

MR. ROGERS, EXAM. BY MR. MERRICK

1 Federal loan guarantee should the take-or-pay contract be  
2 lost has not yet been determined." Is this the first  
3 that you would be aware that Westray had actually now  
4 developed the idea of intending to sell the Westray Mine?

5 A. I think so, yeah. I can't tell you whether I -- it  
6 was -- be first raised in my mind on the earlier letter  
7 that dealt with the issue of debentures against the  
8 assets or whether it was at this point. But it was  
9 obvious that they were looking to raise funds in some  
10 fashion, attaching to the assets of Westray. And I  
11 believed they were for purposes of assisting in the  
12 further development of the Faro Mine in the Yukon. And  
13 both these notes that we've talked about here refer to  
14 the Faro Mine.

15 In fact, one of the purposes of this note was to  
16 prepare Minister Wilson for a possible discussion with  
17 Tom Sidden who was Minister of Indian and Northern  
18 Affairs, and Northern Affairs, of course, came -- the  
19 Faro Mine came under his jurisdiction.

20 This wasn't precluded by -- I mean, the sale or part  
21 of a sale or change in ownership wasn't precluded, but it  
22 couldn't proceed without the Minister's approval, as well  
23 as the lender's, obviously. So we're giving him a "heads  
24 up" with respect to some of the implications on that  
25 matter.