

(Letter of Credit must be issued on bank letterhead and/or bank safety paper.)

IRREVOCABLE LETTER OF CREDIT NO. _____

Issued to guarantee performance of reclamation requirements

Date of Issue: _____

Date of Expiry: _____

Beneficiary: Department of Agriculture & Natural Resources
Minerals and Mining Program
523 East Capitol Avenue
Pierre SD 57501-3182

Amount: _____

Mine License No. _____

Permittee: _____

Gentlemen:

At the request of (**Permittee**) "Permittee", we hereby establish our Irrevocable Letter of Credit No. _____ in your favor and authorize you to draw on (**Name of Bank, Bank Address**), drafts at sight for any sum or sums not exceeding a total of (**Amount**). All drafts drawn under this Irrevocable Letter of Credit will be duly honored by (**Name of Bank**) if presented before the expiration date of (**Date of Expiry**) or any extended date provided that:

1. This Irrevocable Letter of Credit shall be automatically extended for additional periods of one year from the expiration date unless (**Name of Bank**) has notified you in writing at least ninety (90) days prior to the expiration date that we elect not to renew this Irrevocable Letter of Credit. Our notice of such election shall be sent by certified mail to the Department of Agriculture and Natural Resources, Minerals and Mining Program, 523 East Capitol Avenue, Pierre, South Dakota 57501-3182.

2. Any drafts drawn by you under Irrevocable Letter of Credit No. _____ shall bear the clause "Drawn under (**Name of Bank**) Irrevocable Letter of Credit No. _____" and shall be accompanied by the original Irrevocable Letter of Credit and any amendments and your certification that you have issued written notification that the Permittee has failed to commence and/or complete reclamation requirements, per SDCL ch. 45-6, and written notification has been sent by certified mail to the Permittee as well as (**Name of Bank**).

In the event a drawing is presented, we understand that neither the State of South Dakota, Department of Agriculture and Natural Resources nor the South Dakota Board of Minerals and Environment is required to have commenced or completed reclamation or given the Permittee or (**Name of Bank**) such opportunity before drawing on this

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Irrevocable Letter of Credit.

Except as otherwise expressly stated, this Irrevocable Letter of Credit is subject to the "Uniform Customs and Practice for Commercial Documentary Credits fixed by the International Chamber of Commerce."

(For the Issuer)

Authorized Signature

Date

Name & Title

Acceptance:

Chairman, SD Board of Minerals
and Environment

Date