

MR. ROGERS, EXAM. BY MR. MERRICK

1 don't have a satisfactory answer to you with respect to
2 the role of the bank, and I don't feel competent to
3 assess that.

4 As regards the operator, you -- one expects people
5 to be what they represent themselves to be. These people
6 had a -- were respected in the mining community as
7 aggressive -- aggressive operators who knew mining well,
8 who had taken Faro, which was bankrupt, running by -- as
9 a -- form an international mining company, turning it
10 around, making it profitable, creating 600 jobs in the
11 Yukon. And nobody, I think, challenged them as being
12 capable of doing this job, even though they hadn't run an
13 underground coal mine before.

14 So that neither -- neither the banks nor ourselves,
15 I would submit, would sustain a level of suspicion so
16 high, based on the reputation of these people, that you
17 should be doing something inordinately different than
18 went on as regards project oversight.

19 Q. What about the level of financial support that was
20 given? This was, by most standards, I guess, a fairly
21 high level of governmental support, Provincially and
22 Federally, which left the operator having to put minimal
23 amount of equity in with a relatively minimal amount of
24 risk in the project, I guess.

25 I'd like your comments as to the appropriateness of