

IRREVOCABLE LETTER OF CREDIT

The _____ Bank of _____
Street: _____
City: _____
State: _____ Zip Code: _____
Area Code: _____ Telephone: _____

Beneficiary:	LETTER OF CREDIT
STATE OF COLORADO	NUMBER: _____
MINED LAND RECLAMATION BOARD	
215 CENTENNIAL BUILDING	Amount U.S. \$ _____
1313 SHERMAN STREET	Date of Issuance: _____
DENVER, COLORADO 80203	Initial Expiration Date: _____

Applicant: _____
Street: _____
City: _____
State: _____ Zip Code: _____
Area Code: _____ Telephone: _____

Gentlemen:

We hereby issue and establish our irrevocable letter of credit, the amount of which is available by beneficiary's draft or drafts drawn upon us, which shall be paid at sight, when accompanied by the following document:

A written statement of the Director ("the Director") of the Division of Reclamation, Mining and Safety of the State of Colorado ("the Division") certifying that he is a duly authorized official acting on behalf of the State of Colorado and that the amount of the accompanying sight draft is due and payable to the State of Colorado pursuant to applicable provisions of Colorado statutes governing mined land reclamation and that _____ or its successor has neglected, failed, or refused to pay such amount although requested to do so by the Director.

Each sight draft so drawn and presented shall be honored by us if presented prior to the close of business on the expiration date of this letter of credit. The Bank shall make a payment by wire transfer to the Beneficiary. This credit refers to _____'s application for a permit to engage in mining and reclamation activities within the State of Colorado.

It is an express condition of this letter of credit that it shall be automatically extended for successive additional periods of one year each, from the initial and each future expiration date unless the _____ Bank of _____ ("the Bank") shall notify the Director at least 90 days prior to an expiration date in writing by certified mail, at the above address, that the Bank elects not to extend the credit for such additional period. In such event, in addition to his power to draw hereon under the preceding paragraphs, the Director may draw the full or any lesser amount hereof at any time prior to such expiration date by sight draft, or drafts, accompanied by the written statement of the Director certifying that the amount drawn will be held as a cash deposit in lieu of financial warranty, as provided in applicable Colorado statutes governing mined land and reclamation.

The original signed letter of credit and any amendments will be presented to the Bank by the beneficiary along with any draft presented pursuant to this letter of credit, and will be surrendered to the Bank with any draft which draws the full amount, or the balance remaining available, under this letter of credit. Delivery of the original letter of credit, sight draft(s) and all other documents required as a condition precedent for payment, may be made by overnight courier to the Bank. Each payment on a draft shall reduce the aggregate above written amount by the amount drawn.

This Letter of Credit is subject to Uniform Customs and Practice for Documentary Credits (2007 Revision), International Chamber of Commerce – Publication No. 600 (the "UCP600") and shall be governed by the laws of the State of Colorado with respect to subject matters not addressed by the UCP600. In the event of an action between the beneficiary and the Bank regarding this letter of credit, the bank submits to the jurisdiction and venue of the Denver District Court, State of Colorado. The Bank agrees to accept service of process in any such action, if service is made by registered or certified mail (return receipt requested) or courier service, postage or delivery fee prepaid, to the address of the Bank set forth above.

If any expiration date specified herein shall fall upon a day other than a regular business day of the Bank, the expiration date shall ipso facto be extended to the close of business on the next successive business day of the Bank.

The _____ Bank of _____

By _____ Date _____
Authorized Signature

- NOTES: 1. The Letter of Credit shall not be in excess of 10 percent of the bank's capital surplus account or in excess of 30 percent if the applicant has more than one Letter of Credit for different permits. To demonstrate this requirement, the issuing bank shall provide a balance sheet certified by a Certified Public Accountant. Generally, this is available in the Bank's most recent Annual Report or Call Report.
2. The Letter of Credit shall be submitted on the Bank's letterhead.
3. The Mined Land Reclamation Board or the Office of Mined Land Reclamation may recover the necessary costs, including attorney's fees or fees incurred in foreclosing on or realizing the collateral used in the event this Letter of Credit is forfeited. The face amount of this Letter of Credit shall be increased by five hundred dollars (\$500.00) to cover these costs.