

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCESRECEIVED RECEIVED
JUN 03 2024 MAY 31 2024
DEPARTMENT OF WATER RESOURCES
WATER RESOURCES
WESTERN REGION

NOTICE OF CHANGE IN WATER RIGHT OWNERSHIP

1. List the numbers of all water rights and/or adjudication claim records to be changed. If you only acquired a portion of the water right or adjudication claim, check "Yes" in the "Split?" column. If the water right is leased to the Water Supply Bank, check "Yes". If you are not sure if the water right is leased to the Water Supply Bank, see #7 of the instructions.

Water Right/Claim No.	Split?	Leased to Water Supply Bank?	Water Right/Claim No.	Split?	Leased to Water Supply Bank?
79-13605	Yes ☐	Yes ☐		Yes ☐	Yes ☐
	Yes ☐	Yes ☐		Yes ☐	Yes ☐
	Yes ☐	Yes ☐		Yes ☐	Yes ☐
	Yes ☐	Yes ☐		Yes ☐	Yes ☐
	Yes ☐	Yes ☐		Yes ☐	Yes ☐

2. Previous Owner's Name: McKinley Mine Inc.
Name of current water right holder/claimant
3. New Owner(s)/Claimant(s): McKinley Mine Inc
New owner(s) as listed on the conveyance document Name connector ☐ and ☐ or
- 30959 N Riffle Rd Spirit Lake ID 83869
Mailing address City State Zip
208-771-1472 eric@klepfermining.com
Telephone Email
4. If the water rights and/or adjudication claims were split, how did the division occur?
☐ The water rights or claims were divided as specifically identified in a deed, contract, or other conveyance document.
☐ The water rights or claims were divided proportionately based on the portion of their place(s) of use acquired by the new owner.
5. Date you acquired the water rights and/or claims listed above: 04/24/2024
6. Do you own the land identified as the water right place of use? Yes ☒ No ☐
o If no, attach evidence that written notice of the change of water right ownership has been delivered to the landowner of record.
7. This form must be signed and submitted with the following **REQUIRED** items:
☒ A copy of the conveyance document – warranty deed, quitclaim deed, court decree, contract of sale, etc. The conveyance document must include a legal description of the property or description of the water right(s) if no land is conveyed.
☒ Plat map, survey map or aerial photograph which clearly shows the place of use and point of diversion for each water right and/or claim listed above (if necessary to clarify division of water rights or complex property descriptions).
☒ Filing fee (see instructions for further explanation):
o \$25 per *undivided* water right.
o \$100 per *split* water right.
o No fee is required for pending adjudication claims.
☐ If water right(s) are leased to the Water Supply Bank AND there are multiple owners, a Lessor Designation form is required.
☐ If water right(s) are leased to the Water Supply Bank, the individual owner or designated lessor must complete, sign and submit an IRS Form W-9.

8. Signature: [Signature] President 5.24.24
Signature of new owner/claimant Title, if applicable Date
Eric Klepfer
Print name

Signature: _____ Title, if applicable _____ Date _____
Signature of new owner/claimant
Print name

For IDWR Office Use Only:

Received by LC Date 5-31-24 Receipt No. W051994 Receipt Amt. \$25.00

Active in the Water Supply Bank? Yes ☐ No ☐ If yes, forward to the State Office for processing W-9 received? Yes ☐ No ☐

Name on W-9 _____ Approved by _____ Processed by DM Date 6-6-24

COPY

Instrument # 544094

IDAHO COUNTY, IDAHO,

4-23-2024 03:00:35 PM No. of Pages: 6

Recorded for : IDAHO COUNTY

KATHY M. ACKERMAN

Fee: 15.00

Ex-Officio Recorder Deputy

E. Ack

WARRANTY DEED

GRANTOR, MCKINLEY MINE, INC, a Nevada corporation with its principal offices located at P.O. Box 2354, Honolulu, Hawaii 96804, for good and valuable consideration, the receipt of which is hereby acknowledge, does hereby grant, bargain, sell and convey to MCKINLEY MINE, INC, a Delaware corporation with its principal offices at 12208 N. Pebble Creek Drive, Hayden, Idaho 83835, as GRANTEE, and the Grantee's successors and assigns forever, all of the following described real estate located in the County of Idaho, State of Idaho, to wit:

See Schedule C, attached hereto and incorporated herein by this reference,

TOGETHER WITH, all improvements, water, water rights, including but not limited to Idaho Water right 79-13605, ditches, ditch rights, easements, hereditaments, and appurtenances thereto.

SUBJECT TO:

- 1) General taxes for the year 2024, which are a lien, not yet due and payable.
- 2) The rights of owners of adjoining properties claims, or locations, to follow any lode or vein within the side or end lines of the premises in question, including but not limited to extralateral rights; and subject to any loss incurred by the owners herein to damages for all losses suffered incident to the exercise or assertion of such right.
- 3) Any loss incurred by owners from the lack of rights of owners to follow any lode or vein beyond the line of the premises in question, including but not limited to extralateral rights.
- 4) All matters, covenants, provisions, restrictions, easements and any rights, interests or claims which may exist by reason thereof, disclosed by the recorded plat of said subdivision as recorded in the official Idaho County records, but deleting any covenant, provision or restriction indicating a preference, limitation or discrimination based on race, color religion, sex, handicap, familial status, or national origin to the extent such covenants, provision or restrictions violate 42 USC§3604(c).
- 5) Terms and provisions as set forth in Patent from the UNITED STATES OF AMERICA to MCKINLEY GOLD MINING COMPANY, recorded January 28, 1911, Book 1 of Mining Patents, page 234, records of Idaho County, Idaho.
- 6) Access, if any, is by way of that certain Reciprocal Easement and Agreement, including the terms and provisions thereof, dated April 1, 1994 by and between LOIS MORGENROTH and GAROLD HASKIN and ELLEN HASKIN, husband and wife, and JIM RUPP, a single man recorded April 1, 1994, under Instrument No. 373552, records of Idaho County, Idaho.
- 7) Mining lease, including the terms and provision thereof, by and between GAROLD HASKIN and ELLEN HASKIN, husband and wife and DARREL E. COX and SHIRLEY COX, husband and wife, RECORDED February 2, 1995, under Instrument No. 378636, records of Idaho County, Idaho; a) Amendment to Mining Lease, recorded March 15, 1995, under Instrument No. 379289; b) Second Amendment to Mining Lease, recorded November 15, 1996, under Instrument No. 390175; all records of Idaho County, Idaho.
- 8) A 3% Net Smelter Royalty hereby as defined in Exhibit A attached hereto and made a part here of by reference.

TO HAVE AND TO HOLD the said premises, with their appurtenances, unto the said Grantee, its successors and assigns, forever, and the said Grantor does hereby covenant to and with the said Grantee that it is the owner in fee simple of said premises; that it is free from all encumbrances, and that it will warranty and defend the same from all lawful claims whatsoever, EXCEPT, General taxes easements, reservations, restrictions, and rights of way of record or in use.

Except as otherwise expressly provided in this instrument, Grantor hereby Declares, pursuant to Title 5, Chapter 2 of the Idaho Code, that in the event Grantor shall have permitted or suffered, at any time prior to the making of this instrument, any person or entity to possess, use, or occupy the above-described premises, or any portion thereof, for any purpose, with or without the knowledge of Grantor, it was not the intent of Grantor, by permitting or suffering such possession, use, or occupation to thereby define property boundaries or ownership thereof.

In construing this Deed, and where the context so requires, the singular includes the plural and the masculine, the feminine, and the neuter.

IN WITNESS WHEREOF, the said Grantor has hereunto set its hand and seal.

MCKINLEY MINE, INC

Shinichi Murayama, President

STATE OF Hawaii)

SS

City/County of Honolulu)

On this 12 day of March, 2024, before me, a Notary Public in and for said County and State, personally appeared Shinichi Murayama, President of MCKINLEY MINE, INC., known or identified to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he freely executed the same in the capacity described above.

IN WITNESS WHERE OF, I have hereunto set my hand and affixed my official seal the day and year first above written.

* Hawaii: Notary Acknowledgment
Attached. Page 3
(8)

State of Hawaii)
City and County of Honolulu) ss.

On March 12, 2024, before me, Brandon Panoke, a notary public in
the State of Hawaii, personally appeared

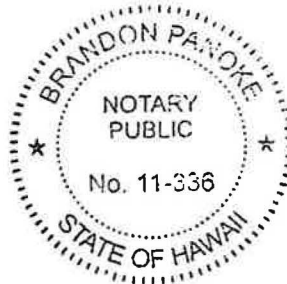
Shinichi Murayama, President of McKinley
Alme, Inc.

Personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s)
whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they
executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the
instrument.

Witness my hand and official seal.

[Signature]

Brandon Panoke, Notary Public



My Commission Expires: 11/13/2027

Notary Public Certification

Document Date: undated # of Pages: 6
Notary Name: Brandon Panoke First Judicial Circuit
Document Description: Warranty Deed



Notary Signature: [Signature]

Date of Certification: 3/12/2024

SCHEDULE C

Township 25 North, Range 1 East, Boise Meridian, Idaho County, Idaho
Sections 1 and 12:

Those certain mining claims known as the McKinley, May Day, True Blue, and Lulu No. 2 lode mining claims, designated by the Surveyor General as Mineral Survey No. 2427 in the Simpson Mining District, embracing a portion of said Sections 1 and 12, more particularly described as follows:

Beginning for the description of the McKinley lode claim at Corner No. 1, a porphyry stone 6"x18"x28", marked 1-2427, and cross on top at exact corner point, with mound of stone, from which the South 1/4 corner of Section 1 in said Township and Range, bears S 17°41'30" W, a distance of 888.63 feet, and discovery bears S 83°13' W, a distance of 711.06 feet;
thence S 63°38' W, 1360.02 feet to Corner No. 2, a porphyry stone 12"x12"x24" marked 2-5, 2427 and cross on top at exact corner point with mound of stone;
thence N 31°09' W, 600 feet to Corner No. 3, a porphyry stone 6"x12"x24", marked 3-2427, and cross on top at exact corner point, with mound of stone;
thence N 69°25' E, 1220.2 feet to Corner No. 4, a cross at exact corner point and 4-1-2427 marked on ledge of rock in place;
thence S 65°18' E, 277.46 feet to Corner No. 5, a porphyry stone 4"x12"x24" marked 5-2427, with mound of stone;
thence S 31°09' E, 260.11 feet to Corner No. 1, the Place of Beginning.
The survey of the lode claim, as above described, extending 1366.25 feet in length along said McKinley vein or lode.

Beginning for the description of the May Day lode claim, at Corner No. 1, identical with Corner No. 4 of said McKinley lode claim from which said 1/4 section corner bears S 05°37' E, a distance of 1190.84 feet and discovery bears N 65°01' W, a distance of 551.73 feet;
thence S 69°25' W, 612.28 feet to Corner No. 2, a porphyry stone 6"x8"x24", marked 2-2427, and cross on top with mound of stone;
thence N 32°05' W, 1082 feet to Corner No. 3, a limestone 8"x14"x26", marked 3-2427, and cross on top with mound of stone;
thence N 69°25' E, 612.28 feet to Corner No. 4, a cross at exact corner point and 4-2427 marked on rock in place 24"x30"x48" above ground;
thence S 32°05' E, 1082 feet to Corner No. 1, the Place of Beginning.
The survey of the lode claim as above described, extending 1082 feet in length, along said May Day vein or lode.

Beginning for the description of the True Blue lode claim, at Corner No. 1, a porphyry stone 8"x14"x24", marked 1-1-2427, and cross on top at exact corner point with mound of stone, from which said 1/4 in section corner bears S 23°45' E, a distance of 639.26 feet;
thence S 14°52' W, 1332.43 feet to Corner No. 2, a porphyry stone 9"x16"x24" marked 2-2427 and cross on top at exact corner point with mound of stone;
thence S 63°38' W, 398.92 feet to Corner No. 3, a porphyry stone 6"x8"x24" marked 3-2427 and cross on top at exact corner point with mound of stone;
thence N 75°08' W, 280 feet to Corner No. 4, a cross at exact corner point and 4-2427 marked on porphyry rock in place 6x6x3 feet above ground;
thence N 14°52' E, 1087.02 feet to Corner No. 5, identical with Corner No. 2 of said McKinley lode claim from which discovery bears S 59°45' E, a distance of 290.4 feet;
thence N 63°38' E, 771.25 feet to Corner No. 1, the Place of Beginning.
The survey of the lode claim as above described extending 1332.43 feet in length along said True Blue vein

SCHEDULE C
(Continued)

or lode.

Beginning for the description of the Lulu No. 2 lode claim, at Corner No. 1, identical with Corner No. 1 of said True Blue lode claim;

thence S 14°52' W, 1500 feet to Corner No. 2, a porphyry stone 6"x14"x24" marked 2-2427, and cross on top at exact corner point with mound of stone;

thence N 63°38' E, 545.19 feet to Corner No. 3, a porphyry rock in place 3x3x2 feet above ground marked 3-2427, with cross at exact corner point;

thence N 14°52' E, 1500 feet to Corner No. 4, a porphyry stone 6"x10"x24" marked 4-2427 and cross on top at exact corner point with mound of rock;

thence S 63°38' W, 398.92 feet to a point from which discovery bears S 14°52' W, a distance of 215 feet, 545.19 feet to Corner No. 1 the Place of Beginning.

The survey of the lode claim as above described extending 1500 feet in length along said Lulu No. 2 vein or lode.

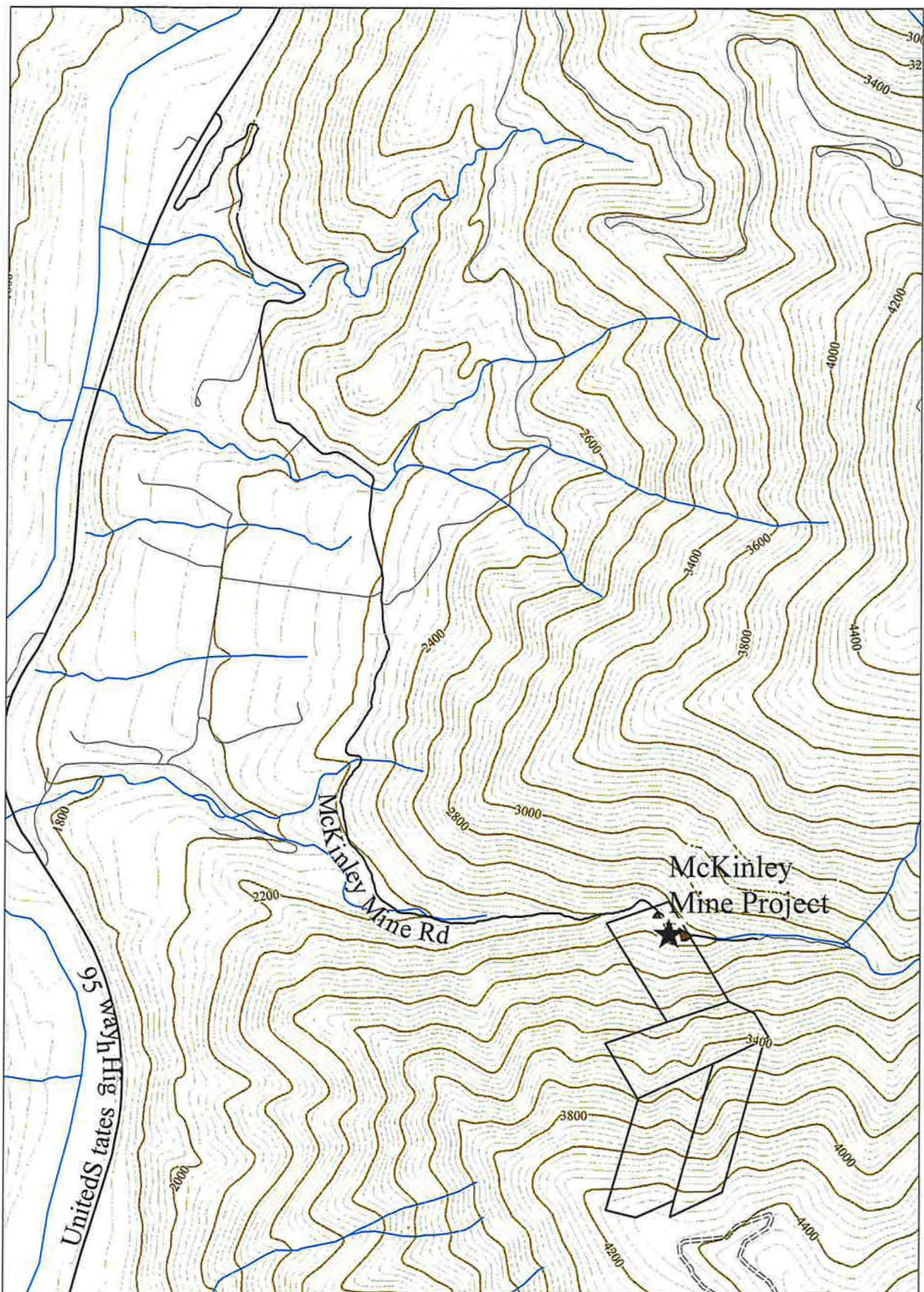
(end schedule c)

EXHIBIT A

1. **Royalty and Royalty Buydown.** Purchaser (MCKINLEY MINE, INC.) grants to Seller (A & D Idaho Corp.) a royalty of three percent (3%) on net smelter returns. Net Smelter Royalty defined as a 3% return from all proceeds less smelter costs from the subject property as further defined by the American Law of Mining.

1.1 **Advance Payment.** Purchaser shall pay to Seller the sum of Fifty Thousand Dollars (\$50,000) on January 1 of each year in which royalties are due. Such payment shall be an advance of royalty payments due that year and shall be credited against total royalty payments due that year.

1.2 **Buydown.** After Purchaser has made royalty payments to Seller totaling at least One Million Five Hundred Thousand Dollars (\$1,500,000), Purchaser may buydown its royalty obligation for a payment to the Seller of One Million Dollars (\$1,000,000) and upon receipt of the buydown payment, the Seller shall be entitled to a royalty of one percent (1%) on net smelter returns.



LEGEND

- Mine Facility Layout
- Patented Claim Boundary

McKinley Mine Project		
KMS KLEPPER MINING SERVICES LLC	Water Rights Change Request	FIGURE 1
	McKinley Mine Inc	
	McKinley Mine Location Map	
	Idaho County, Idaho	
DRAWN: MK		
SCALE: NTS		
DATE: May 24		



IDAHO DEPARTMENT OF
WATER RESOURCES

322 E Front Street, Suite 648, Boise ID 83702 • PO Box 83720, Boise ID 83720-0098
Phone: 208-287-4800 • Fax: 208-287-6700 • Email: idwrinfo@idwr.idaho.gov • Website: idwr.idaho.gov

Governor Brad Little

Director Mathew Weaver

June 06, 2024

MC KINLEY MINE INC A DELAWARE CORP
30959 N RIFFLE RD
SPIRIT LAKE ID 83869-9305

Re: Change in Ownership for Water Right No(s): **79-13605**

Dear Water Right Holder(s):

The Department of Water Resources (Department) acknowledges the receipt of correspondence changing ownership of the above referenced water right(s) to you. The Department has modified its records and has enclosed a computer-generated report for you.

Updating the ownership record for a water right does not reconfirm the validity of the right. When processing a Notice of Change in Water Right Ownership, the Department does not review the history of water use to determine if the right has been forfeited or deliberately abandoned through five years or more of non-use. To read more about water right forfeiture, including how to protect a water right from forfeiture, please see Idaho Code §§ 42-222 and 42-223.

Please note, water right owners are required to report any change of water right ownership and any change of mailing address to the Department within 120 days of the change. Reporting forms are available from any office of the Department, or from the Department's website.

If you have any questions concerning the enclosed information, please contact me at (208)287-4921.

Sincerely,

Debra Mansfield
Technical Records Specialist 1

Enclosure(s)

IDAHO DEPARTMENT OF WATER RESOURCES

6/6/2024

Proof Report

Water Right 79-13605

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	MC KINLEY MINE INC A DELAWARE CORP 30959 N RIFFLE RD SPIRIT LAKE, ID 83869-9305 (208) 771-1472
Directors Report Owner	GAROLD L HASKIN 803 CROOKS ST GRANGEVILLE, ID 83530 (208) 983-1219
Original Owner	TESTAMENTARY TRUST OF GAROLD L HASKIN C/O ELLEN HASKIN TRUSTEE 803 CROOK ST GRANGEVILLE, ID 83530 (208) 983-1219
Previous Owner	A & D IDAHO LLC 14603 S BELLGROVE RD COEUR D ALENE, ID 83814-8684 (208) 503-0153
Previous Owner	MC KINLEY MINE MIXITRON LLP RT 2 BOX 542 GRANGEVILLE, ID 83530 (208) 983-2572
Previous Owner	ELLEN B HASKIN 803 CROOKS ST GRANGEVILLE, ID 83530 (208) 983-1219

Priority Date: 12/1/1910**Basis:** Decreed**Status:** Active**Source**
GROUND WATER**Tributary**

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
MINING	01/01	12/31	0.030 CFS	
	<u>Total Diversion</u>		0.030 CFS	



Project Management, Engineering, and Environmental Services

RECEIVED
JUN 03 2024
DEPARTMENT OF
WATER RESOURCES

RECEIVED
MAY 31 2024
WATER RESOURCES
WESTERN REGION

May 24, 2024

Idaho Department of Water Resources
Western Regional Office
2735 Airport Way
Boise, ID 83705-5082

Re: McKinley Mine Project – Notice of Change in Water Right Ownership

To Whom It May Concern:

This letter is written on behalf of McKinley Mine Inc (McKinley) concerning Notice of Change in Water Right Ownership. McKinley Plans to conduct underground mining as well as surface and underground drilling as part of exploration.

If you have any questions pertaining to this application, please feel free to contact me or Jessie Klepfer. Our address is 30959 N Riffle Rd Spirit Lake Idaho, 83869 and our email addresses are eric@klepfermining.com and jessie@klepfermining.com.

We appreciate your efforts on this matter.

Sincerely,



Eric Klepfer

Enclosures: *Notice of Change in Water Right Ownership*
 Warranty Deed
 Area Map
 \$25.00 Application Fee