

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

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DEC 27 2007

BOARD'S WATER SUPPLY BANK
REQUEST TO RELEASE OR LEASE TERM EXTENSION FORM
DEPARTMENT OF
WATER RESOURCES

The Idaho Department of Water Resources considers this form a statement that the lessor requests a change in the status of a Water Supply Bank ("bank") lease for the water right identified below. Please note, a right will remain in the bank for the accepted lease period unless released earlier by the Water Resource Board or until the lessor submits a request to the department in writing to release the right from the bank. If a water right is currently being rented, the right, or portion thereof, must remain in the bank for the duration of the rental agreement.

Water Right No: 63-03609 Telephone No: (208) 514-0567

Name(s) of Lessor: Atlanta Gold Corporation

Mailing Address: P.O. Box 4002

City: Boise State: Idaho Zip: 83711-4002

REQUEST TO RELEASE A WATER RIGHT FROM THE BANK:

Requested Release Date: _____

Release all or part of the leased portion of the water right: All _____ Part _____

*If releasing only a part of leased portion of the right, please attach a clear description of the portion remaining in the bank.

I (we), the lessor(s) request that the above water right be released from the Water Supply Bank.

Signature of Lessor(s): _____ Title: _____

Date: _____ Title: _____

REQUEST TO EXTEND THE TERM OF LEASE:

Current Expiration Date: December 31, 2007

Requested Expiration Date: December 31, 2008

Extend lease term for all or part of the leased portion of the water right:

All X Part _____

*If extending the lease term for only a part of leased portion of the right, please attach a clear description of the portion remaining in the bank.

I (we), the lessor(s) request that the above water right be extended through the date referenced above.

Signature of Lessor(s): Rob Shordygraft Title: General Mgr

Date: December 24, 2007 Title: _____



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P O Box 83720 • Boise, Idaho 83720-0099

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Web Site: www.idwr.idaho.gov

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DEPARTMENT OF
WATER RESOURCES

December 7, 2007

BRUCE THORNDYCRAFT
ATLANTA GOLD CORP
SUITE D
1509 TYRELL LANE
BOISE ID 83706

C L "BUICH" OTTER
Governor

DAVID R. TUTHILL, JR
Director

*Please find
AGC's extension
Enclosed.*

*Thrs I call if you
have any questions.
514-0567*

RE: NOTIFICATION OF WATER SUPPLY BANK LEASE EXPIRATION WATER
RIGHT NO(S). 63-3609.

Dear Lessor:

Idaho Department of Water Resources ("department") records show that all or a portion of each of the above referenced water right is leased to the Water Supply Bank ("bank") through December 31, 2007. This letter is notice that the right will be considered released from the bank unless you advise the department within thirty (30) days of the date of this letter that you want to extend the period of the lease. Notice should be submitted in writing or on the attached Lease Term Extension and Release Form.

If you would like the right to remain leased to the bank, please specify the date to which you want the lease extended. All leases expire as of December 31, unless otherwise specified in the lease agreement. You also may request the right remain leased to the bank for an "indefinite" period. In this case, the right will remain in the bank indefinitely unless released earlier by the Water Resource Board or until the lessor submits a request to the department in writing to release the right from the bank.

Please consider that the five (5) year period of nonuse related to forfeiture of a water right shall begin to accrue upon release of the right from the bank or shall continue to accrue if a period of nonuse occurred prior to the date the leased right was accepted into the bank.

If you have questions regarding this matter, feel free to contact me at (208) 287-4954.

Sincerely,

Diana L. Ball
Water Allocation Bureau

Enc: 1

c: John Westra -- IDWR Western Regional Office