

MR. CAMERON, EXAM. BY MR. MERRICK

1 Q. Well, I'm sorry, I'm not clear on this. What was
2 your understanding as to why they needed the 12 million?
3 Surely, it wouldn't have been just that they needed a
4 government lender? It must have been because they were
5 short of the money. They needed it for equity. Nobody
6 else had it. They didn't have it, whatever.

7 A. I told you, I had the sense the Federal Government
8 were determined to have us in it financially, not just
9 the coal contracts and the leases, but we were actually
10 going to have some money in it too. That was my sense,
11 talking to some people. And it was also a requirement to
12 fulfil the obligation of the program they were applying
13 under.

14 Q. Now we've had Mr. Rogers' evidence that under the
15 A.E.P. program they needed to have a 20-percent equity
16 component. Now that equity could be made up in a number
17 of different ways, one of which would be a fully
18 subordinated loan from another lender. Was that your
19 understanding of why the Province was committing itself
20 to the 12 million?

21 A. I guess the argument was with the Federal Government
22 is they wouldn't accept some of the monies that the
23 company was putting in. They wouldn't accept the fact
24 that the company had to ante up dollars to guarantee that
25 the project, any cost overruns, and they had -- there was