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JUN 11 2018

DEPARTMENT OF
WATER RESOURCES

**SNOWSHOE MINING COMPANY
504 BANK STREET
WALLACE, IDAHO.
83873**

June 4, 2018

Department of Water Resources
State of Idaho
322 E. Front Street
Suite 648
PO Box 83720
Boise, Idaho 83720-0098

Attn: Craig L. Saxton, Adjudication Technical Analyst

Dear Sirs:

Notice of Claim 94-2064

We acknowledge receipt of your letter dated March 23, 2018 (which was just received with an envelope postmarked May 23, 2018). We are pleased to respond.

The Snowshoe eight mining claims are patented, and in good standing with all taxes paid. They are in Mullan very near to Hecla's Lucky Friday Mine. They are now part of a bigger project called the Snowstorm Mine which was a producing mine (the Snowstorm Mine) from 1903 - 1925 producing some 800,000 tons at 4% copper and 6 opt silver (app. value of metal today \$175M).

There was no production from our claims themselves.

From 1925, the overall Snowstorm Project has been subject to exploration and drilling by various companies – Bunker Hill, Hecla, Timberline (2004) and more recently Daycon with drilling and field work in 2014 and 2015. We understand that each of those parties and their contract drillers relied on the water right in drawing water to be used with drilling and other mining exploration activities.

The best source document regarding all facts for the Snowstorm Project and its huge potential, of which the Snowshoe claims are a part is the 43-101 Report prepared by Skip Yates of Lolo, Montana for Daycon entitled "Technical Report on the Snowstorm Copper-Silver Project, Shoshone County, Idaho USA" dated May 12, 2017. It is a huge document and so is not sent herewith – the best source is the following link (please be patient – it takes a moment to load):

http://www.dayconminerals.com/Daycon_Snowstorm_Project_43_101_May_12.pdf

Please consider:

1. We again ask that consideration be given to the fact that Snowshoe was granted the water right by the State of Idaho as Water Licence 7317 in 1911 that stated it to be a "perpetual right";

2. We would ask that you consider that exploration activity by Daycon and Timberline, and others prior thereto, did utilize the water right for such mining purpose(s) so that it was not "abandoned";

3. The Questionnaire is enclosed which we have completed.

As regards specific documentation you suggested:

- a) There was no production from the specific claims of our company, but you can see Snowstorm Project produced as set out above.
- b) The 43-101 Report confirms from past exploration work, and the recent drilling by Daycon with assays, that a valuable mineral asset exists on the property. That is copper and silver. We can provide further affidavit from Mr. Yates if you wish. The Snowshoe claims are a central part of the on-going drill program and on strike for key drill holes.
- c) Snowshoe has been the owner of the claims since 1911. We note that we are in the process of a transaction with Daycon to transfer title to the claims under a 4 year deal with Daycon;
- d) The claims are patented;
- e) The claims have been maintained in good standing. Any workings in place underground (if rehabilitated) will be available for use in subsequent operations.

With regard to section 42-223 (11), we submit that exploration has continued since the claims were acquired, and will continue with Daycon, and that the property and minerals rights have so been maintained for future mineral production.

The Snowshoe claims are a valuable mining asset and property for both the Company and the benefit of the Silver Valley and Idaho generally, and as part of the Snowstorm Project, and we respectfully ask that our Water Right 94-2064 be confirmed.

Should you have any other questions, please do not hesitate to call me.

SNOWSHOE MINING COMPANY

per:


Donald Beehner, President

Tel: 208-682-4330

Exceptions to Forfeiture for Mining Questionnaire – Section 42-223(11), Idaho Code

This questionnaire should be used as a guide to provide evidence supporting an exception to forfeiture. Each answer will need to have corresponding documents and/or affidavits.

List the adjudication claim number(s) in which an exception to forfeiture under Section 42-223(11), Idaho Code is sought:

9A-206A

- 1) Enter the name of the mine or property in which the water claimed above was historically used. (All of the following questions will refer to the mine or property named below.)

SNOWSHOE

- 2) When was the mining, mineral processing or milling at the mine or property suspended?

NEVER IN OPERATION — MINING EXPLORATION ACTIVITY

- 3) Described the reason(s) the mining, mineral processing or milling of minerals at the mine or property was suspended or the mine was closed?

N/A AS NOT IN OPERATION

- 4) Does the mine or property have one or more valuable minerals as defined in Section 47-1205, Idaho Code? If so, please list the mineral(s).

YES - SILVER + COPPER

- 5) Please provide a history of the price of the mineral(s) at the mine or property?

N/A AS NOT IN OPERATION

- 6) Explain how the property and mineral rights have been maintained for future mineral production at the mine or property?

CLAIMS KEPT IN GOOD STANDING.

CLAIMS PART OF SNOWSTORM PROJECT OF DAYCON MINERALS

CLAIMS CENTRAL TO ON-GOING DRILL PROGRAM

WATER RIGHT ESSENTIAL TO MINING ACTIVITY

DON BEEHNER, PRESIDENT

Please print name and title of person completing this questionnaire

JUNE 4, 2018

Date

Don Beehner

Signature of person completing this questionnaire

Technical Report on the
SNOWSTORM COPPER-SILVER PROJECT
Shoshone County, Idaho, USA



Prepared For
Daycon Minerals Corporation

Eugene A (Skip) Yates
Registered Professional Geologist
Yates & Sherry, Inc.
233 Cap de Villa
Lola, Montana, 59847

May 12, 2017

