

LETTER OF UNDERSTANDING

BETWEEN: RELIANCE FOUNDRY CO. LTD.

(Hereinafter referred to as "The Company")

**AND: UNITED STEELWORKERS OF AMERICA
(ON BEHALF OF LOCAL UNION 2952)**

(Hereinafter referred to as "The Union")

RE: TERM EXTENSION TO COLLECTIVE AGREEMENT

The Parties agree to extend the current Collective Agreement in effect from September 1, 2000 to August 31, 2003 with all its terms and conditions, save and except the following modification:

ARTICLE 22 - DURATION OF AGREEMENT

22.01 This Agreement shall be for the period from and including September 1, 2000 to and including August 31st, 2004 and from year to year thereafter subject to the right of either Party to the Agreement within four (4) months immediately preceding the date of expiry of this Agreement, which is August 31st, 2004, or immediately preceding the last day of August in any year thereafter, by written notice to require the other Party to the Agreement to commence collective bargaining.

22.02 Should either Party give written notice to the other Party pursuant hereto, this Agreement shall thereafter continue in full force and effect until the Union shall give notice of strike or the Employer shall give notice of lockout or the Parties shall conclude a renewal or revision of this Agreement or a new Collective Agreement whichever shall first occur.

22.03 The operation of Section 50 (2) and (3) of the Labour Relations Code is hereby excluded.

IN WITNESS WHEREOF: The Parties have executed this Agreement at Surrey,
BC this 20th day of October, 2003.

UNITED STEELWORKERS OF AMERICA
(On Behalf of Local Union 2952)

WESTERN EMPLOYERS LABOUR
RELATIONS ASSOCIATION

Santock Gill

Jim Halliday

Gerry Hudak

Scott McRitchie

RELIANCE FOUNDRY CO. LTD.

Brad Done

Brent Done