



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 E Front Street, Suite 648 • PO Box 83720 • Boise ID 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700

Website: idwr.idaho.gov • Email: idwrinfo@idwr.idaho.gov

BRAD LITTLE
Governor

GARY SPACKMAN
Director

March 9, 2020

**JERVOIS MINING LTD
1309 S CHALLIS ST
SALMON, ID 83467**

**RE: TERMINATION OF RENTAL AGREEMENT 194 FOR WATER RIGHT NO. 75-7073
FROM THE WATER SUPPLY BANK**

Dear Renter:

Per your written request received on February 27, 2020 the Department of Water Resources (Department) acknowledges your intent to end your Rental Agreement for rental of water from Water Right 75-7073 effective immediately.

The rental agreement is terminated and no longer in effect. Water Supply Bank records will be closed. Any diversion or use of water associated with this rental agreement is not authorized and, if occurring, will be subject to any necessary enforcement actions.

If you wish to rent water in the future, please reapply using the forms provided on the Department's website at www.idwr.idaho.gov.

If you have any questions, please contact this office at (208) 287-4936.

Sincerely,

A handwritten signature in black ink, appearing to be 'JF', is written above the name Justin Ferguson.

Justin Ferguson
Water Supply Bank Specialist



IDAHO COBALT OPERATIONS

February 11, 2020

Remington Buyer
Water Supply Bank Coordinator
Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

RECEIVED

FEB 27 2020

DEPARTMENT OF
WATER RESOURCES

Subject: Request to Cancel Rental Agreement for Water Right No. 75-7073

Dear Mr. Buyer,

This correspondence is in response to the instructions which you provided to Theresa Hughes by telephone on February 10, 2020.

We have leased Water Right 75-7073 to the Water Supply Bank through 1/1/2023. We are also renting this Water Right from the Water Supply Bank through 12/31/2022, according to IDWR Rental Agreement No. 194. We have not used Water Right 75-7073 in 2020, and we do not intend to use Water Right 75-7073 in 2020, 2021, or 2022. We respectfully request that IDWR Rental Agreement No. 194 be cancelled, effective immediately.

We understand that Water Right 75-7073 will remain leased to the Water Supply Bank through 1/1/2023, per our lease agreement with IDWR, and that after 1/1/2023, we will have the option either to enter into another lease agreement with IDWR or to use the water for our mining operations.

Please note that as of January 17, 2020, our company name has officially changed from Formation Capital Corporation, US, to Jervois Mining USA Limited. The IDWR Notice of Change in Water Right Ownership form for Water Right 75-7073 has been submitted separately to the Boise office.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bryce Crocker", is written over a horizontal line.

Bryce Crocker
Director
Jervois Mining USA Limited