



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

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C.L. "BUTCH" OTTER

Governor

GARY SPACKMAN

Director

February 7, 2013

ATLANTA GOLD CORPORATION
C/O WILLIAM ERNEST SIMMONS
2417 BANK DR, STE 101
BOISE ID 83705-2572

**RE: WATER SUPPLY BANK LEASE TERM EXTENSION
WATER RIGHT NO. 63-3609**

Dear Lessor:

As requested in your letter, received by the Department of Water Resources ("Department") on December 7, 2012, water right no. 63-3609 will remain in the Water Supply Bank ("Bank"). The right will automatically be released from the Bank on **December 31, 2013**, unless the lease is extended. To release the right from the Bank or extend the lease period, please submit a written request to the Department prior to the release date.

Please review the conditions of acceptance listed on the Lease Acceptance, including #3 which says, "While a right is in the bank, **the lessor may not use the right** without approval of the department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B." If you have any questions, please contact me at (208) 287-4907.

Sincerely,

Monica Van Bussum
Sr. Water Resource Agent

c: John Westra - IDWR Western Regional Office
Rex Barrie - Watermaster, Water District 63