

MR. ROGERS, EXAM. BY MR. MERRICK

1 A. Right.

2 Q. Just give them to me quickly while you're on the
3 stand.

4 A. Well, with respect to any guarantee we might
5 provide, that the lender must have all the plant and
6 equipment and the mineral leases and title to the
7 property revert to them. And that provision was there so
8 that neither Westray nor Curragh could pledge the assets
9 to somebody else for other financial purposes with an
10 overhang of debt and guarantee from the federal
11 government. So that really said, "You can't touch these
12 assets at all until the loan is paid off."

13 Q. Yes.

14 A. The second one, "reimbursement of the loan," really,
15 if you look in the contract, because of the cash that we
16 said was quite attractive, being thrown off, cash
17 surpluses from about year four, from my memory, we said,
18 "Well, you can't have loan payments any less attractive
19 than the ones you have in that plan. So that we don't
20 want find that later on what happened is you said this
21 schedule of loans now has to be extended..." because they
22 wanted to use that cash for other purposes.

23 And in point of fact, in the final contract, we got
24 even more tough on this than this clause, because the
25 final contract says that if you have that amount of cash