computerized, electronic, disk, tape, microfilm or any other form) constituting or containing Information created by us or on our behalf are destroyed or permanently erased, as the case may be. Information prepared by us exclusively from publicly available information may be retained by us.

3. This agreement shall not apply to those portions of the Information which (i) are, or prior to the time of disclosure or utilization, have become, generally available to the public other than as a result of disclosure by us or our representatives in breach of this agreement; (ii) have been made, or, prior to the time of disclosure or utilization, have become, available to us on a non-confidential basis from a source other than the Company or an Affiliate Company or any of their representatives, provided that such source is not known to, or believed by, us or our representatives, after due inquiry, to be bound by a confidentiality agreement with the Company or an Affiliate Company or any of their representatives or otherwise prohibited from transmitting the Information to us by a contractual, legal or fiduciary obligation; or (iii) we are able to demonstrate such Information was known to us on a non-confidential basis prior to its disclosure to us by the Company or an Affiliate Company or their representatives.

4. Although we understand that the Company will endeavour to include in the Information data which is believed to be reliable and relevant for the purpose of our evaluation, we acknowledge that the Company does not make any representation or warranty as to the accuracy or completeness of the Information. We agree that the Information may include certain assumptions, statements, estimates and projections with respect to the anticipated future performance of the business of the Company or an Affiliate Company or with respect to particular aspects of their businesses. We agree that none of the Company, the Affiliate Companies nor any of their respective representatives makes any representation or warranty as to the accuracy or reasonableness of such assumptions, statements, estimates or projections. We also agree that none of the Company, the Affiliate Companies nor any of their respective representatives shall have any liability, direct or indirect, to us or to any of our representatives as a result of errors in, omissions from or the use of Information by us or our representatives. We and the Company also acknowledge and agree that, except for the obligations created under this agreement, none of the Company, the Affiliate Companies nor any of their respective representatives will have any legal obligation or liability of any nature whatsoever to us with respect to a Restructuring or such other transaction by virtue of this agreement.

5. If we or any person to whom we transmit Information becomes legally compelled to disclose any of the Information, we will promptly provide the Company with written particulars so that the Company or any of the Affiliate Companies (as the Company may determine) may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this agreement. If such protective order or other remedy is not obtained, or if the Company waives compliance with the provisions of this agreement, we or our representatives will furnish only that portion of the Information which in the opinion of our counsel is legally required to be furnished and we will exercise our commercially reasonable efforts to obtain assurance that confidential treatment will be accorded such Information.

6. We acknowledge and agree that access by us and/or our representatives to the Information may provide us with material information concerning the Company which has not been publicly disclosed. Accordingly, we may be subject to applicable securities laws which would restrict our ability to trade in any securities of the Company. We acknowledge and agree that we are aware of such laws.

7. We hereby acknowledge and agree that the provisions of this agreement are reasonable and necessary to protect the interests of the Company and the Affiliated Companies and that a breach of this agreement by us may result in irreparable damage to either Company or an Affiliated Company for which a remedy at law may not be adequate. In the event of any such breach, in addition to any other remedy provided herein or by law or in equity, the Company shall be entitled to seek specific enforcement of the terms hereof, including, without limitation, appropriate injunctive relief restraining us from any such breach, and that no notice, bond or other security shall be required in connection therewith. In the event the Company or an Affiliate Company incurs any costs or expenses (including lawyers' fees) as a result of a breach of this agreement by us, in addition to any other remedy provided herein or by law or in equity,

we shall pay all such reasonable costs and expenses (including lawyers' fees) upon demand by the Company.

8. By entering into this agreement, we acknowledge that the Company acts as trustee for the Affiliate Companies with respect to all rights contemplated hereunder arising in favour of an Affiliate Company. The Company agrees to accept such trust and hold and enforce such rights on behalf of each Affiliate Company. It is further understood and agreed that no failure or delay by the Company in exercising any right, power or privilege under this agreement shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise of any right, power or privilege hereunder. This agreement may not be terminated or modified, nor may any of its provisions be waived, except by written instrument signed by us and by you.

9. Any notice, demand or other communication required or permitted by this agreement to be given hereunder shall be in writing and shall be delivered by courier on a business day at the relevant address set forth below and sent by facsimile transmission or other means of electronic communication that produces a written record and confirms receipt ("electronic transmission"),

(a) in the case of the Company, to:

Ivaco Inc.
770, Rue Sherbrooke Ouest
Montreal, QC H3A 1G1
Attention: Hugh W. Blakely
Facsimile: (514) 288-7814

with a copy by facsimile to:

Davies Ward Phillips & Vineberg LLP
1 First Canadian Place
Suite 4400, Box 63
Toronto, ON M5X 1B1
Attention: I. Berl Nadler
Facsimile: (416) 863-0871

(b) in our case, to:

____

____

____

____

Attention: __________________
Facsimile: __________________

Any notice, demand or other communication so given or made shall be deemed to have been given and received on the day of delivery, if so delivered, and on the day of sending, by electronic transmission, if delivered or sent during the normal business hours of the addressee on a business day and, if not, on the first business day thereafter. Either party may from time to time change its address for notice by notice to the other party hereto given in the manner aforesaid.

10. This agreement shall be governed by, and construed and enforced in accordance with, the laws of the Province of Ontario (excluding any conflict of law rules or principle which might refer such construction to the laws of another jurisdiction). Each party irrevocably attorns to and submits to the non-exclusive jurisdiction of the courts of the Province of Ontario with respect to any matter arising hereunder or relating hereto.

11. This agreement may be validly executed by facsimile transmission and in any number of counterparts, all of which taken together shall constitute one and the same agreement and each of which shall constitute an original.

12. In the event any provision of this agreement shall be held to be invalid or unenforceable in any respect, such provision shall be enforceable to the fullest extent permitted by law and the remaining provisions of this agreement shall remain in full force and effect.

13. Each party shall bear its own fees and expenses incurred in connection with or related to this agreement, including the expenses of brokers, lawyers, accountants and investment bankers.

Please indicate your agreement to the foregoing by signing and returning one copy of this letter to us whereupon this letter will constitute our agreement with respect to the subject matter hereof.

Yours very truly,

____

By:______________________________________
Name:
Title:

Accepted and agreed to as of the date set forth above.

IVACO INC.

By: ____________________________

Name: Hugh W. Blakely
Title: Vice President Finance

Ivaco Inc.

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Data Room Materials:

Please note that all major sections and headers are separated by yellow sheets.
All minor sections are separated by green sheets.

		Binder #	Language
1.0	**IVACO INC.**		
	Pension Plan for Designated Hourly Rated Employees		
	Pension Plan for Salaried Employees	1	E
	Resolution: Pension Plan for Salaried Employees	1	E
	Notice of Proposed Amendment: Pension Plan for Salaried Employees	1	F/E
	Letter to the Régie des rentes du Québec re: Pension Plan for Salaried Employees	1	F/E
	Letter to the Financial Services of Ontario re: Pension Plan for Salaried Employees	1	E
	Monthly Financials (January 2002)	2	E
	Monthly Financials (February 2002)	2	E
	Monthly Financials (March 2002)	2	E
	Monthly Financials (April 2002)	2	E
	Monthly Financials (May 2002)	2	E
	Monthly Financials (June 2002)	2	E
	Monthly Financials (July 2002)	2	E
	Monthly Financials (August 2002)	2	E
	Monthly Financials (September 2002)	2	E
	Monthly Financials (October 2002)	2	E
	Monthly Financials (November 2002)	2	E
	Monthly Financials (December 2002)	2	E
	Monthly Financials (February 2003)	2	E
	Monthly Financials (March 2003)	2	E
	Monthly Financials (April 2003)	2	E
	Monthly Financials (May 2003)	2	E
	Monthly Financials (June 2003)	2	E
	Monthly Financials (July 2003)	2	E

Ivaco Inc.

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Please note that all major sections and headers are separated by yellow sheets.
All minor sections are separated by green sheets.

		Binder #	Language
1.1	**Ivacan Inc.**		
	Monthly Financials (January 2002)	2	E
	Monthly Financials (February 2002)	2	E
	Monthly Financials (April 2002)	2	E
	Monthly Financials (May 2002)	2	E
	Monthly Financials (June 2002)	2	E
	Monthly Financials (July 2002)	2	E
	Monthly Financials (August 2002)	2	E
	Monthly Financials (September 2002)	2	E
	Monthly Financials (November 2002)	2	E
	Monthly Financials (December 2002)	2	E
	Monthly Financials (February 2003)	2	E
	Monthly Financials (March 2003)	2	E
	Monthly Financials (May 2003)	2	E
	Monthly Financials (June 2003)	2	E
	Monthly Financials (July 2003)	2	E
	Annual Financials (2002)	2	E

Ivaco Inc.

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Please note that all major sections and headers are separated by yellow sheets.
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	Binder #	Language
1.2 Ivaco Steel Processing (New York) LLC		
Monthly Financials (January 2002)	3	E
Monthly Financials (February 2002)	3	E
Monthly Financials (March 2002)	3	E
Monthly Financials (April 2002)	3	E
Monthly Financials (May 2002)	3	E
Monthly Financials (June 2002)	3	E
Monthly Financials (July 2002)	3	E
Monthly Financials (August 2002)	3	E
Monthly Financials (September 2002)	3	E
Monthly Financials (October 2002)	3	E
Monthly Financials (November 2002)	3	E
Monthly Financials (December 2002)	3	E
Monthly Financials (January 2003)	3	E
Monthly Financials (February 2003)	3	E
Monthly Financials (March 2003)	3	E
Monthly Financials (April 2003)	3	E
Monthly Financials (May 2003)	3	E
Monthly Financials (June 2003)	3	E
Monthly Financials (July 2003)	3	E

Ivaco Inc.

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Please note that all major sections and headers are separated by yellow sheets.
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		Binder #	Language
1.3	**Sivaco Ontario Processing**		
	Pension Plan for Hourly Unionized Employees	4	E
	Monthly Financials (January 2002)	4	E
	Monthly Financials (February 2002)	4	E
	Monthly Financials (March 2002)	4	E
	Monthly Financials (April 2002)	4	E
	Monthly Financials (May 2002)	4	E
	Monthly Financials (June 2002)	4	E
	Monthly Financials (July 2002)	4	E
	Monthly Financials (August 2002)	4	E
	Monthly Financials (September 2002)	4	E
	Monthly Financials (October 2002)	4	E
	Monthly Financials (November 2002)	4	E
	Monthly Financials (December 2002)	4	E
	Monthly Financials (January 2003)	4	E
	Monthly Financials (February 2003)	4	E
	Monthly Financials (March 2003)	4	E
	Monthly Financials (April 2003)	4	E
	Monthly Financials (May 2003)	4	E
	Monthly Financials (June 2003)	4	E
	Monthly Financials (July 2003)	4	E

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Please note that all major sections and headers are separated by yellow sheets.
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		Binder #	Language
1.4	**Atlantic Steel Company**		
	Midtown Services LLC - Monthly Financials (December 2002)	5	E
	Midtown Services LLC - Monthly Financials (March 2003)	5	E
	Midtown Services LLC - Monthly Financials (June 2003)	5	E
	Atlantic Steel Company - Monthly Financials (March 2002)	5	E
	Atlantic Steel Company - Monthly Financials (June 2002)	5	E
	Atlantic Steel Company - Monthly Financials (September 2002)	5	E
	Atlantic Steel Company - Monthly Financials (December 2002)	5	E
	Atlantic Steel Company - Monthly Financials (March 2003)	5	E
	Atlantic Steel Company - Monthly Financials (June 2003)	5	E
	Atlantic Steel Division - Monthly Financials (March 2002)	5	E
	Atlantic Steel Division - Monthly Financials (June 2002)	5	E
	Atlantic Steel Division - Monthly Financials (September 2002)	5	E
	Atlantic Steel Division - Monthly Financials (December 2002)	5	E
	Atlantic Steel Division - Monthly Financials (March 2003)	5	E
	Atlantic Steel Division - Monthly Financials (June 2003)	5	E
	Annual Financials (December 2002)	5	E
	Annual Financials (YTD July 2003)	5	E

Ivaco Inc.

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		Binder #	Language
1.5	**Ivaco Rolling Mills (USA), Inc.**	6	E
	Monthly Financials (January 2002)	6	E
	Monthly Financials (February 2002)	6	E
	Monthly Financials (March 2002)	6	E
	Monthly Financials (April 2002)	6	E
	Monthly Financials (May 2002)	6	E
	Monthly Financials (June 2002)	6	E
	Monthly Financials (July 2002)	6	E
	Monthly Financials (August 2002)	6	E
	Monthly Financials (September 2002)	6	E
	Monthly Financials (October 2002)	6	E
	Monthly Financials (November 2002)	6	E
	Monthly Financials (December 2002)	6	E
	Monthly Financials (March 2003)	6	E
	Monthly Financials (April 2003)	6	E
	Monthly Financials (May 2003)	6	E
	Monthly Financials (June 2003)	6	E
	Monthly Financials (July 2003)	6	E
	Monthly Financials (August 2003)	6	E

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Please note that all major sections and headers are separated by yellow sheets.
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		Binder #	Language
1.6	**Sivaco Québec**		
	Pension Plan for the Unionized Hourly Paid Employees	7	F
	Monthly Financials (January 2002)	7	E
	Monthly Financials (February 2002)	7	E
	Monthly Financials (March 2002)	7	E
	Monthly Financials (April 2002)	7	E
	Monthly Financials (May 2002)	7	E
	Monthly Financials (June 2002)	7	E
	Monthly Financials (July 2002)	7	E
	Monthly Financials (August 2002)	7	E
	Monthly Financials (September 2002)	8	E
	Monthly Financials (October 2002)	8	E
	Monthly Financials (November 2002)	8	E
	Monthly Financials (December 2002)	8	E
	Monthly Financials (January 2003)	8	E
	Monthly Financials (February 2003)	8	E
	Monthly Financials (March 2003)	8	E
	Monthly Financials (April 2003)	8	E
	Monthly Financials (May 2003)	8	E
	Monthly Financials (June 2003)	8	E
	Monthly Financials (July 2003)	8	E

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		Binder #	Language
1.7	**Sivaco Georgia LLC**		
	Monthly Financials (January 2002)	9	E
	Monthly Financials (February 2002)	9	E
	Monthly Financials (March 2002)	9	E
	Monthly Financials (April 2002)	9	E
	Monthly Financials (May 2002)	9	E
	Monthly Financials (June 2002)	9	E
	Monthly Financials (July 2002)	9	E
	Monthly Financials (August 2002)	9	E
	Monthly Financials (September 2002)	9	E
	Monthly Financials (October 2002)	9	E
	Monthly Financials (November 2002)	9	E
	Monthly Financials (December 2002)	9	E
	Monthly Financials (January 2003)	10	E
	Monthly Financials (February 2003)	10	E
	Monthly Financials (March 2003)	10	E
	Monthly Financials (April 2003)	10	E
	Monthly Financials (May 2003)	10	E
	Monthly Financials (June 2003)	10	E
	Monthly Financials (July 2003)	10	E

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		Binder #	Language
2.0	**IVACO ROLLING MILLS**		
	Pension Plan for Office, Clerical and Technical Employees	11	E
	Resolution: Pension Plan for Office, Clerical and Technical Employees (December 1995)	11	E
	Letter from Canada Customs and Revenue Agency re: Pension Plan for Office, Clerical and Technical Employees (May 1996)	11	E
	Letter from Canada Customs and Revenue Agency re: Pension Plan for Office, Clerical and Technical Employees (June 2000)	11	E
	Pension Plan for Hourly Rated Unionized Employees (Rod Mill)	11	E
	Pension Plan for Hourly Rated Unionized Employees (Melt Shop)	11	E
	Monthly Financials (January 2002)	11	E
	Monthly Financials (February 2002)	11	E
	Monthly Financials (March 2002)	11	E
	Monthly Financials (April 2002)	11	E
	Monthly Financials (May 2002)	11	E
	Monthly Financials (June 2002)	11	E
	Monthly Financials (July 2002)	11	E
	Monthly Financials (August 2002)	11	E
	Monthly Financials (September 2002)	11	E
	Monthly Financials (October 2002)	11	E
	Monthly Financials (November 2002)	11	E
	Monthly Financials (December 2002)	11	E
	Monthly Financials (January 2003)	11	E
	Monthly Financials (February 2003)	11	E
	Monthly Financials (March 2003)	11	E
	Monthly Financials (April 2003)	11	E
	Monthly Financials (May 2003)	11	E
	Monthly Financials (June 2003)	11	E
	Monthly Financials (July 2003)	11	E

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		Binder #	Language
3.0	**IFASTGROUPE INC.**		
	Resolutions: Pensions Plans	12	E
	Monthly Financials (January 2002)	12	F
	Monthly Financials (February 2002)	12	F
	Monthly Financials (March 2002)	12	F
	Monthly Financials (April 2002)	12	F
	Monthly Financials (May 2002)	12	F
	Monthly Financials (June 2002)	12	F
	Monthly Financials (July 2002)	12	F
	Monthly Financials (August 2002)	12	F
	Monthly Financials (September 2002)	12	F
	Monthly Financials (October 2002)	12	F
	Monthly Financials (November 2002)	12	F
	Monthly Financials (December 2002)	12	F
	Monthly Financials (January 2003)	12	F
	Monthly Financials (February 2003)	12	F
	Monthly Financials (March 2003)	12	F
	Monthly Financials (April 2003)	12	F
	Monthly Financials (May 2003)	12	F
	Monthly Financials (June 2003)	12	F
	Monthly Financials (July 2003)	12	F

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		Binder #	Language
3.1	**Ingersoll Fasteners**		
	Pension Plan for the Salaried Employees	13	E
	Non-Contributory Pension Plan for Hourly Paid Employees	13	E
	Monthly Financials (January 2002)	13	E
	Monthly Financials (February 2002)	13	E
	Monthly Financials (March 2002)	13	E
	Monthly Financials (April 2002)	13	E
	Monthly Financials (May 2002)	13	E
	Monthly Financials (June 2002)	13	E
	Monthly Financials (July 2002)	13	E
	Monthly Financials (August 2002)	13	E
	Monthly Financials (September 2002)	13	E
	Monthly Financials (October 2002)	13	E
	Monthly Financials (November 2002)	13	E
	Monthly Financials (December 2002)	13	E
	Monthly Financials (January 2003)	13	E
	Monthly Financials (February 2003)	13	E
	Monthly Financials (March 2003)	13	E
	Monthly Financials (April 2003)	13	E
	Monthly Financials (May 2003)	13	E
	Monthly Financials (June 2003)	13	E
	Monthly Financials (July 2003)	13	E

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Please note that all major sections and headers are separated by yellow sheets.
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		Binder #	Language
3.2	**Infasco**		
	Pension Plan for the Unionized Hourly Paid Employees	14	F
	Resolution: Pension Plan for the Unionized Hourly Paid Employees (July 1994)	14	F
	Résolution (french version): Pension Plan for the Unionized Hourly Paid Employees (November 1994)	14	F
	Letter from Régie des rentes du Québec re: Pension Plan for the Unionized Hourly Paid Employees (October 1994)	14	F
	Letter from Régie des rentes du Québec re: Pension Plan for the Unionized Hourly Paid Employees (May 1996)	14	F
	Monthly Financials (January 2002)	14	E
	Monthly Financials (February 2002)	14	E
	Monthly Financials (March 2002)	14	E
	Monthly Financials (April 2002)	14	E
	Monthly Financials (May 2002)	14	E
	Monthly Financials (June 2002)	14	E
	Monthly Financials (July 2002)	14	E
	Monthly Financials (August 2002)	14	E
	Monthly Financials (September 2002)	14	E
	Monthly Financials (October 2002)	15	E
	Monthly Financials (November 2002)	15	E
	Monthly Financials (December 2002)	15	E
	Monthly Financials (January 2003)	15	E
	Monthly Financials (February 2003)	15	E
	Monthly Financials (March 2003)	15	E
	Monthly Financials (April 2003)	15	E
	Monthly Financials (May 2003)	15	E
	Monthly Financials (June 2003)	15	E
	Monthly Financials (July 2003)	15	E
	Employee Detail (January 2002)	15	F
	Employee Detail (February 2002)	15	F
	Employee Detail (March 2002)	15	F
	Employee Detail (April 2002)	15	F
	Employee Detail (May 2002)	15	F
	Employee Detail (June 2002)	15	F
	Employee Detail (July 2002)	15	F
	Employee Detail (August 2002)	15	F
	Employee Detail (September 2002)	15	F

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		Binder #	Language
3.2	**Infasco (cont'd)**		
	Employee Detail (October 2002)	15	F
	Employee Detail (November 2002)	15	F
	Employee Detail (December 2002)	15	F
	Employee Detail (January 2003)	15	F
	Employee Detail (February 2003)	15	F
	Employee Detail (March 2003)	15	F
	Employee Detail (April 2003)	15	F
	Employee Detail (May 2003)	15	F
	Employee Detail (June 2003)	15	F
	Employee Detail (July 2003)	15	F
3.3	**Galvano**		
	Pension Plan for the Unionized Hourly Paid Employees	16	F
	Resolution: Pension Plan for the Unionized Hourly Paid Employees (July 1994)	16	F
	Résolution (french version): Pension Plan for the Unionized Hourly Paid Employees (July 1994)	16	F
	Letter from Régie des rentes du Québec re: Pension Plan for the Unionized Hourly Paid Employees	16	F
	Monthly Financials (January 2002)	16	F
	Monthly Financials (February 2002)	16	F
	Monthly Financials (March 2002)	16	F
	Monthly Financials (April 2002)	16	F
	Monthly Financials (May 2002)	16	F
	Monthly Financials (June 2002)	16	F
	Monthly Financials (July 2002)	16	F
	Monthly Financials (August 2002)	16	F
	Monthly Financials (September 2002)	16	F
	Monthly Financials (October 2002)	16	F
	Monthly Financials (November 2002)	16	F
	Monthly Financials (December 2002)	16	F
	Monthly Financials (January 2003)	16	F
	Monthly Financials (February 2003)	16	F
	Monthly Financials (March 2003)	16	F
	Monthly Financials (April 2003)	16	F
	Monthly Financials (May 2003)	16	F
	Monthly Financials (June 2003)	16	F

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		Binder #	Language
	Monthly Financials (July 2003)	16	F
3.4	**Immobilier Ifastgroupe Inc.**		
	Monthly Financials (January 2002)	17	F
	Monthly Financials (February 2002)	17	F
	Monthly Financials (March 2002)	17	F
	Monthly Financials (April 2002)	17	F
	Monthly Financials (May 2002)	17	F
	Monthly Financials (June 2002)	17	F
	Monthly Financials (August 2002)	17	F
	Monthly Financials (September 2002)	17	F
	Monthly Financials (October 2002)	17	F
	Monthly Financials (December 2002)	17	F
	Monthly Financials (January 2003)	17	F
	Monthly Financials (February 2003)	17	F
	Monthly Financials (March 2003)	17	F
	Monthly Financials (April 2003)	17	F
	Monthly Financials (May 2003)	17	F
	Monthly Financials (June 2003)	17	F
	Monthly Financials (July 2003)	17	F
3.5	**IFC (Fasteners) Inc.**		
	Monthly Financials (January 2002)	17	E
	Monthly Financials (February 2002)	17	E
	Monthly Financials (March 2002)	17	E
	Monthly Financials (April 2002)	17	E
	Monthly Financials (May 2002)	17	E
	Monthly Financials (June 2002)	17	E
	Monthly Financials (July 2002)	17	E
	Monthly Financials (August 2002)	17	E
	Monthly Financials (September 2002)	17	E
	Monthly Financials (October 2002)	17	E
	Monthly Financials (November 2002)	17	E
	Monthly Financials (December 2002)	17	E
	Monthly Financials (January 2003)	17	E
	Monthly Financials (February 2003)	17	E
	Monthly Financials (March 2003)	17	E
	Monthly Financials (April 2003)	17	E

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	Binder #	Language
Monthly Financials (May 2003)	17	E
Monthly Financials (June 2003)	17	E
Monthly Financials (July 2003)	17	E
3.6 IFC USA Corp.		
Monthly Financials (January 2002)	17	E
Monthly Financials (February 2002)	17	E
Monthly Financials (March 2002)	17	E
Monthly Financials (April 2002)	17	E
Monthly Financials (June 2002)	17	E
Monthly Financials (July 2002)	17	E
Monthly Financials (August 2002)	17	E
Monthly Financials (September 2002)	17	E
Monthly Financials (November 2002)	17	E
Monthly Financials (December 2002)	17	E
Monthly Financials (January 2003)	17	E
Monthly Financials (February 2003)	17	E
Monthly Financials (March 2003)	17	E
Monthly Financials (April 2003)	17	E
Monthly Financials (May 2003)	17	E
Monthly Financials (June 2003)	17	E
Monthly Financials (July 2003)	17	E

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		Binder #	Language
3.7	**Vermont Fasteners Manufacturing**		
	Monthly Financials (January 2002)	18	E
	Monthly Financials (February 2002)	18	E
	Monthly Financials (March 2002)	18	E
	Monthly Financials (April 2002)	18	E
	Monthly Financials (May 2002)	18	E
	Monthly Financials (June 2002)	18	E
	Monthly Financials (July 2002)	18	E
	Monthly Financials (August 2002)	18	E
	Monthly Financials (September 2002)	18	E
	Monthly Financials (October 2002)	18	E
	Monthly Financials (November 2002)	18	E
	Monthly Financials (December 2002)	18	E
	Monthly Financials (January 2003)	18	E
	Monthly Financials (February 2003)	18	E
	Monthly Financials (March 2003)	18	E
	Monthly Financials (April 2003)	18	E
	Monthly Financials (May 2003)	18	E
	Monthly Financials (June 2003)	18	E
	Monthly Financials (July 2003)	18	E

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		Binder #	Language
3.8	**Vermont Fastener Sales Corp.**		
	Monthly Financials (January 2002)	19	E
	Monthly Financials (February 2002)	19	E
	Monthly Financials (March 2002)	19	E
	Monthly Financials (April 2002)	19	E
	Monthly Financials (May 2002)	19	E
	Monthly Financials (June 2002)	19	E
	Monthly Financials (July 2002)	19	E
	Monthly Financials (August 2002)	19	E
	Monthly Financials (September 2002)	19	E
	Monthly Financials (October 2002)	19	E
	Monthly Financials (November 2002)	19	E
	Monthly Financials (December 2002)	19	E
	Monthly Financials (January 2003)	19	E
	Monthly Financials (February 2003)	19	E
	Monthly Financials (March 2003)	19	E
	Monthly Financials (April 2003)	19	E
	Monthly Financials (May 2003)	19	E
	Monthly Financials (June 2003)	19	E
	Monthly Financials (July 2003)	19	E

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		Binder #	Language
3.9	**Infasco Nut**		
	Monthly Financials (January 2002)	20	E
	Monthly Financials (February 2002)	20	E
	Monthly Financials (March 2002)	20	E
	Monthly Financials (April 2002)	20	E
	Monthly Financials (May 2002)	20	E
	Monthly Financials (June 2002)	20	E
	Monthly Financials (July 2002)	20	E
	Monthly Financials (August 2002)	20	E
	Monthly Financials (September 2002)	20	E
	Monthly Financials (October 2002)	21	E
	Monthly Financials (November 2002)	21	E
	Monthly Financials (December 2002)	21	E
	Monthly Financials (January 2003)	21	E
	Monthly Financials (February 2003)	21	E
	Monthly Financials (March 2003)	21	E
	Monthly Financials (April 2003)	21	E
	Monthly Financials (May 2003)	21	E
	Monthly Financials (June 2003)	21	E
	Monthly Financials (July 2003)	21	E

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	Binder #	Language
3.10 Infatool		
Pension Plan for Hourly Rated Unionized Employees	22	E
Monthly Financials (January 2002)	22	E
Monthly Financials (February 2002)	22	E
Monthly Financials (March 2002)	22	E
Monthly Financials (April 2002)	22	E
Monthly Financials (May 2002)	22	E
Monthly Financials (June 2002)	22	E
Monthly Financials (July 2002)	22	E
Monthly Financials (August 2002)	22	E
Monthly Financials (September 2002)	22	E
Monthly Financials (October 2002)	22	E
Monthly Financials (November 2002)	22	E
Monthly Financials (December 2002)	22	E
Monthly Financials (January 2003)	22	E
Monthly Financials (February 2003)	22	E
Monthly Financials (March 2003)	22	E
Monthly Financials (April 2003)	22	E
Monthly Financials (May 2003)	22	E
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Ivaco Inc.

Data Room Index

Data Room Materials:

Please note that all major sections and headers are separated by yellow sheets.
All minor sections are separated by green sheets.

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4.0	**DOCAP (1985) CORPORATION**		
	Pension Plan for Employees	23	E
	Monthly Financials (January 2002)	23	E
	Monthly Financials (February 2002)	23	E
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	Monthly Financials (April 2002)	23	E
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	Monthly Financials (September 2002)	23	E
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APPENDIX E

DATE: October 31, 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 October 17th, 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 October 17th, 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 October 17th, 2003

A copy of the statements of receipts and disbursements for the bi-weekly period ended on October 17th, 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 Third Report and the actual results are discussed at the bottom of each statement.

Summary DIP borrowings

The following table shows the DIP borrowings as at October 17, 2003 for each entity.

Entity (in millions)	Maximum authorized DIP*	DIP balances as at October 17, 2003
IRM	$11.5 **	$7.6
Ifastgroupe	$3.5	$2.4
Ivaco (Internal DIP)	$5.0	$2.2
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.

** On October 15, 2003, IRM issued a letter of credit in the amount of $1.0M to a trade supplier, thereby reducing the availability under the DIP to $10.5M.

Flash Report

Below is a flash report of the operations of each major entity for the period from October 4 to October 17, 2003.

IRM:

Production

Summarized below are IRM's production levels (in short tons) for the period from September 16, 2003 to October 17, 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

ROD MILL (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

Sales

Below are IRM's weekly sales in tons and dollars for the period from September 16, 2003 to October 18, 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

IFASTGROUPE:

Sales

Below are Ifastgroupe's weekly sales for the period from September 16, 2003 to October 17, 2003:

Period		Total trade sales	Total sales to Affiliates
September 16 - September 19	Cdn $	2,022	-
	US $	2,331	-
September 22 - September 26	Cdn $	2,210	-
	US $	2,776	-
September 29 - October 3	Cdn $	2,421	2
	US $	2,295	-
October 6 - October 10	Cdn $	2,112	4
	US $	2,789	-
October 13 - October 17	Cdn $	1,697	25
	US $	2,611	-

IVACO:

Sales

Below are Ivaco's weekly sales for the period from September 16, 2003 to October 17, 2003:

Period		Total trade sales	Total sales to Affiliates*
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	75

* Sales to Affiliates includes wire rod processing fees.

IVACO - Ivaco Rolling Mills Limited Partnership
Comparison of Actual to Forecast
For the period from October 4, 2003 to October 17, 2003

(in thousands)	Actual Oct 4-Oct 17	Forecast Oct 4-Oct 17	Variance	Notes
RECEIPTS				
TRADE	12,530	11,392	1,138	
OTHER	1,500	1,500	--	
TOTAL RECEIPTS	14,030	12,892	1,138	(1)
DISBURSEMENTS				
PAYROLL & RELATED	(1,562)	(1,932)	370	(2)
MATERIAL	(9,972)	(10,879)	907	(3)
CONSUMMABLES	(1,704)	(1,168)	(536)	(4)
FREIGHT, CUSTOMS & DUMPING DUTY	(2,843)	(2,672)	(171)	
UTILITIES	(1,221)	(1,500)	279	(5)
OTHER	(725)	(2,422)	1,697	(6)
PROFESSIONAL FEES	--	(1,000)	1,000	(7)
DIP INTEREST AND CLOSING FEE	--	--	--	
CONTRIBUTIONS TO CORPORATE	--	(1,584)	1,584	(7)
TOTAL DISBURSEMENTS	(18,027)	(23,157)	5,130	
NET INTERCOMPANY (excluding cont. to corporate)	3,368	6,679	(3,311)	(8)
CHANGE IN CASH	**(629)**	**(3,586)**	**2,957**	

Variance Analysis:

1) Actual receipts were higher than forecast due to more diligent collection efforts.

2) Actual payroll was lower than expected due primarily to timing of benefit payments and lower than anticipated overtime pay.

3) Materials purchased were 9% less than forecast as a result of cash management issues and therefore represent a timing difference rather than a permanent difference. There was a reduction of scrap metal purchases as IRM processed scrap material already on-hand. Billet inventory levels were maintained as close to production requirements as possible.

4) Consummables purchased were higher than forecasted as a result of the timing of payments which will be reversed in future weeks.

5) Utilities expenses were less than forecast due to timing differences which will be reversed in future weeks.

6) Other expenses are lower than forecast due to IRM's cash conservation efforts as well as timing differences. The timing differences are expected to reverse in future weeks.

7) Professional fees and contributions to corporate should be considered together as all of the professional fees were paid directly by Ivaco. On a combined basis the variance to forecast is $2.5 million. As at the date of this report, $1.7 million was paid to Ivaco and another $0.5 million is still owing.

8) Intercompany receipts are lower than forecast partly due to an intercompany receivable balance outstanding at October 17, 2003 of approximately $1.7 million. This represents approximately 3 days of intercompany shipments. The residual variance was due to logistics issues that delayed shipments and lower intercompany demand than anticipated. The logistics issues have since been resolved using deposit agreements with the transport agents.

IVACO - Ifastgroupe and Company, Limited Partnership & Ifastgroupe Inc.
Comparison of Actual to Forecast
For the period from October 4, 2003 to October 17, 2003

(in thousands)	Actual Oct 4-Oct 17	Forecast Oct 4-Oct 17 (Note 1)	Variance	Notes
RECEIPTS				
TRADE	6,040	11,306	(5,266)	(2)
OTHER		(128)	128	
TOTAL RECEIPTS	**6,040**	**11,178**	**(5,138)**	
DISBURSEMENTS				
PAYROLL & RELATED	(2,729)	(1,367)	(1,362)	(3)
MATERIAL	(1,991)	(1,956)	(35)	
CONSUMMABLES	(1,169)	(927)	(242)	(4)
FREIGHT & CUSTOMS	(688)	(819)	131	
UTILITIES	(45)	(82)	37	
OTHER	(1,058)	(2,347)	1,289	(5)
PROFESSIONAL FEES	--	(800)	800	(6)
DIP INTEREST AND CLOSING FEE	--	--	--	
CONTRIBUTIONS TO CORPORATE	(1,002)	(382)	(620)	(6)
TOTAL DISBURSEMENTS	**(8,682)**	**(8,680)**	**(2)**	
NET INTERCOMPANY (excluding cont. to corporate)	**(1,934)**	**(3,993)**	**2,059**	(7)
CHANGE IN CASH	**(4,576)**	**(1,495)**	**(3,081)**	

Variance Analysis:

1) The forecast for the period from October 4 to 17, 2003 has been adjusted to exclude approximately $4.9 million of receipts received but not deposited in the period from September 16 to October 3, 2003.

2) The forecast includes a significant receipt of approximately $2.6 million from a customer that was not received during the period. This receipt is expected to be received in the week ending November 7, 2003. Overall, Ifastgroupe's receipts for the period were lower than forecast due to timing of collections.

3) Forecasted payroll was lower than actual due to timing differences in the actual payment of payroll, pension and benefit costs resulting in the unfavourable variance. This is expected to reverse in future periods. In addition, a payment of approximately $400,000 was made during the period for source deductions owing since filing which was not included in the cash flow forecast.

4) Consummable purchases were higher than forecast due to the timing of restocking the consummable inventory.

5) Other expenses are lower than forecast due to Ifastgroupe's cash conservation efforts as well as timing differences. The timing differences are expected to reverse in future weeks.

6) Professional fees and contributions to corporate should be considered together as all of the professional fees were paid directly by Ivaco. On a combined basis the variance to forecast is negligible.

7) Net intercompany payments were lower than forecast due to lower than expected shipments from IRM during the period.

IVACO - Ivaco Inc.
Comparison of Actual to Forecast
For the period from October 4, 2003 to October 17, 2003

(in thousands)	Actual Oct 4-Oct 17	Forecast Oct 4-Oct 17 (Note 1)	Variance	Notes
RECEIPTS				
TRADE	6,039	5,513	526	
OTHER	--	--	--	
INTERCOMPANY RECEIPTS BY CORPORATE	1,002	1,966	(964)	(2)
TOTAL RECEIPTS	**7,041**	**7,479**	**(438)**	
DISBURSEMENTS				
PAYROLL & RELATED	(1,978)	(1,804)	(174)	
MATERIAL	(38)	--	(38)	
CONSUMMABLES	(127)	(116)	(11)	
FREIGHT & CUSTOMS	(651)	(506)	(145)	
UTILITIES	(1,123)	(480)	(643)	(3)
OTHER	(274)	(1,616)	1,342	(4)
PROFESSIONAL FEES	(2,225)	(700)	(1,525)	(5)
DIP INTEREST AND CLOSING FEE	--	--	--	
TOTAL DISBURSEMENTS	**(6,416)**	**(5,222)**	**(1,194)**	
NET INTERCOMPANY (excluding cont. to corporate)	**(1,873)**	**(4,250)**	**2,377**	(6)
CHANGE IN CASH	**(1,248)**	**(1,993)**	**745**	

Variance Analysis:

1) The forecast for the period from October 4 to 17, 2003 has been adjusted to exclude approximately $6.3 million of receipts received but not deposited in the period from September 16 to October 3, 2003.

2) Intercompany receipts for the period were lower than forecast due to IRM not reimbursing Ivaco for corporate costs and other expenses paid by Ivaco on IRM's behalf by October 17, 2003. As of the date of this report, IRM has since paid Ivaco $1.7 million and another $0.5 million is still owing.

3) 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.

4) Other expenses were lower than forecast mainly due to the timing of insurance payments and other cash conservation strategies.

5) Professional fees were higher than forecast due to the direct payment by Ivaco of professional fees of $1.3 million on behalf of the other Applicants for which Ivaco will be reimbursed on the intercompany receipts line.

6) Ivaco's inter-company payments were lower than forecast due to the timing of payments to IRM that were made the following week of $1.3 million in addition to a lower than forecasted amount of shipments.

IVACO - DOCAP (1985) Corporation
Comparison of Actual to Forecast
For the period from October 4, 2003 to October 17, 2003

(in thousands)	Actual Oct 4-Oct 17	Forecast Oct 4-Oct 17 (Note 1)	Variance	Notes
RECEIPTS				
TRADE	745	981	(236)	(2)
OTHER		5	(5)	
TOTAL RECEIPTS	**745**	**986**	**(241)**	
DISBURSEMENTS				
PAYROLL & RELATED	(147)	(69)	(78)	
MATERIAL	(67)	(172)	105	
CONSUMMABLES	--	(22)	22	
FREIGHT & CUSTOMS	(7)	(7)	--	
UTILITIES	(16)	--	(16)	
OTHER	--	(113)	113	
PROFESSIONAL FEES	--	--	--	
DIP INTEREST AND CLOSING FEE	--	--	--	
CONTRIBUTIONS TO CORPORATE	--	--	--	
TOTAL DISBURSEMENTS	**(237)**	**(383)**	**146**	
NET INTERCOMPANY (excluding cont. to corporate)	**(100)**	**--**	**(100)**	(3)
CHANGE IN CASH	**408**	**603**	**(195)**	

Variance Analysis:

1) The forecast for the period from October 4 to 17, 2003 has been adjusted to exclude approximately $255,000 of receipts received but not deposited in the period from September 16 to October 3, 2003.

2) Actual receipts for the period were lower than forecast due to the timing of collections, which is expected to reverse in future weeks.

3) Intercompany payments were higher than forecast due to a payment made to Ivaco in error that has, as of the date of this report, been reversed.

APPENDIX F

DATE: November 14, 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 October 31st, 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 October 31st, 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.

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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 October 31st, 2003

A copy of the statements of receipts and disbursements for the period from October 4, to October 31st, 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 Third Report and the actual results are discussed at the bottom of each statement.

Summary DIP borrowings

The following table shows the DIP borrowings as at October 31st, 2003 for each entity.

Entity (in millions)	Maximum authorized DIP*	DIP balances as at October 31st, 2003***
IRM	$11.5 **	$6.1
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.

** On October 15, 2003 and on October 23, 2003, IRM issued letters of credit in the amounts of $1.0M and $0.5M to two trade suppliers, thereby reducing the availability under the DIP to $10.0M.

*** The DIP balances show the net amounts outstanding per the DIP facilities as at October 31, 2003, net of customer payments deposited into the Applicants' blocked bank accounts but not yet swept 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 October 18 to October 31, 2003.

IRM:

Production

Summarized below are IRM's production levels (in short tons) for the period from September 16, 2003 to October 31, 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

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

Sales

Below are IRM's weekly sales in tons and dollars for the period from September 16, 2003 to October 31, 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

IFASTGROUPE:

Sales

Below are Ifastgroupe's weekly sales for the period from September 16, 2003 to October 31, 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

IVACO:

Sales

Below are Ivaco's weekly sales for the period from September 16, 2003 to October 31, 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

* Sales to Affiliates includes wire rod processing fees.

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	(3,287)	(4,238)	951	(2)
MATERIAL	(20,809)	(21,233)	424	(3)
CONSUMABLES	(2,916)	(2,337)	(579)	(4)
FREIGHT, CUSTOMS & DUMPING DUTY	(6,263)	(4,842)	(1,421)	(5)
UTILITIES	(1,933)	(3,000)	1,067	(6)
OTHER	(1,804)	(4,217)	2,413	(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	**(39,746)**	**(43,868)**	**4,122**	
NET INTER-COMPANY (excluding cont. to corporate	**12,774**	**14,288**	**(1,514)**	(9)
CHANGE IN CASH	**1,293**	**(4,259)**	**5,552**	

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 in receivable for their US Trade 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 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 - Ifastgroupe and Company, Limited Partnership & Ifastgroupe Inc.
Comparison of Actual to Forecast
For the period from October 3, 2003 to October 31, 2003

(in thousands)	**Actual Oct 3 - Oct 31**	**Forecast Oct 3 - Oct 31**	**Variance**	
RECEIPTS				
TRADE (1)	18,609	20,517	(1,908)	(2)
OTHER	-	192	(192)	
TOTAL RECEIPTS	18,408	**20,709**	**(2,100)**	
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)	**(5,458)**	**(8,000)**	**2,542**	(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. The outstanding receipts are expected to be received in future periods, reversing this unfavourable variance. Some of these receipts were observed in early November.

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 from September that were paid in October. The variance is expected to be minimal if compared over a longer time period.

4) The material purchases were higher than forecast as a result of buying more inventory than forecast. 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 in an effort to preserve cash.

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 due to supplier agreements. Additionally, by freight companies requiring deposits and special payment arrangements before providing on-call service some savings were recognized.

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. Other purchases were from a limited number of suppliers while the forecasted purchases were from a more extensive list of other suppliers were much more extensive.

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 inter-company payments not fully being paid each week and inter-company volume was slightly lower than expected. The variance is expected to be reduced in future periods by forecasts being adjusted to include these payments.

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)	13,340	11,562	1,778	(2)
OTHER	440	110	330	(3)
INTER-COMPANY RECEIPTS BY CORPORATE	3,835	2,938	897	(4)
TOTAL RECEIPTS	**17,615**	**14,610**	**3,005**	
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)	**(6,559)**	**(8,575)**	**2,016**	(9)
CHANGE IN CASH	**(122)**	**(3,538)**	**3,416**	

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 in receivable for their US Trade. In addition, the forecast provided for a discount of 10% on forecast receipts for conservatism while has proven to be unnessessary.

3) Actual other receipts are higher due to the omission of certain GST and QST amounts receivable from the 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. The payment of these utilities and fees had been forecast for payment directly by IRM and Ifastgroupe.

5) Actual payroll disbursements are lower than forecast mainly due the postponement of the payment of group insurance and benefits 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 with 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 purchases were lower than forecast. As sales activity is strong, rod purchases going forward will need to be caught up and should occur during the months of November and December. The variance represents a timing difference.

IVACO - DOCAP (1985) Corporation
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)	1,406	1,554	(148) (2)
OTHER	--	5	(5)
TOTAL RECEIPTS	**1,406**	**1,559**	**(153)**
DISBURSEMENTS			
PAYROLL & RELATED	(268)	(166)	(102) (3)
MATERIAL	(327)	(343)	16
CONSUMABLES	--	--	--
FREIGHT & CUSTOMS	(18)	(45)	27
UTILITIES	(17)	(7)	(10)
OTHER	(79)	(268)	189 (4)
PROFESSIONAL FEES	--	--	--
DIP INTEREST AND CLOSING FEE	--	(4)	4
CONTRIBUTIONS TO CORPORATE	--	(4)	4
TOTAL DISBURSEMENTS	**(709)**	**(837)**	**128**
NET INTER-COMPANY (excluding cont. to corporate)	**--**	**(70)**	**70**
CHANGE IN CASH	**697**	**652**	**45**

Variance Analysis:

1) The forecast for the period from October 4, 2003 to October 31, 2003 has been adjusted to exclude approximately $255 of receipts received but not deposited in the period from September 16, 2003 to October 3, 2003.

2) Actual receipts were lower than forecast as a result of September sales being approximately 10% below budget and the loss of a credit employee for part of the month.

3) Actual payroll and related disbursements were higher than the forecast due to the forecast including only an estimated payroll but not all benefits and pension amounts.

4) The other disbursements were lower than the forecast mainly due to the delays in obtaining appropriate banking arrangements. This timing issue is expected to reverse in the weeks to come.

APPENDIX G

IVACO GROUP

SUMMARY OF ESTIMATED DIRECTORS' LIABILITIES (note 1)

(in thousands)	Original Estimate	Sept. 30 Estimate	Oct. 31 Estimate
Payroll and source deductions (note 2)			
Ivaco	$ 830	$ 300	$265
IRM	1,460	-	273
Ifastgroupe	1,160	560	440
Docap	50	40	25
Subtotal	3,500	900	1,003
Vacation pay (note 3)			
Ivaco	3,300	1,360	1,190
IRM	4,600	2,050	2,100
Ifastgroupe	5,000	2,930	3,006
Docap	100	60	63
Subtotal	13,000	6,400	6,359
Pension funding (note 4)			
Ivaco	400	1,670	2,846
IRM	870	6,380	9,354
Ifastgroupe	230	690	1,478
Docap	-	15	25
US Plans	-	5,245	6,800
Subtotal	1,500	14,000	20,503
GST/PST/QST (note 5)			
Ivaco	-	-	-
IRM	2,000	680	1,820
Ifastgroupe	-	-	-
Docap	-	20	27
Subtotal	2,000	700	1,847
TOTAL			
Ivaco	4,530	3,330	4,301
IRM	8,930	9,110	13,547
Ifastgroupe	6,390	4,180	4,924
Docap	150	135	140
US Plans	-	5,245	6,800
	$20,000	$22,000	$29,712

Notes

1. The original estimate represents the peak exposure to the directors based on amounts owing as at September 15th and taking into account ongoing accruals and payment cycles. The September 30th and October 31st figures reflect an estimate of amounts owing as at these dates.

2. Payroll is paid weekly, with source deductions also remitted weekly several days after each pay. The difference between the original estimate and the September 30th and October 31st is that the original estimate also includes an amount equal to the peak week of gross payroll whereas the September 30th and October 31st estimates do not include any amount for payroll as these payments were current as at those dates.

3. Vacation pay exposure in the original estimate includes, in addition to the amount outstanding as at September 15, an estimate that reflects the fact that the exposure increases on a linear basis until July 2004, at which time employees are required to take their annual vacation. Accordingly, the original estimated exposure represents the estimated 12-month accrual for the period ending July 31, 2004. The September 30th and October 31st estimates are based on vacation pay owing at those dates.

4. In the original estimate, no provision was made for past service contributions and \$1.5 million was provided for current service contributions.

   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 for outstanding in respect of various US pension plans.

   The October 31st estimate includes approximately \$2.5 million for current service contributions and \$11.2 million for past service contributions. In addition, The October 31st estimate includes US\$5.1 million in respect of the US plans.

5. The original estimate represents two months of sales tax remittances calculated on the basis that at any one time, two months of remittances could be outstanding. The September 30th and October 31st figures reflect the estimated pre-filing amounts due and unpaid at those dates. The October 31st amount includes an accrual for sales taxes payable for the month of October.

6. 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.

7. 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.