

THE SECURITIES ACT

)

Order No. 2892

)

Subsection 20(1)

)

April 28, 2000

EAGLE PRECISION TECHNOLOGIES INC.

WHEREAS:

(A) Eagle Precision Technologies Inc. ("Eagle") has made application to The Manitoba Securities Commission (the "Commission") for an order pursuant to subsection 20(1) of The Securities Act (Manitoba) (the "Act"), that the issuance of unsecured notes of Eagle to certain of its unsecured creditors and the various related trades described below be exempt from Sections 6 and 37 of the Act.

(B) Eagle has represented to the Commission that:

1. Eagle's principal business is to design and manufacture machines used in metal tube forming, mostly for use in the automotive industry. It has several direct or indirect subsidiaries, of which seven are active. Eagle and its subsidiaries conduct business in Canada, the United States, the United Kingdom, France and Germany. Its principal place of business is located in Brantford, Ontario.

2. Eagle is indebted to the Canadian Imperial Bank of Commerce (the "Bank"), a secured creditor, in the amount of approximately \$40,000,000 and is further indebted to various unsecured creditors in the approximate aggregate amount of \$10,000,000.

3. Following extensive negotiations with the Bank and other creditors, Eagle has proposed a Plan of Arrangement (the "Plan") under section 182 of the *Business Corporations Act* (Ontario) and the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") in the belief that a better result for all of its stakeholders will be achieved through acceptance of the Plan than would be the case under any other available alternative.

4. Under the Plan, it is proposed that the debt and equity structure of Eagle be reorganized through (i) a payment to each unsecured creditor of the lesser to its claim and \$500; (ii) the issuance to certain unsecured creditors of the unsecured notes of Eagle hereinafter described (the "Unsecured Notes") to a maximum of \$10,000,000 in principal amount, in satisfaction of the balances of their claims; (iii) the issuance of a note for \$15,000,000 to the Bank in satisfaction of its claim and (iv) the establishment of the New Credit Agreement with the Bank.

5. On November 10, 1999, Eagle applied to the Ontario Superior Court of Justice (the "Court") under the provisions of the CCAA and an order was granted by the

Court staying all proceedings of creditors against Eagle until December 10, 1999. By extension order dated December 9, 1999, the stay of proceedings was extended to June 30, 2000. The extension order stipulated that the Plan was to be filed with the Court by not later than March 31, 2000, and this has been done.

6. Following implementation of the Plan, Eagle will retain the principal business and assets described above and intends to continue as a publicly-traded company. It will use its best efforts to obtain the approval of the Toronto Stock Exchange (the "TSE") for the Plan, but if such approval cannot be obtained, then Eagle will delist its common shares from the TSE and proceed to implement the Plan, subject to all approvals being obtained.

7. Implementation of the Plan is dependant upon approval by creditors and shareholders. Meetings of Eagle's creditors will be held on May 8, 2000 to consider and vote on a resolution to approve the Plan and a meeting of the common shareholders will be held on the same date for the same purpose. The directors of Eagle have unanimously recommended that its creditors and shareholders vote to approve the Plan.

8. Formal notices of meetings and an information circular have been prepared and are being sent to creditors and shareholders in connection with these meetings.

9. The Unsecured Notes to be issued to various creditors under the Plan will have a term of five years and will be in the aggregate amount of \$10,000,000. Eagle will have the right to convert the Unsecured Notes, at any time, into an aggregate of 4,616,590 common shares of Eagle. In addition, holders of the Unsecured Notes will have the option at any time after three years to convert them notes into an aggregate of 4,616,590 Eagle common shares.

(C) The Commission is of the opinion that it would not be prejudicial to the public interest to grant the order requested.

IT IS ORDERED:

1. THAT pursuant to subsection 20(1) of the Act that:

(a) the trades of Unsecured Notes to certain of its unsecured creditors pursuant to the Plan;

(b) the conversion by Eagle of the Unsecured Notes into Eagle common shares;

be exempt from Sections 6 and 37 of the Act.

2. THAT the fee for this order shall be \$1,000.00.

BY ORDER OF THE COMMISSION

Director - Legal