

MR. CAMERON, EXAM. BY MR. MERRICK

1 Curragh confirming the \$12 million arrangement including
2 the subordination matter. I advised him that we are
3 reviewing the issues, and we will be prepared to move as
4 soon as the Federal offer is received and accepted by the
5 company. And unless I am instructed otherwise, that is
6 the course we intend to follow."

7 A. Um-hmm.

8 Q. In short, that she's not going to do anything until
9 Curragh accepts the offer as is?

10 A. From the Federal Government?

11 Q. Yes.

12 A. Um-hmm.

13 Q. If you can then turn to page 64, this is a letter
14 from you to Curragh the same date. Short and to the
15 point. "Further to our letter of January 9th in respect
16 of financing arrangements, we confirm the Province's
17 agreement to extend the completion of permanent financing
18 arrangements. We confirm that the Province is prepared
19 to enter into a subordination agreement in respect of the
20 12 million loan on terms and conditions satisfactory to
21 Curragh and the Province."

22 A. Um-hmm.

23 Q. I take it -- do I take it from this letter that you
24 did not follow her advice? You gave them the letter
25 they'd been requesting and which she said she saw no need