

MR. CAMERON, EXAM. BY MR. MERRICK

1 Hood. And it says, "When the Board of Novaco..." and
2 that was the company that had actually entered the take-
3 or-pay agreement, I believe?

4 A. Um-hmm.

5 Q. "When the Board of Novaco Limited met with Marvin
6 Pelley of Curragh Resources on November 22nd, '91, he
7 informed us that Curragh Resources Inc. had not been able
8 to sell the coal they expect to produce in the calendar
9 year 1993. Curragh will be required to give an election
10 notice pursuant to Clause 3.01 of the take-or-pay
11 agreement to Novaco by December 31st, '91, so as not to
12 be in breach of the agreement with their bank."

13 Now, as I understood it, Curragh would have to give
14 notice, I want to make sure I've got this straight now,
15 almost a year in advance of when they intended to
16 exercise the agreement. Am I right?

17 A. Um-hmm, I think that's fair.

18 Q. So that if they anticipate that they may be calling
19 on the Province to honour its obligations under the
20 agreement for the year 1993, they would have to give
21 notice of that by December 31st, '91 --

22 A. Um-hmm.

23 Q. -- right? And, apparently, Curragh was getting
24 ready to do that?

25 A. Apparently, they were, yeah.