

ONTARIO
SUPERIOR COURT OF JUSTICE – COMMERCIAL LIST

THE HONOURABLE MR.) FRIDAY, THE 30TH DAY
)
JUSTICE MORAWETZ) OF OCTOBER, 2009.



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 BARZEL INDUSTRIES CANADA INC.

Applicant

AMENDED AND RESTATED
APPROVAL AND VESTING ORDER

THIS MOTION, made by the Applicant for an order approving the sale transaction (the "**Transaction**") contemplated by an amended and restated asset purchase agreement (the "**Sale Agreement**") between the Applicant and the US Debtors (as defined in the Report), as vendors, and Chriscott USA Inc. and 4513614 Canada Inc., as purchasers, made as of October 29, 2009 and appended to the Fourth Report of the Monitor dated October 30, 2009 (the "**Report**"), and vesting in Metco Steel Inc. and 4532562 Canada Inc., upon the direction of 4513614 Canada Inc. (the "**Purchaser**"), the Applicant's right, title and interest in and to the Purchased Assets as defined in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 393 University Avenue, Toronto, Ontario.

ON READING the Report and on hearing the submissions of counsel for the Applicant, Deloitte & Touche Inc. in its capacity as the court-appointed monitor in these proceedings (the "**Monitor**"), the Purchaser, JP Morgan Chase Bank, NA and CIBC World Markets Corp., no one appearing for any other person on the service list, although properly served as appears from the Affidavits of Service filed:

1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved. The execution of the Sale Agreement by the Applicant is hereby authorized and approved, and the Applicant is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser or as the Purchaser may direct.

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Monitor's Certificate**"):

- (a) the Purchased Assets pertaining to the Applicant's facilities located at the leased and owned real property sites as listed on Schedule B, including without limitation the owned real property as listed on Schedule B hereto, shall vest absolutely in Metco Steel Inc.; and
- (b) the Purchased Assets pertaining to the Applicant's facilities located at the leased and owned real property sites as listed on Schedule C, including without limitation the owned real property as listed in Schedule C hereto, shall vest absolutely in 4532562 Canada Inc.,

free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Mr. Justice Morawetz made in these proceedings and dated September 15, 2009 (the "**Initial Order**"); (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), the Register of Personal and Movable Real Rights (the "**RPMRR**") (Québec) or any other personal property registry system; and (iii) those Claims listed on Schedule D hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule E) and, for

greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. THIS COURT ORDERS that upon the registration in the Land Registry Office for the Land Titles Division of Wentworth (No. 62) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter Metco Steel Inc. as the owner of the subject owned real property identified in Schedule B hereto as 830 South Service Road, Hamilton, Ontario L8E 5M7 bearing Property Identifier No. 17357-0062(LT) (the "**Ontario Property**") in fee simple, and is hereby directed to delete and expunge from title to the Ontario Property all of the Claims listed in Schedule D hereto denoted as pertaining to the Ontario Property.

4. THIS COURT ORDERS that upon the registration in the Land Registry for the registration divisions of Brome, Shefford and Montréal, as applicable, of a Deed of Sale or equivalent document in the applicable prescribed forms, duly executed by the Applicant, the applicable Registrar in charge of the Land Registry is hereby ordered and directed to:

- (a) enter Metco Steel Inc. as the owner of the owned real property in Québec as reflected in Schedule B (the "**Schedule B Québec Property**"); and
- (b) enter 4532562 Canada Inc. as the owner of the owned real property in Québec as reflected in Schedule C (the "**Schedule C Québec Property**").

5. THIS COURT ORDERS the Registrar of the Land Registry Office of the Province of Québec for the appropriate registration division to accept, upon payment of the prescribed fees, a true copy of this Order, the Monitor's Certificate and an affidavit of the Monitor attesting that the Monitor's Certificate has been duly filed in accordance with this Order, on title to the Schedule B Québec Property and Schedule C Québec Property (collectively, the "**Québec Property**") and further orders that such registration shall take place without a certificate attesting that no appeal of this Order has been taken, this Order being good and sufficient authority for so doing.

6. THIS COURT ORDERS AND DIRECTS the Registrar in charge of the RPMRR and the Registrar in charge of the Land Registry Office of the Province of Québec for the registration divisions of Brome, Shefford and Montréal, upon payment of the prescribed fees and the filing of a true copy of this Order, the Monitor's Certificate and an affidavit of the Monitor attesting that the Monitor's Certificate has been duly filed in accordance with this Order, to proceed with the cancellation, radiation and discharge of any and all Encumbrances pertaining to the Québec Property as set out in Schedule D and registered in respect of the Applicant in the RPMRR.

7. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances shall attach to such proceeds with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

8. THIS COURT ORDERS AND DIRECTS the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

9. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Applicant is authorized and permitted to disclose and transfer to the Purchaser, or Metco Steel Inc. or 4532562 Canada Inc. as the Purchaser may direct, all human resources and payroll information in the Applicant's records pertaining to the Applicant's past and current employees, including personal information of those employees listed on Schedules 4.14(b), 8.4(i) and 8.4(ii) to the Sale Agreement. The Purchaser, Metco Steel Inc. and 4532562 Canada Inc. shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Applicant.

10. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Applicant and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Applicant;

the vesting of certain of the Purchased Assets in Metco Steel Inc. and certain of the Purchased Assets in 4532562 Canada Inc. pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicant and shall not be void or voidable by creditors of the Applicant, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, a paulian action or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada), the *Civil Code of Québec* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

11. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

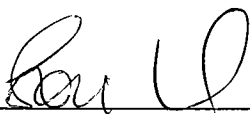
12. THIS COURT ORDERS AND DECLARES that upon the filing of the Monitor's Certificate with the Court, the Transaction and any other document to be executed for the purposes of the Transaction, shall have the same effect as a forced sale by a public officer acting under judicial authority as per the provisions of the *Code of Civil Procedure*.

13. THIS COURT ORDERS AND DECLARES that the Transaction shall have the same effect as a sale by judicial authority as per the provisions of the *Civil Code of Québec*.

14. THIS COURT ORDERS that the activities of the Monitor as outlined and described in the Third Report of the Monitor dated October 14, 2009 be and are hereby approved.

15. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give

effect to this Order and to assist the Monitor and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant as may be necessary or desirable to give effect to this Order or to assist the Applicant and its agents in carrying out the terms of this Order.



ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

NOV 12 2009

PER / PAR: *TJ*

Schedule A – Form of Monitor's Certificate

Court File No.

**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
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Applicant

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Morawetz of the Ontario Superior Court of Justice (the "**Court**") dated September 15, 2009, Deloitte & Touche Inc. was appointed as the monitor in these proceedings (the "**Monitor**").

B. Pursuant to an Order of the Court dated October 30, 2009, the Court approved the amended and restated asset purchase agreement made as of October 29, 2009 (the "**Sale Agreement**") between, among others, the Applicant, as vendor, and 4513614 Canada Inc. (the "**Purchaser**") and provided for the vesting in Metco Steel Inc. and 4532562 Canada Inc. of the Applicant's right, title and interest in and to the Purchased Assets as defined in the Sale Agreement (the "**Purchased Assets**"), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 7 of the Sale Agreement have been satisfied or waived by the Applicant and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Monitor.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE MONITOR CERTIFIES the following:

1. The Purchaser has paid and the Applicant has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 7 of the Sale Agreement have been satisfied or waived by the Applicant and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Monitor.
4. This Certificate was delivered by the Monitor at _____ [TIME] on _____ [DATE].

**DELOITTE & TOUCHE INC., in its
capacity as Monitor of the Applicant,
and not in its personal capacity**

Per _____

Name: ■

Title: ■

Schedule B – Purchased Assets (Real Property)

LEASED REAL PROPERTY

1. 2730 Meadowpine Boulevard, Mississauga, Ontario L5N 7K4

OWNED REAL PROPERTY

2. 830 South Service Road, Hamilton, Ontario L8E 5M7

Property Identifier No. 17357-0062(LT)

PT LTS 11 & 12, CON 1, SALTFLEET, PTS 1 & 11 ON 62R-4565, T/W RT OVER PT LT 12 BEING PT 14 ON 62R-4565 AS IN 14505CD, S/T SA52340; T/W EASEMENT OVER PT LT 11, CON 1 SALTFLEET, BEING PTS 2 TO 10 INCLUSIVE AND PTS 12 & 13 ON 62R-4565AS IN WE511460; CITY OF HAMILTON.

Being the whole of the said PIN.

Land Titles Division of Wentworth (No. 62).

3. 19460, Clark-Graham Avenue, Montréal, Québec H9X 3R8

Immovable property situated in the City of Baie-D'Urfé, Province of Québec, known and designated as being lot number one million five hundred fifty-seven thousand eight hundred seventy-eight (1 557 878) of the Cadastre of Québec, Registration Division of Montréal.

Schedule C – Purchased Assets (Real Property)

LEASED REAL PROPERTY

1. 5675 La Savane Place, St. Hubert, Québec J3Y 8Y9
2. 1463 Cloutier Road, Shawinigan, Québec G9N 8G7

OWNED REAL PROPERTY

3. 553, Léon-Harmel Street, Granby, Québec J2G 3G5

Immovable property situated in the City of Granby, Province of Québec, known and designated as being lot number one million four hundred one thousand eight hundred forty-four (1 401 844) of the Cadastre of Québec, Registration Division of Shefford.

4. 424, Saint-Vallier, Granby, Québec J2G 7Y4

Immovable property situated in the City of Granby, Province of Québec, known and designated as being lot number one million four hundred three thousand two hundred forty-five (1 403 245) of the Cadastre of Québec, Registration Division of Shefford.

Schedule D – Claims to be deleted and expunged from title to Real Property

830 South Service Road, Hamilton, Ontario L8E 5M7

1. Charge registered on November 16, 2007 as No. WE511548 from Novamerican Steel Inc., as chargor, to BNY Trust Company of Canada, as chargee, securing the principal amount of \$400,000,000.
2. Charge registered on September 18, 2009 as No. WE645413, from Barzel Industries Canada Inc., as chargor, in favour of JPMorgan Chase Bank, N.A. Toronto Branch, as chargee, securing the principal amount of US\$30,000,000.

19460, Clark-Graham Avenue, Montréal, Québec H9X 3R8

1. Deed of Hypothec executed between Barzel Industries Canada Inc. (formerly Novamerican Steel Inc.) and BNY Trust Company of Canada before P. Venne, Notary, on November 15, 2007 and registered under number sixteen million twenty-four thousand four hundred eighty-seven (16 024 487) at the Registration Division of Montréal, and registered at the Register of Personal and Movable Real Rights (Québec) under number 07-0657287-0001.
2. Deed of Hypothec executed between Barzel Industries Canada Inc. and JPMorgan Chase Bank, National Association, before R. Alain, Notary, on September 17, 2009 and registered under number sixteen million five hundred fifty-nine thousand eight hundred twenty-two (16 559 822) at the Registration Division of Montréal, and registered at the Register of Personal and Movable Real Rights (Québec) under number 09-0581178-0001.
3. Deed of Hypothec executed between Barzel Industries Canada Inc. (formerly Novamerican Steel Inc.) and JPMorgan Chase Bank, National Association, before P. Venne, Notary, on November 15, 2007 and registered at the Register of Personal and Movable Real Rights (Québec) under number 07-0657283-0001.

553, Léon-Harmel, Granby, Québec J2G 3G5

1. Deed of Hypothec executed between Barzel Industries Canada Inc. (formerly Novamerican Steel Inc.) and BNY Trust Company of Canada before P. Venne, Notary, on November 15, 2007 and registered under number fourteen million seven hundred eighty-five thousand three hundred forty-one (14 785 341) at the Registration Division of Shefford, and registered at the Register of Personal and Movable Real Rights (Québec) under number 07-0657287-0001.
2. Deed of Hypothec executed between Barzel Industries Canada Inc. and JPMorgan Chase Bank, National Association, before R. Alain, Notary, on September 17, 2009 and registered under number sixteen million five hundred seventy thousand four hundred sixty-seven (16 570 467) at the Registration Division of Shefford, and registered at the Register of Personal and Movable Real Rights (Québec) under number 09-0581178-0001.
3. Deed of Hypothec executed between Barzel Industries Canada Inc. (formerly Novamerican Steel Inc.) and JPMorgan Chase Bank, National Association, before P. Venne, Notary, on November 15, 2007 and registered at the Register of Personal and Movable Real Rights (Québec) under number 07-0657283-0001.
4. Lease executed between the City of Granby and Ogis Inc. on November 1, 1976 and registered under number two hundred thirty-two thousand nine hundred fifty-four (232 954) at the Registration Division of Shefford, as modified by an amendment dated December 6, 1982 registered under number two hundred eighty thousand six hundred eighty-three (280 683) at the Registration Division of Shefford.

424, Saint-Vallier, Granby, Québec J2G 7Y4

1. Deed of Hypothec executed between Barzel Industries Canada Inc. (formerly Novamerican Steel Inc.) and BNY Trust Company of Canada before P. Venne, Notary, on November 15, 2007 and registered under number fourteen million seven hundred eighty-five thousand three hundred forty-one (14 785 341) at the Registration Division of Shefford, and registered at the Register of Personal and Movable Real Rights (Québec) under number 07-0657287-0001.
2. Deed of Hypothec executed between Barzel Industries Canada Inc. and JPMorgan Chase Bank, National Association, before R. Alain, Notary, on September 17, 2009 and registered under number sixteen million five hundred seventy thousand four hundred sixty-seven (16 570 467) at the Registration Division of Shefford, and registered at the Register of Personal and Movable Real Rights (Québec) under number 09-0581178-0001.
3. Deed of Hypothec executed between Barzel Industries Canada Inc. (formerly Novamerican Steel Inc.) and JPMorgan Chase Bank, National Association, before P. Venne, Notary, on November 15, 2007 and registered at the Register of Personal and Movable Real Rights (Québec) under number 07-0657283-0001.

**Schedule E – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

830 South Service Road, Hamilton, Ontario L8E 5M7

1. Transfer of Easement registered on June 3, 1954 as No. SA52340 in favour of The Hydro-Electric Power Commission of Ontario.
3. By-Law registered on January 25, 1956 as No. BL1738 for the purpose of subdivision control.
4. Notice registered on November 4, 1998 as No. LT528564 being a maintenance and use agreement between The Corporation of the City of Stoney Creek and 3419584 Canada Inc.
5. Notice registered on November 15, 2007 as No. WE511467 being an agreement to grant an easement in perpetuity from 4421591 Canada Inc. and Novamerican Steel Inc. to Chriscott Properties Inc.

19460, Clark-Graham Avenue, Montréal, Québec H9X 3R8

1. Deed creating a servitude executed between Fry-Cadbury Ltd, The Quebec Hydro-Electric Commission (Hydro-Québec) and the Bell Telephone Company of Canada on April 18, 1967, May 19, 1967 and June 5, 1967 and registered under number one million nine hundred ninety-one thousand six hundred sixty-eight (1 991 668) at the Registration Division of Montréal

553, Léon-Harmel, Granby, Québec J2G 3G5

1. Deed creating a servitude executed between Wilmac Holdings Ltd and The Corporation of the City of Granby on March 7, 1967 and registered under the number one hundred eighty one thousand four hundred forty-four (181 444) at the Registration Division of Shefford.
2. Deed creating a servitude executed between Cresswell-Pomeroy Limited and the City of Granby on June 20, 1975 and registered under the number two hundred twenty-three thousand one hundred thirty-eight (223 138) at the Registration Division of Shefford.

424, Saint-Vallier, Granby, Québec J2G 7Y4

1. Deed creating a servitude between Joseph Roberge and Southern Canada Power Company, Limited on April 26, 1941 and registered under the number one hundred five thousand six hundred two (105 602) at the Registration Division of Shefford.
2. Deed creating a servitude between J.H. Leroux and Southern Canada Power Company, Limited on February 16, 1953 and registered under the number one hundred thirty-three thousand two hundred ninety-six (133 296) at the Registration Division of Shefford.

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
BARZEL INDUSTRIES CANADA INC.

Court File No. 09-8363-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE – COMMERCIAL LIST

Proceeding Commenced at Toronto

AMENDED AND RESTATED
APPROVAL AND VESTING ORDER

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