

DRAFT FORM OF IRREVOCABLE LETTER OF CREDIT

(To be typed on Bank Letterhead)

His Majesty the King in Right of Ontario as represented by
The Minister of Mines
Ministry of Mines
6th Floor - 933 Ramsey Lake Road
Sudbury, Ontario
P3E 6B5

At the request of and for the account of our customer, <PROPONENT>, we, <BANK>, hereby issue in the favour of the Ministry of Mines (the “Ministry”), this Irrevocable Standby Letter of Credit Number <XX> in the amount of <X DOLLARS (CAD \$X)>, which relates to a closure plan between <PROPONENT Z> and the Ministry regarding closure costs for the <ABC MINE/SITE/LOCATION> and which is available for payment against the Ministry’s written demand, which demand we shall then honour without enquiring whether the Ministry has the right as between the Ministry and <PROPONENT>, to make such demand and without acknowledging any claim of <PROPONENT>.

This Letter of Credit will continue to <DATE, 20xx> and will expire on that date. The Ministry may call for payment of the full outstanding amount under this Letter of Credit at any time up to the close of business on that date. It is a condition of this Letter of Credit that it shall be deemed to be automatically extended from year to year, without amendment, for successive periods of one year each from the present or any future expiration date hereof, unless not less than ninety (90) days prior to any such date, we notify the Ministry in writing by registered mail at: 6th Floor - 933 Ramsey Lake Road, Sudbury, Ontario P3E 6B5, that we elect not to consider this Letter of Credit renewed for any such additional period. In the event of a notification of non-renewal, the Ministry may demand payment of the full or any portion of the amount outstanding under this Letter of Credit.

Partial drawings are permitted under this Letter of Credit up to the full amount of this Letter of Credit.

It is understood that the amount of this credit may be reduced from time to time, such reduction will be effected upon receipt of the Ministry’s written notice delivered to us at <BANK ADDRESS>.

Written demands for the full amount or any portion or portions thereof must be addressed to us at <BANK ADDRESS >, and bear the clause “drawn under standby letter of credit number <XX> issued by <BANK>”.

This Letter of Credit is subject to the Uniform Customs and Practice of Documentary Credits of the International Chamber of Commerce, current at the time of issuance of this Letter of Credit (UCP).

This Letter of Credit shall be governed by and construed in accordance with the laws of the Province of Ontario, Canada and the applicable laws of Canada except to the extent that such laws are inconsistent with the UCP.