

MR. ROGERS, EXAM. BY MR. MERRICK

1 '91 -- '92, they appeared to be running very short on
2 cash flow, some suggestions being that if something
3 wasn't done within a matter of months, they just wouldn't
4 have enough cash flow to operate. And Curragh had
5 apparently declared its position that it wasn't going to
6 put any more money into this mine. Were you ever aware
7 of that?

8 A. No, I certainly was not. Certainly not that Curragh
9 was, quote, not going to put any more money into the
10 mine. Curragh was obliged by contract to the lenders and
11 to the Government of Canada to cover cost overruns. And
12 the contract specifically says that they would be
13 responsible, I think, to a minimum level of 12 1/2
14 million over the contract level.

15 Q. Was there any attempt made to enforce that? I see
16 no reference to it, and I assume not.

17 A. Enforce? Enforce?

18 Q. For the Federal Government to come forward to
19 Curragh and say, "Look, we're now going to require you to
20 put more money in, pursuant to your commitments"?

21 A. Because the situation would arise where the Federal
22 Government would be aware that they were in breach of the
23 covenants and hadn't stopped doing things. I mean, what
24 would be the -- what would be the evidence that would
25 bring forth an action by the Federal Government,