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Mr. Sheehy  
Mr. Garaway  
Mr. Long

Montreal, December 14, 1987

Imasco Limited  
4 Westmount Square  
Montreal, Canada  
H3Z 2S8  
(514) 937 9111

GM

Mr. G.L. Dennis  
B.A.T Industries  
Windsor House  
50 Victoria Street  
London, England

G.L.D.  
15 DEC 1987  
RECEIVED

Purdy Crawford  
Chairman,  
President and  
Chief Executive Officer

Dear Gerald -

Re: Debt Financing

I have asked Ray Guyatt to write to you separately about your letter of December 2nd.

From my perspective, what happened was that our Finance Group in pursuing their mandate to obtain the lowest cost short term floating rate facilities available in world financial markets, were able to improve on our costs by the transaction with Morgan Bank. Other Canadian companies have earlier resorted to such a facility. This facility with a stated term of eight years was so structured, at least from a Canadian perspective, with a term of eight years to avoid Canadian withholding tax considerations.

No doubt Morgan Bank in pursuit of its marketing objectives caused the press to be informed. It was certainly not a material event from an Imasco perspective.

Kindest regards.

Yours sincerely,

PC/lid

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