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June 27, 2014

Shaun M. Maxey
Senior Water Resource Agent
Idaho Department of Water Resources, Northern Region
7600 Mineral Drive, Suite 100
Coeur d'Alene, ID 83815

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JUN 30 2014

IDWR/NORTHERN

Re: Coeur d'Alene-Spokane River Basin Adjudication (CSRBA)
Claim No. 94-4235

Dear Mr. Maxey:

This letter is a follow up to our telephone call of May 29, 2014 wherein we discussed your letter to me dated May 27, 2014. This letter addresses evidence of mining use of water by Gold Creek Mines, Inc. ("GC").

As I indicated in our call, GC does not have detailed records of water use for mining purposes. GC has leased its property to various mining companies over the years and the lessees have preformed various exploration activities which required use of water for mining purposes. The following is what I am able to provide based upon GC's files and information from U.S. Silver, the current lessee.

1. U.S. Silver – From August 24, 2007 through October 19, 2007, two exploration diamond drill holes were drilled on GC's property. Drilling lasted approximately eight weeks with water being taken from a spring on the property. A precise record of water usage was not maintained by the lessee, but based on the equipment used, the size of the holes (2.98 inch diameter), approximately 5,000 gallons of water was used per day. Approximately 40 days of drilling occurred at the rate of 24 hours per day. Therefore, approximately 200,000 gallons of water was used during the drilling project.
 - a. The above information comes from lessee's Chief Geologist and from his review of lessee's records.
 - b. The Lease began on August 23, 2005 and is in effect and current as of this date.

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2. Lease for mining: December 1, 1975 between GC and Joseph R. Edington for the property. No records kept or provided to GC concerning mining water usage.
 - a. Lease assigned by Edington to Moe Limited Partnership on December 1, 1975 and in 1976, Moe assigned the Lease to Bueno Coeur d'Alene, Inc. Lease terminated in 1981.
3. Lease for Mining: February 16, 1982 between GC and Sunshine Mining Company. No records located concerning mining water usage. Date of termination of the lease cannot be found, but records show the lease continued through at least 1986.
 - a. At least two holes were drilled on the property by diamond drilling equipment; 1090 feet in length. Water was used but no records exist as to quantity.

The above constitutes the information I was able to locate. If you need this in the form of an affidavit please let me know.

Very truly yours,

HULL & BRANSTETTER CHARTERED

By: 
Michael K. Branstetter

MKB/pwk
Cc: Gold Creek Mines, Inc.

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