

THE FOLLOWING LETTER MUST BE PRINTED ON
FINANCIAL INSTITUTION LETTERHEAD

New York State Department of
Environmental Conservation
Division of Mineral Resources
Bureau of Resource Mgmt. and Dev.
625 Broadway - 3rd Floor
Albany, NY 12233-6500

Re: Bluestone Exploration Financial Security

Dear Sir or Madam:

(Financial Institution) holds Certificate of Deposit No. _____ for (Bluestone Exploration Firm) in the amount of \$ _____ in escrow for the New York State Department of Environmental Conservation. This account is in lieu of a bluestone exploration reclamation bond for the above referenced mine owner, pursuant to Section 23-2715 of the Environmental Conservation Law.

This Certificate of Deposit shall be automatically renewed for additional terms of one (1) year or more unless the bank gives the Department of Environmental Conservation, State of New York at least ninety (90) days written notice of its intent to terminate the Certificate at the end of any term. The bank shall also notify the Department ninety (90) days prior to taking any action which would modify, cancel or allow the withdrawal of funds from the account other than accrued interest.

The Department shall have the rights to draw on this Certificate of Deposit at any time to and including the maturity date up to the aggregate amount, less any prior drafts by the Department, and hold it as cash collateral guarantee if (Bluestone Exploration Firm) fails to replace this Certificate of Deposit with other acceptable financial security no later than 30 business days after being informed by the Department that the bank has given its ninety (90) days written notice to terminate the credit, or if the (Bluestone Exploration Firm) has violated the Environmental Conservation Law Article 23, Title 27, and/or its attendant regulations.

Interest accruing to the account remains the property of the bluestone exploration firm.

Sincerely,

(authorized signature)
Bank Officer Name and Title
SIGNATURE MUST BE NOTARIZED