

MR. CAMERON, EXAM. BY MR. MERRICK

1 was this business of what security position to take, and
2 we looked at that for just a few minutes. I want to
3 refer you to a couple more documents on that. Can you
4 turn to page 24 in that same volume that we're going
5 through, and this is from your Deputy to you, a
6 memorandum dated February the 8th, '89. Do you have it?

7 A. Um-hmm.

8 Q. And he talks in his first paragraph about, "That
9 they've reviewed the most recently amended interim
10 financing deal. It increases the funding level to eight
11 million and lengthens the payment date," et cetera, et
12 cetera.

13 And then he says in his second paragraph:

14 "It is unacceptable to Westray that in the event of
15 default the Province has the right to act on its security
16 and seize title to the company's assets and proceed to
17 recover its interim financing in a normal commercial
18 manner. We have included this condition because it is
19 essential that we be able to take control of the property
20 so that we can proceed with the mine development in event
21 Westray cannot. However, Westray wishes to have pari
22 passu security with the Province on its own assets. And
23 in the even of default be entitled to release its
24 interest in the security for its share of the value..."
25 and he underlines this, "...the value of the project as a