TAB E

This is Exhibit "E"
referred to in the Affidavit of
Brian M. Denega
sworn before me this 13th
day of October, 2006

A Commissioner for Taking Affidavits

WORKING CAPITAL PROCEEDINGS

IVACO AND HEICO

--- This is the interview of Hugh Blakely, conducted at the offices of Cassels Brock & Blackwell, Scotia Plaza, 40 King Street West, Suite 2100, Toronto, Ontario, on Friday, the 21st day of July, 2006.

APPEARANCES:

John. W Buschhausen	KPMG
John Rockx	KPMG
Robert B. Martin	Price Waterhouse
E. Bruce Leonard	Cassels Brock & Blackwell
Brian M. Denega	Ernst & Young
Peter F.C. Howard	Stikeman Elliott

spend $9-million.

247 Q Okay. But you had no involvement or no information about discussions with the major creditors, did you?

A No, sir.

248 Q All right. And what you knew was that E&Y was aware of it, correct?

A Yes, sir.

249 Q All right. And what happened, am I correct, sir, is that the monitor disclosed it in the report prior to getting approval of the -- court approval of the agreements, correct? You knew that?

A I can't recall.

250 Q Let me help you with that, sir. We don't need to mark this, but you got or obtained a copy of each of the reports of the monitor during the CCAA process?

A Um-hum.

251 Q Am I correct, sir, that you were aware that there was a report of the monitor filed August 9th before court approval of the agreements were obtained on August 18th? Are you at paragraphs 53, 54?

A I'm reading it. It was disclosed.

252 Q All right. So it was disclosed in that report?

A Yes.

253 Q To the best of your knowledge and belief, the purchaser would get a copy of that report or had the ability to get it?

A On August the 9th, yes.

254 Q And you're aware that the court approval of the transaction wasn't until August 18th?

A I believe that's correct.

255 Q And you're aware that Heico was represented by counsel and they're in court on the day?

A I presume so.

256 Q And were you there?

A No, sir.

257 Q And did you receive any information that Heico raised any issue with respect to QIT on the day?

A No, sir.

258 Q And am I correct, sir, that what had happened prior to August is that there had been a great deal of discussion and dispute with QIT about what potential purchasers would be provided with respect to the QIT contracts and meetings with QIT? Were you aware of that?

A There were discussions prior, yes.

259 Q More than that, sir; there were

actual court attendances on a number of occasions. You were aware of that?

A I can't recall specifics.

260 Q All right. I'm going to help you on that. Do you recall that -- I'm going to show you the order of Justice Cumming in 9 June 2004, which is as a result of a motion brought by QIT and the resolution of what had been intensive disputes with QIT about what IRM and the Ivaco parties could show potential purchasers. Were you in general aware of that?

A I was aware of that.

261 Q All right. And am I correct, sir, that one of the things that happened in July is that Heico advantaged itself in comparison to other bidders by saying that it didn't need to see the QIT contracts or meet with QIT before closing the purchase?

A Correct.

262 Q All right. And let me ask you another question, sir. Are you -- let me have that order back. Am I correct, sir, that you became aware or you were involved in the matters between the approval of the agreement August 18 and the closing of the agreement on December 1, 2004?

A I was --

263 Q You were involved in assisting

the -- at that point, your employer, the seller, in trying to close the deal?

A Correct.

264 Q And you became aware that there was -- there were substantial issues and disputes with Heico in that period on a number of issues, so much so that towards the end of November there was an application to court setting out all the issues in dispute, do you remember that?

A I -- I have a faint recollection.

265 Q I'm showing to you a copy of the 20th report of the monitor dated November 26th, 2004. Can you confirm for me that that report sets out thirteen issues or items that were to be resolved as between Heico and the sellers as part of trying to get the deal closed and that a number of those items included substantial economic gives and takes by the purchasers and the sellers?

A Correct.

266 Q All right. Maybe we can mark that report, because we haven't seen that one before, as exhibit 12.

EXHIBIT NO. 12: Report of the monitor dated November 26th, 2004.

BY MR. HOWARD:

267 Q To your knowledge, sir, in that period and as part of this resolution Heico did not seek and did not obtain an amendment to exhibit B to provide -- an amendment to any of the purchase agreements to provide a representation or warranty with respect to exhibit B, correct?

A Could you restate the question?

268 Q I can. It was a fractious few months and that -- this resolution required the amendment in certain aspects of the three APAs, correct?

A I presume so.

269 Q And to your knowledge, there was no amendment proposed or obtained with respect to a representation or warranty from the sellers with respect to exhibit B to the APAs, correct?

A I can't recall.

270 Q And am I correct, sir, that what happened on July 29th or 30th was that IRM took cash that it had and gave it to QIT and purchased the inventory?

A Correct.

271 Q And the deal as contemplated at that time and thereafter never had the purchaser getting the

cash of the entities, correct?

A Sorry, say it again.

272 Q Sure. Cash stayed with the seller?

A Correct.

273 Q All right. That's easy. So what happened was that IRM if -- it had $10-million less cash on closing than it would have had if a consignment agreement had stayed in place?

A Correct.

MR. LEONARD: Well, on closing is a bit of a stretch because closing was three months later and inventory turns. I don't think it's a fair question.

MR. HOWARD: Well, I have the answer and I have your position which actually I think helps us, so I like your position.

MR. LEONARD: I have others if you don't like that one.

BY MR. HOWARD:

274 Q All right, sir, I'm going to come to another area. Can I have that report back so we can mark it? Exhibit -- you marked it already, exhibit 12, except in pencil, which is transitory.

All right, sir, I'd ask you to look at paragraph 22 of your affidavit. Do you have that in front of you?

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"

FIFTEENTH REPORT OF THE MONITOR
AUGUST 9, 2004

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funding to complete. Even after considering the costs that will be incurred to obtain the necessary consents to satisfy the Closing Date conditions, the terms of the Purchase Agreements offer material financial benefits over a liquidation of the Principal Businesses on a non-going concern basis.

FINANCIAL PERFORMANCE AND CASH FLOW PROJECTIONS

52. The Applicants are in the process of finalizing their revised cash flow projections for the period from August 2, 2004 to December 31, 2004. The Monitor will include these projections in a supplement to this Report to be filed before the return of the Applicants' pending motion.

STATUS OF QIT POST-CCAA CONSIGNMENT ARRANGEMENT

53. On July 22, 2004, QIT wrote to the Applicants terminating their post-CCAA consignment agreement effective August 7, 2004. As a result, IRM was required to pay for the existing consignment stock and any future deliveries to IRM. QIT agreed to allow IRM to gradually draw down the existing consignment inventory over a two to three month period.

54. On July 29, 2004 in response to QIT's termination notice, IRM advised QIT that it preferred to purchase the entire inventory immediately. Accordingly, on July 29, 2004 IRM paid QIT approximately $10.4 million representing full and final payment in respect for the consignment inventory. IRM will continue to order and pay for billets as required from QIT under existing arrangements.

STATUS OF DIP FINANCING

55. As previously discussed, the Applicants prepare and distribute on a bi-weekly basis a report that provides the stakeholders and other parties on the Service List with, among other information, a summary of the amounts outstanding under the DIP facilities at the end of each two-week period.

56. The table below shows the Applicants' net cash balances as at opening on August 6, 2004. Net cash balances include the balance in the operating bank account less