



2209 Big Creek Road

Kellogg, ID 83837

(208) 783-2892

December 20, 2010

Idaho Department of Water Resources
Northern Region
7600 Mineral Drive, Suite 100
Coeur d'Alene, ID 83815

RE: Sunshine Mine Tailing Pond Water Right No. 94-07290 Change in Ownership

Dear IDWR,

This letter accompanies our Notice of Change in Water Rights Ownership (form 42-248/42-1409(6)) and describes the change in ownership of the water right in question.

On April 21, 2010 Sterling Mining Company (Sterling) entered into an asset purchase agreement with Silver Opportunity Partners LLC (SOP) wherein Sterling agreed to convey all assets and property to SOP. This purchase included property known as the Sunshine Mine tailing pond and the water right for a well located on the property (IDWR Permit No. 94-07290). A change in water rights ownership is detailed in the enclosed Specialty Warranty Deed (recorded document no. 457606).

Previously, on October 20, 2006 Sterling had acquired the same property from Essential Metals, including, water rights (No. 94-07290). Enclosed is a copy of the Warrantee Deed identifying the property acquisition (recorded document no. 435668) and the water rights deed conveying water rights from Essential Metals to Sterling (recorded document no. 435671).

The above transactions and deeds document a change in ownership of this water right from Essential Metals to Sterling, and then from Sterling to SOP. In addition, on May 8, 2009, Sterling filed a Notice of Claim to a Water Right Acquired Under State Law in the general Coeur d'Alene/Spokane River Basin Water System water rights. A copy of the claim is enclosed (adjudication (Civ. No. 49576, Ident. No. 94-7290). Accordingly, SOP now requests that IDWR process a change in ownership for both the statutory claim and license and, to the extent possible, for the pending adjudication claim.

Please find enclosed a completed IDWR Notice of Change in Water Right Ownership (Form 42-248) identifying the change of water right for No. 94-07290 from Sterling to SOP.

If you have any questions, feel free to contact me anytime at 208-783-2892 x-202 or via e-mail at rhigdem@silveropportunitypartners.com.

Thank you for your assistance in this matter,



Robert Higdem
Silver Opportunity Partners LLC
Operations Manager
Sunshine Mine

-and formerly-

General Manager
Sterling Mining Company

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