

ACTION OF THE DIRECTOR, DEPARTMENT OF WATER RESOURCES

This is to certify that the department has examined this application for temporary approval to use water under the provisions of Section 42-202a, Idaho Code, and has determined that:

 a) The application for temporary approval should be denied.

 / b) The application for temporary approval should be approved, since

1. The temporary approval can be properly administered.
2. Other water sources are not readily available.
3. The approval is in the public interest.
4. The approval will not injure known public values associated with the water source or any known water rights.

This application is therefore hereby:

 a) DENIED

 / b) APPROVED, subject to the following conditions:

1. Diversion and use of water under this approval is subject to all valid existing water rights.
2. The applicant assumes all risk the use of the water under this approval may injure other water rights.
3. This approval authorizes a maximum diversion of 2.33 AF and a maximum rate of diversion of 0.035 cfs.
4. This approval does not grant a right-of-way across the land of another, does not create a continuing right to use the water and may not be used in connection with a use which requires a continuing water supply.
5. The department may cancel this approval at any time if the department identifies injury to other water rights.
6. This approval expires on 12/31/11.
7. This approval does not create a continuing right to use water.
8. The holder of this temporary permit shall not divert at a rate or in a manner that will significantly reduce the flow in the water source or otherwise adversely affect fish, wildlife or other public vaules.
9. Other: Water intakes should be screened to prevent entrainment or impingement of fish or other aquatic life. The maximum screen mesh size should be 0.25 inches; approach velocities should not exceed 0.5 ft/second.
10. Contact the DEPARTMENT OF WATER RESOURCES prior to diversion of water from streams.

DATED this 6 day of October, 20 11.

Beth K. Franklin
For the Director

RECEIVED

OCT 03 2011

Basin 94

Form 202a 10/07

IDWR / NORTH

Indent. No. TP-94-109STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES**APPLICATION FOR TEMPORARY APPROVAL OF WATER APPROPRIATION**
(5 AF or less)Name of Applicant Hecla Silver Valley, Inc. Phone 208-769-4103Address 6500 Mineral Drive, Suite 200; Coeur d'Alene, ID 83815-9408 Email spetroni@hecla-mining.com1. Source of water Upper Grouse 700 Level Adit Tributary to South Fork Cd'A River2. Location of point of diversion SW $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 21 Township 48N, Range 5E B.M.,
County Shoshone3. Location of place of use SE $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 21 Township 48N, Range 5E B.M.,
County Shoshone4. Proposed use of water Exploration Diamond Drilling.

5. Amount of water:

Maximum rate of diversion 0.035 cfs or 16 gpm.Maximum daily volume 0.035 AF; Total volume 2.33 AF.6. Duration of diversion: From 09-26-2011 to 12-31-2011
Day-month Day-month7. Proposed diverting works Temp. Plastic Barrier In Stream - Pumped To Drill Site.8. Who owns the property at the requested point of diversion? Shoshone Tree Farms/Riley Creek Lumber9. Describe the arrangement allowing access to the water Access via private road.

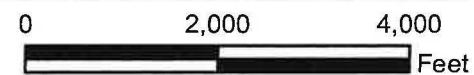
10. Remarks

I hereby acknowledge that I assume all risk if the diversion and use of the water under this approval injures other water rights. I certify this is a temporary use and that I am not seeking a continuing right to use water.09-26-2011
DateSteve M. Peterson
ApplicantHecla Silver Valley, Inc.Received by [Signature] Date 10/3/11 Time 10/3/11
\$50.00 fee receipted by [Signature] # N28223 Date 10/3/11
Watermaster Comments received? _____



6500 N. Mineral Drive, Suite 200
Coeur d'Alene, ID 83815-9408

Site Q
Water Permit Map
T48N R05E Section 21
Shoshone County, ID



B. Rollins 09-26-2011
Drill Site_Q.mxd

70-94-109



State of Idaho

DEPARTMENT OF WATER RESOURCES

Northern Region, 7600 N. Mineral Drive, Suite 100 • Coeur d'Alene, Idaho 83815

Phone: (208) 762-2800 • Fax: (208) 762-2819 • Web Site: www.idwr.idaho.gov

C. L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Interim Director

10/06/2011

HECLA SILVER VALLEY INC
6500 MINERAL DR SUITE 200
COEUR D ALENE ID 83815

RE: Temporary Permit No. TP-94-109

Dear Applicant(s):

Your application for Temporary approval of Water Appropriation has been granted and assigned number TP-94-109.

Please be advised that THE PERMIT IS SUBJECT TO THE EFFECTIVE DATES AND CONDITIONS STATED ON PAGE TWO OF THE APPLICATION.

If you have any questions or if this office can be of further assistance, please contact us.

Sincerely,

A handwritten signature in blue ink that reads "Keith E. Franklin". The signature is written in a cursive, flowing style.

Keith E. Franklin
Interim Program Manager

Enclosure