

Sample of Standard Mine Rehabilitation and Closure Performance Bond**MINE REHABILITATION AND CLOSURE PERFORMANCE BOND**

Bond # _____

Amount: _____ \$

KNOW ALL PERSONS by these presents that (hereinafter called the Principal) whose place of business is at _____ and The _____ (hereinafter called the Surety) are held and firmly bound unto Her Majesty the Queen in Right of Newfoundland and Labrador as represented by the Minister of Natural Resources, its heirs, and successors (hereinafter called the Obligee) whose place of business is at 50 Elizabeth Avenue, P.O. Box 8700, St. John's, Newfoundland and Labrador, A1B 4J6 in the penal sum of _____ lawful money of Canada for the payment of which we bind ourselves, our heirs, administrators and successors, and assigns firmly by these presents.

WHEREAS, the Principal will operate/operates a _____ located at _____ (locally known as _____) in accordance with a Rehabilitation and Closure Plan accepted by the Minister's letter dated _____, which is attached hereto.

NOW, THEREFORE, the condition of this obligation is such that, if the Principal shall comply with the terms of the Rehabilitation and Closure Plan then this obligation shall be void; otherwise it shall remain in full force and effect, subject to the following conditions:

1. Whenever the Principal shall be in default and declared by the Obligee to be in default of the terms of the Closure Plan, the Obligee shall send a registered letter to both the Principal and Surety, stating in substantial detail the facts leading to the default.
2. That the Surety's obligation to the Obligee shall only be to pay such amounts demanded by the Obligee and this bond will be totally exonerated by remitting to the Obligee such amounts in default, provided however, the total liability of the Surety shall in no event exceed the penal sum of the Surety.
3. The term of this bond shall remain in full force and effect to the time of release of the bond by the Minister of Natural Resources, or replaced by a form of financial assurance acceptable to the Minister of Natural Resources.
4. Provided that, if the Surety at any time gives at least three calendar months notice in writing to the Obligee and to the Principal of its intention to terminate this obligation, then this obligation shall be deemed to be terminated on the date stated in the notice, which date shall not be less than three calendar months after the date of the receipt of the notice by the said Obligee or by the said Principal, whichever is the later date of receipt, provided that, should the Principal fail, within two calendar months of the above referred to later date of receipt, to provide a financial assurance in at least the same amount as this bond in a form acceptable to

the Obligee, the Surety shall automatically and immediately pay the full amount of the bond to the Obligee.

5. Any suit or action on this bond against the Surety must be commenced by the Obligee within 120 days from the date of notice of default mentioned in clause #1 above.
6. In the event the Surety becomes unable to fulfill its obligations under the bond for any reason, notice shall be given immediately, by registered mail, to the Principal and the Obligee. Upon Obligee's receipt of Surety's notification or upon the incapacity of the Surety by reason of bankruptcy, insolvency, or suspension or revocation of its license, the Principal shall be deemed to be without bond coverage and will be required to submit alternate financial assurance, subject to the approval of the Obligee and as required by Section 10. (1) of the Mining Act, within 30 days.
7. The Surety is duly registered to carry on the business of surety in the Province of Newfoundland and Labrador.
8. Upon partial completion of the rehabilitation and closure of the site, and the submission by the Principal of a written application under Section 10. (7) of the Mining Act including technical supports and relevant information, the Minister of Natural Resources at their discretion may reduce the amount of the bond to an amount consistent with the financial requirements of the rehabilitation work left to be completed.
9. This bond will be valid for the term of _____ to _____ and shall be automatically renewed, without further documentation from year to year thereafter unless terminated as aforesaid, provided that the Surety may, if it wishes, issue certificates evidencing such renewal.

Sealed with the respective seals of the Principal and of the Surety the ____ day of _____, 20 .

SEALED, SIGNED AND DELIVERED

In the presence of

_____ witness

_____ approved signatory

_____ approved signatory