

MR. CAMERON, EXAM. BY MR. MERRICK

1 - for the Federal financing.

2 Q. Why did you understand they needed the 12 million?

3 A. The requirements from the -- that the -- to meet the
4 requirements of the program they were applying under in
5 the Federal department.

6 Q. Well, what were the requirements that they had to
7 meet? I mean, surely, it wouldn't have been a
8 requirement that Government loan money, necessarily. It
9 must have been to satisfy some other requirement?

10 A. It was a requirement. They -- when they refused to
11 accept some of the money the company was putting in as
12 equity, to meet the equity part of the program, the
13 Federal Government would accept a loan fully subordinated
14 by the Provincial Government. But that came after. We
15 talked about the loan and then the fully subordinated
16 came a little bit later. That was another little
17 surprise that came along.

18 Q. But did you understand at the very beginning that
19 the company was looking for a loan from the Province in
20 order to meet equity requirements?

21 A. Not that. It's to meet the Federal requirements.
22 And I had the sense too that the Federal Government were
23 saying, "Well, we're going to get their necks in this
24 too," you know. "We're going to be putting money out;
25 we're going to have them on the line too."