



**Irving
Trust**

Irving Trust Company
One Wall Street
New York, NY 10015

40-8681

040086816905

OUR REF. NO.
S00017012

DATE
MARCH 03 1988

BENEFICIARY
UNITED STATES NUCLEAR
REGULATORY COMMISSION
WASHINGTON, DC 20555

UMETCO MINERALS CORPORATION
39 OLD RIDGEBURY RD.
DANBURY, CT 06817-0001

GENTLEMEN:

OUR REFERENCE NO. S00017012

ACCOUNT OF:
UMETCO MINERALS CORPORATION
39 OLD RIDGEBURY RD.
DANBURY, CT 06817-0001

AVAILABLE WITH: OURSELVES
BY PAYMENT

DRAFTS AT SIGHT
DRAWN ON IRVING TRUST COMPANY,
NEW YORK

TO THE EXTENT OF: ****USD4,576,985.00****

EXPIRY DATE: MARCH 03 1989
PLACE OF EXPIRY: OUR COUNTERS

ADDITIONAL DETAILS:

8804070025 880303
PDR ADOCK 04008681
C PDR

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. 00017012 IN YOUR FAVOR TO PROVIDE FUNDS UNDER CERTAIN CONDITIONS FOR THE DECOMMISSIONING, DECONTAMINATION, RECLAMATION, AND LONG-TERM SURVEILLANCE OF UMETCO MINERALS CORPORATION'S WHITE MESA, UTAH, URANIUM AND VANADIUM FACILITY PURSUANT TO SOURCE MATERIAL LICENSE SUA-1358.

THIS IRREVOCABLE STANDBY LETTER OF CREDIT HAS BEEN ESTABLISHED AT THE REQUEST AND FOR THE COUNT OF UMETCO MINERALS CORPORATION, 39 OLD RIDGEBURY ROAD, DANBURY, CT 06817, UP TO THE AGGREGATE AMOUNT OF FOUR MILLION FIVE HUNDRED SEVENTY-SIX THOUSAND NINE HUNDRED EIGHTY-FIVE U.S. DOLLARS (US\$4,576,985.00) AVAILABLE UPON PRESENTATION OF:

(1) YOUR SIGHT DRAFT, SIGNED BY THE DIRECTOR OF THE UNITED STATES NUCLEAR REGULATORY COMMISSION URANIUM RECOVERY FIELD OFFICE, BEARING UPON ITS FACE THE FOLLOWING:

"DRAWN UNDER LETTER OF CREDIT NO. S00017012, DATED MARCH 3, 1988. THE TOTAL OF THIS DRAFT, AND ALL DRAFTS PREVIOUSLY DRAWN UNDER THIS LETTER OF CREDIT, DOES NOT EXCEED US\$4,576,985.00."



DESIGNED ORIGINAL
Certified By Zhang

Add Info

88-0582

68-1507

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OUR LETTER OF CREDIT S00017012
UMETCO MINERALS CORPORATION

AND, (2)) YOUR STATEMENT, SIGNED BY THE DIRECTOR OF THE UNITED STATES NUCLEAR REGULATORY COMMISSION URANIUM RECOVERY FIELD OFFICE, READING AS FOLLOWS: "I CERTIFY THAT (A) THE AMOUNT OF THIS DRAFT IS PAYABLE PURSUANT TO REGULATIONS AND SOURCE MATERIAL LICENSE SUA-1358 (THE "LICENSE"), ISSUED UNDER AUTHORITY OF THE ATOMIC ENERGY ACT, AS AMENDED BY THE URANIUM MILL TAILINGS RADIATION CONTROL ACT (HEREINAFTER, THE "ACT") AND, (B) UMETCO MINERALS CORPORATION ("UMETCO") HAS FAILED TO DEMONSTRATE OR ACHIEVE COMPLIANCE WITH THE DECONTAMINATION, DECOMMISSIONING, RECLAMATION OR LONG-TERM REQUIREMENTS OF THE UNITED STATES NUCLEAR REGULATORY COMMISSION APPROVED DECOMMISSIONING RECLAMATION PLAN."

AND,

(3) YOUR STATEMENT SIGNED BY THE DIRECTOR OF THE UNITED STATES NUCLEAR REGULATORY COMMISSION URANIUM RECOVERY FIELD OFFICE THAT:

"UMETCO MINERALS CORPORATION HAS BEEN ADVISED OF THE UNITED STATES NUCLEAR REGULATORY COMMISSION'S INTENTION TO DRAW UNDER THIS LETTER OF CREDIT."

THIS LETTER OF CREDIT IS EFFECTIVE AS OF MARCH 3, 1988 AND SHALL EXPIRE ON MARCH 3, 1989 BUT SUCH EXPIRATION DATE SHALL BE AUTOMATICALLY EXTENDED FOR A PERIOD OF AT LEAST ONE YEAR ON MARCH 3, 1989 AND ON EACH SUCCESSIVE EXPIRATION DATE, UNLESS, AT LEAST 120 DAYS BEFORE THE CURRENT EXPIRATION DATE, WE NOTIFY BOTH YOU AND UMETCO MINERALS CORPORATION BY CERTIFIED MAIL THAT WE HAVE DECIDED NOT TO RENEW THIS LETTER OF CREDIT BEYOND THE CURRENT EXPIRATION DATE. IF UMETCO MINERALS CORPORATION FAILS TO PROVIDE AN ALTERNATIVE SURETY WITHIN SIXTY (60) DAYS AFTER THE RECEIPT BY BOTH YOU AND UMETCO MINERALS CORPORATION, AS SHOWN BY THE SIGNED RETURN RECEIPTS, THEN YOU, AS BENEFICIARY MAY AT YOUR OPTION DRAW ANY REMAINING SUMS UNDER THIS LETTER OF CREDIT BY YOUR DRAFT AT SIGHT ON US.

THE BANK SHALL GIVE IMMEDIATE NOTICE TO UMETCO MINERALS CORPORATION AND THE UNITED STATES NUCLEAR REGULATORY COMMISSION OF:

(A) ANY NOTICE RECEIVED OR ACTION FILED ALLEGING THE INSOLVENCY OR BANKRUPTCY OF THE BANK; OR (B) ALLEGING ANY VIOLATIONS OF REGULATORY REQUIREMENTS WHICH COULD RESULT IN SUSPENSION OR REVOCATION OF THE BANK'S CHARTER OR LICENSE TO DO BUSINESS; OR (C) THE BANK, FOR ANY REASON, BECOMES UNABLE TO FULFILL ITS OBLIGATION UNDER THE LETTER OF CREDIT.

WHENEVER THIS LETTER OF CREDIT IS DRAWN ON UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS CREDIT, WE SHALL DULY HONOR SUCH DRAFT UPON PRESENTATION TO US, AND WE SHALL REMIT TO YOU IN ACCORDANCE WITH YOUR INSTRUCTIONS.

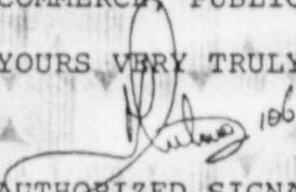
NOTICES SENT TO UMETCO MINERALS CORPORATION SHOULD BE ADDRESSED

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OUR LETTER OF CREDIT S00017012
UMETCO MINERALS CORPORATIONTO: 39 OLD RIDGEBURY ROAD, DANBURY, CT 06817, ATTENTION:
CONTROLLER.THIS CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR
DOCUMENTARY CREDITS, 1983 REVISION, INTERNATIONAL CHAMBER OF
COMMERCE PUBLICATION NO. 400.

YOURS VERY TRULY,


AUTHORIZED SIGNATURE