

1174-1

(Water Right Number _____)

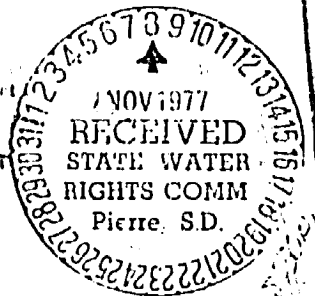
1. Considered July 26, 1978
2. Name of Applicant Warbonnet, Inc. (Squaw Creek Project)
3. Post Office Address Lead, S.D. Priority 1900
4. Amount of water claimed .67 Sec. 3-4-2
5. Source of water supply ground
6. Water to be used for Municipal and Commercial
- Acres to be irrigated --
7. Water to be diverted and used in Lawrence County
about 9 mi Miles of LEAD
8. Proof of Publication
Received _____
Not received _____
9. Application
Approved _____
Subject to _____
Not approved _____
Action deferred _____

10. Remarks: VESTED RIGHTSYSTEM CONSTRUCTED IN 1900

No. 1174-1Map No. 964-1 Water Division No. 1 BELLE FOURCHE RIVER District
(Blanks to be filled by the Engineer for the W. R. C.)

Vested Right

APPLICATION FOR A PERMIT



To Appropriate Water within the State of South Dakota

(NOTE - Draw a line through items not applicable)

1. Name of Applicant Warbennet, Inc.
 Postoffice address 33-A, Star Route, Lead, State South Dakota
 If incorporation show date and place of incorporation December 13, 1967 - South Dakota
2. Method of accomplishing work (contract, employment of others, or by direct labor) COMPLETED
3. Name of diversion work Squaw Creek Shaft Pump Station
4. Amount of water claimed (cubic feet per second) 0.67 cfs
5. Source of water supply 10' x 10' x 40' deep mine shaft collecting subsurface water.
6. Location of point of diversion SW¹/₄, SW¹/₄, Sec. 35, T5N, R2E, B.H.M.
Located approx. S 5°, 43' E, 375 feet from Cor. No. 4 of the General Jackson
Lode, Mineral Survey No. 1233. County Lawrence
7. Annual period or periods during which water ~~is~~ used Intermittant use, year around.
8. Use to be made of water: (irrigation, industrial, municipal, commercial, recreation, etc.) municipal and commercial.
9. For irrigation use, Total number of acres to be irrigated _____

List below each forty acre subdivision, or lot, or fraction thereof and show number of acres to be irrigated in each.

Land Description	No. Acres Irr.	Land Description	No. Acres Irr.

Attach sheet if more space is needed

10. Time required to complete construction of water supply system COMPLETED years. Additional time required to complete application of water to the proposed beneficial use COMPLETED years.
11. Choice of newspaper for Notice of Intent to Appropriate Water publication NOT REQUIRED
12. Principal Features of the Proposed Water Supply System.

A. Works ~~proposed~~ to divert water from its natural source.10' x 10' x 40' deep mine shaft and pump station.B. Works ~~proposed~~ to transport water to place of use.4" steel pipeline from mine shaft-pump to domestic water storage tanks at Trojan, South Dakota.C. Works ~~proposed~~ to apply water to beneficial use.Additional pumping facilities, storage and gravity distribution lines to domestic and commercial areas.Estimated Total Cost \$ NOT REQUIREDAttachments: Attach Form 2A if diversion from a well or dugout, or if storage of water, is proposed. Attach map.
(See instructions concerning preparation.)

STATE OF SOUTH DAKOTA)

County of Lawrence)I, P. A. Miller, Warbennet, Inc. the applicant, certify that I have read the foregoing application and have examined the attached map and that the matters therein stated are true and that I intend, and am able to complete the necessary constructionSigned P. A. MillerSubscribed and sworn to before me this 2nd day of November 19 77Constance Helen Smith
Notary Public (or other qualified officer)

WATER RIGHT APPLICATION APPROVAL

The Water Rights Commission hereby approves Water Right Application No. 1174-1

WARBONNET, INC.
(Applicant)

33-A STAR ROUTE, LEAD
(Post Office Address)

SOUTH DAKOTA, 57754 With the following modifications:
(State)

"VESTED RIGHT" CLAIMED

Date of first receipt of application NOVEMBER 8 19 77
Date of return to applicant for correction, amendments or changes required _____ 19 ____
Date of receipt of corrected application _____ 19 ____
Approved JULY 27 19 78 Recorded in Book 20 Page 43

WATER RIGHT PERMIT NO. 1174-1

The Water Rights Commission hereby grants and issues this Water Right Permit No. 1174-1 authorizing the construction of the water use system and the putting of water to beneficial use as stated in the Application and as modified in the Water Right Application approval, subject, however, to the following limitations and conditions:

1. The date from which applicant may claim right is 1900
2. The equivalent of at least one-fifth of the work above specified is ~~not~~ completed _____
3. The whole of said work is ~~not~~ completed _____
4. The limit of time from proof of beneficial use of water appropriated in accordance herewith is COMPLETED
5. The water appropriated shall be used for the purpose of MUNICIPAL & COMMERCIAL
6. The prior right of all persons who, by compliance with the laws of the State of South Dakota, have acquired a right to the use of water must not be injuriously affected by this appropriation.
7. The amount of the appropriation herein granted shall not exceed .67 cubic feet per second; neither shall it exceed the capacity of the above described water supply system, nor shall it exceed the amount of water needed for ~~beneficial use~~ MUNICIPAL AND COMMERCIAL PURPOSES actually and beneficially applied ~~on or before~~ THIS DATE said water to be used during the following described annual period: CONTINUOUSLY

Witness my hand this 31ST day of JULY 19 78

WATER RIGHTS COMMISSION

By:

John Hated

Chief Engineer, Executive Officer

Certificate of Construction Issued JULY 31 19 78

Water License Issued JULY 31 19 78

*Squaw Creek Shaft
Pump Station*

12. Principal Feature of the Proposed Water Supply System (continued.)

D. Well Information or Estimates

Min. Shaft
(1) Drill Hole, Diameter 10' x 10' sq, Depth 40' approx
(2) Casing, Type wood (wood, concrete, steel, etc) Diameter _____ Thickness 2"
(3) Perforated Screen.

Type _____, Diameter _____, Length _____

(4) Gravel Pack, Thickness _____, Length of gravel pack _____

E. Dugout Information or Estimates.

(1) Surface dimensions _____, Depth _____

F. Fill out for Either a Well or a Dugout.

(1) Water Bearing Materials. (Please attach a copy to test well log if available.) *N/A*

Character of Water bearing materials, Fractures in intermediate
and lower sections of the Deadwood
Fm. (Cambrian)

Depth to top of water bearing material Near Surface

Depth to bottom of water bearing material 40'

Thickness of water bearing material in excess of 40 feet

Depth to water (ground surface to water level) Near Surface

(2) Distance to nearest existing household or livestock watering wells. No wells in the area.

On same owner's property _____ rds. On property owned by others _____ rds.

G. Water Storage Dams. No water storage dams.

If the proposed water use system contains one or more water storage dams, please show in the space below, the height, maximum water depth, surface area and storage capacity of each storage dam. The location of each water storage dam should be shown on the water right map.

P. H. Miller
Signature of Applicant

*Vice President
Warbunnet, Inc.*

STATE OF SOUTH DAKOTA
COUNTY OF LAWRENCE

)
) ss.
)

AFFIDAVIT

Comes now Your Affiant, having been first duly sworn, who deposes and says as follows:

1. That on the 2nd day of November, 1977, Your Affiant executed an Affidavit of Construction of Water Use System and Application of Water to Beneficial Use as a part of an Application to Register a Vested Right to Appropriate Water within the State of South Dakota; and,

2. That on lines 17 and 18 in said Affidavit a typographical error occurred which did not come to the attention of Your Affiant until the 6th day of October, 1981; and,

3. The correct number to be inserted in the black spaces in lines 17 and 18 is .67 and not .067; and,

4. That in all other reference to the cubic feet per second .67 appears and is the correct number; and,

5. That this Affidavit may be incorporated by attachment to the Affidavit of Construction of Water Use System and Application of Water to Beneficial Use without further permission of Your Affiant.

Further Your Affiant sayeth not.

DATED this 22nd day of October, 1981.

P.A. Miller
P.A. Miller, Vice-President
WARBONNET, INC.

Subscribed and sworn to before me this 22nd day of October, 1981.

Orville A. Miller
Notary Public, South Dakota

My commission expires: April 13, 1987

(SEAL)



NOTE: This Form is supplemental to Form 2, and is to be used when an affidavit pertaining to construction and water use, already completed, is needed.

**AFFIDAVIT OF CONSTRUCTION OF WATER USE
SYSTEM AND APPLICATION OF WATER TO BENEFICIAL USE**

Name of Applicant (Same as Form 2) Warbonnet, Inc.
Post Office Address Box 33-A, Star Route, Lead, State South Dakota
If a Corporation show date and place of incorporation December 13, 1966 - South Dakota

13. Notice of Appropriation (If available)

Date of Posting N/A Date of Recording _____
Recording Date _____

14. Date of start of construction of water supply system Year 1900 (Approx.)15. Date that water was first applied to beneficial use Year 190016. Name of owner of original water supply system Portland Mining Company17. Amount of water originally applied to beneficial use .067 c. f. s.

18. Present Use of Water

Amount of water now being used .067 c. f. s.Date that this amount of water was first used Est. 191119. Chronological History of Water Use Squaw Creek Shaft Pump Station.

Water was first used to supply the Portland Mining Company Mill and mining settlement, about 1900. In 1911 the system was expanded to supply the Trojan Mine settlement and the Trojan Mining Company Mill (later Bald Mountain Mining Co.), and operated for that purpose until 1959. From 1959 until the present time water has been used for domestic supply to the town of Trojan, Lost Camp Valley Acreage Development and Stewart Ski Area in addition to some commercial application.

Attach to this Form 2B, any copies of notices, postings, filings, publications, affidavits, or other records that apply. You may also attach any written statement by you, or by others, that you deem pertinent.

STATE OF SOUTH DAKOTA)
) ss.
County of Lawrence)

I, P. A. Miller, Vice Pres., Warbonnet, Inc. the applicant, certify that I have read the foregoing and that the matters therein stated are true.

Signed P. A. MillerSubscribed and sworn to before me this 2nd day of November, 1977

Cynthia Helen Smith
(Notary Public or other qualified Officer)

I, the undersigned, do hereby certify that I know about the water use system described above, that I have read the foregoing and that the matters therein stated are true.

Robert C. Nequette
Robert C. Nequette

WATER LICENSE NO. 1174-1

(1) WHEREAS, On the 8th day of November A. D. 19 77
Warbonnet, Inc.

made Water Right Application No. 1174-1 for a Vested Right .67 cubic feet per second of the waters
of groundwater

County of Lawrence, State of South Dakota, for Municipal and Commercial

purposes; and

(2) WHEREAS, On the 27th day of July A. D. 19 78
Vested Right Permit No. 1174-1, with a date of priority of 1900

was issued to said applicants s for the diversion of said water, recognizing
XXXXXXXXXX the completion of construction of the water
supply system therein described XXXXXXXXXX XXXXX XXXXXX and for the
application to beneficial use of said water XXXXXXXXXX XXXXX XXXXXX

and:

(3) WHEREAS, It is hereby certified that the applicant has complied with the provisions of the laws of the State of South Dakota
relating to completion of the construction of the water supply system and is entitled to divert .67 cubic feet
per second of water for beneficial use and,

(4) WHEREAS, It is hereby certified that the applicant has complied with the provisions of the laws of the State of South Dakota
relating to the application of water to beneficial use of the following extent,

water to be used for municipal and commercial purposes at
Trojan, South Dakota.

(5) NOW, THEREFORE, By the virtue of the authority vested in us by the laws of the State of South Dakota, We hereby grant and confirm to Warbonnet, Inc.

_____ of Lead, South Dakota
the holder s and owner s of said ^{Vested Right} permit No. 1174-1 water right, dating from 1900
_____ to use of .67 cubic feet per second of the waters
of groundwater

in the County of Lawrence and State of South Dakota, or so much thereof as may be necessary for the
purposes hereinbelow mentioned, to be diverted at SW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 35-T5N-R2E, B.H.M.

Located approximately South 5 $^{\circ}$. 43' East, 375 feet from Corner No.4
of the General Jackson Lode, Mineral Survey No.1233.

and ~~conveyance~~ conducted thru Warbonnet, Inc. distribution system

for the purpose of municipal and commercial purposes

This Water License No. 1174-1 is based on a Vested Right Claim recorded and filed
by the Water Rights Commission.

Subject to any limitations listed in Water Right Permit No. 1174-1 and subject to the laws of the State of South Dakota.

WITNESS, My hand and seal of our office at Pierre, South Dakota
this 31st day of July A. D.

Nineteen Hundred and Seventy-eight

WATER RIGHTS COMMISSION

By:

John Hatch
Chief Engineer, Executive Officer JOHN HATCH

Permit No. 1174-1

Water Diversion No. 1 Belle Fourche River Water District

CERTIFICATE OF CONSTRUCTION

This is to Certify, That the Warbonnet, Inc.

ested
light

Permit No. 1174-1, issued upon Application No. 1174-1, bearing date of priority of 1900

authorizing the diversion of .67 cu. ft. per second of the waters of

County of Lawrence, State of South Dakota at

SW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 35-T5N-R2E, B.H.M. Located approximately South 5 $^{\circ}$,
43' East. 375 feet from Corner No.4 of the General Jackson Lode,

Mineral Survey No.1 for Municipal and commercial

purposes, have ve complied with the provisions of the laws of the State of South Dakota relating to proof of
completion of the works of diversion set out and described in said Permit; that said work **recognized as** satisfactory
~~XXXXXX~~ for diverting and conveying to the place of intended use .67 cu. ft. per second of water.

Date July 31, 1978

By.

WATER RIGHTS COMMISSION

JOHN HATCH, Chief Engineer

Report on
Warbonnet, Inc. Vested Right Application
Lead, South Dakota

On April 5, 1978, I made an investigation on the Warbonnet, Incorporated - Vested Right Application.

Ross Springs is a flowing spring. The Springs pump station has a concrete dam for a reservoir. From here the water is pumped at a maximum rate of 90 gpm approximately $2\frac{1}{2}$ miles through a steel pipe of 4 and 3 inches in diameter to the Squaw Creek pumping station. The Squaw Creek station has a 10ft X 10ft X 40ft deep mine shaft that is used for a reservoir. This station has two submersible pumps which pump 300 gpm maximum. The water is pumped from the Squaw Creek station approximately .2 miles east to a storage tank. Gravity flow is then used to supply water to the residential area. From this same storage tank water is pumped to a 37,000 gallon storage tank in the Steward Ski area facility.

From the appearance of the pipes, pumps and storage facilities, this system has been in operation for many years. I recommend that Warbonnet, Inc. be issued a vested right on this facility.

LeRoy J. Mernaugh
Water Resources Engineer

**SOUTH Dakota Department of
Water & Natural Resources**

Joe Foss Building
523 East Capitol
Pierre, South Dakota 57501-3181

1173-1

1174-1

June 29, 1988

Wharf Resources
Box 446
Deadwood, South Dakota 57732

Dear Sir:

Please find enclosed copies of Notice of Transfer of Water Permit forms. These forms must be signed by the owner before a notary and returned to this office with a filing fee of \$2.50 for each, total of \$5.00 for two transfers.

Upon receipt of the enclosed forms and the \$2.50 filing fee for each, the permits will be transferred to the proper name. South Dakota Water Law 46-5-30.3 requires Notice of any sale, grant, lease, conveyance or other transfer of a Water Permit or Water Right to appropriate water to be filed with this office within ninety days.

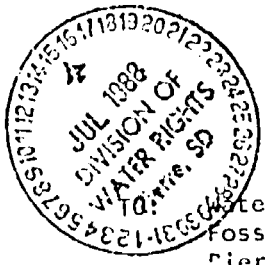
Please advise if you have any questions.

Sincerely,

Maxine Stirling
Secretary
(605) 778-3352



NO. 1174-1



NOTICE OF TRANSFER OF WATER PERMIT

Water Rights
Foss Building
Pierre, SD 57501

Date: July 5, 1988

This is to notify you that the title to the lands described as follows:

1174-1-diversion point: SW1/4SW1/4 Section 35, T5N, R2E

formerly owned by Warbonnet, Inc.

has been transferred to Wharf Resources, Box 446, Deadwood, South Dakota 57732
(please include complete mailing address)

together with any rights to the beneficial use of water thereon as evidenced by

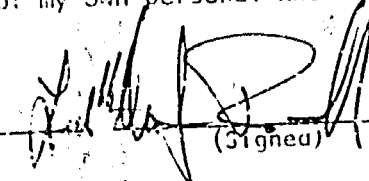
Water Right Permit No. 1174-1 as provided for in SDCL 46-5-32 and 46-5-33.

You are therefore hereby requested to file this "Notice of Transfer of Water Permit" in its appropriate file at the Div. of Water Rights, Water Management Board as evidence of the change of ownership.

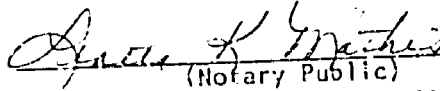
A fee of Two Dollars and Fifty Cents (\$2.50) is hereto attached to cover filing fees as required under SDCL 46-2-13.

STATE OF SOUTH DAKOTA)
County of Lawrence) ss.

I, Luther J. Russell, Director of Governmental/Environmental Affairs for Wharf Resources, being first duly sworn on my oath depose and say: That my relation to the above described undertaking is that of Owner, that I have read the above foregoing statement, and I know of my own personal knowledge that the information herein stated is true.


(Signed)

Subscribed and sworn to before me this 5th day of July, 1988.


(Notary Public)
My commission expires 7-16-90.

RECEIPT

Division of Water Rights
South Dakota Department of Water and Natural Resources

411312

Pierre, July 13, 1989

RECEIVED OF Marf Resources, Box 446, Deadwood, SD 57732

the following amount in fees for services rendered as provided for by law:

Fee for Application for Permit No. _____ to Appropriate Water, to construct works and to put water to beneficial use _____		
Fee for Application for Permit No. _____ to Appropriate Water for Future Use _____		
Fee to retain Future Use Permit No. _____ after period of seven years.		
Fee for Inspecting Constructed Works, confirming beneficial use and issuing Water License No. _____		
Fee for Filing Transfer Form <u>Permit No. 1174-1</u>	2	50
Fee for Filing Extension Request _____		
Fee for Certified Copy of _____		
Fee for Print Copy of Map _____		
Fee for Certifying _____		
Fee for _____		
(Any Other Work Provided by Law)	Total	2 50

By John Hatch
Chief Engineer JOHN HATCH JS

**SOUTH Dakota Department of
Water & Natural Resources**
Joe Foss Building
523 East Capitol
Pierre, South Dakota 57501-3181

WATER RIGHTS DIVISION
(605) 773-3352

1173-1
1174-1

July 20, 1988

Wharf Resources
Box 446
Deadwood, South Dakota 57732

Dear Sir:

Enclosed are receipt Nos. 411311 and 411312 in the amount of \$2.50 each which you paid for transfer of Water Right Nos. 1173-1 and 1174-1.

Our records now show Wharf Resources as the owner of these Water Rights.

Sincerely,

Maxine Stirling
Secretary

ms/
enc.-2



SOUTH DAKOTA

VESTED WATER RIGHT CLAIM NO. 1174-1

Date of Receipt of Claim November 8, 1977.

Date of Validation May 6, 1992.

The Water Management Board validated Vested Water Right Claim No. 1174-1 for Wharf Resources, Box 446, Deadwood SD 57732 with the following limitations, conditions and qualifications:

1. Vested Water Right No. 1174-1 appropriates 0.67 cubic feet of water per second from one well located in the SW 1/4 SW 1/4 Section 35-T5N-R2E.
2. The appropriated water is used for supplying water to the Town of Trojan and may not exceed the amount of water needed for beneficial use for municipal and commercial purposes.
The water is to be used during the following annual period:
January 1 - December 31.
3. The priority date of the Vested Water Right is January 1, 1900.
4. The water use system has been constructed and water has been applied to beneficial use.
5. Water Rights obtained in compliance with the laws of the State of South Dakota must not be unlawfully impaired by this appropriation.

WATER MANAGEMENT BOARD

By: _____

Chief Engineer

JUN 29 1992

_____ date

Division of Water Rights
Dept. of Environment and Natural Resources



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE SOUTH DAKOTA 57501-3181

JUN 29 1992

Wharf Resources
Box 446
Deadwood SD 57732

Dear Sir:

The Water Management Board has validated the enclosed Vested Water Right Nos. 1173-1 and 1174-1. These validations give legal status to the claims and are the final document for your vested rights.

As long as you use the water beneficially, as stated in the validation, State Water Laws provide that you have a continuing right to use the water.

Very truly yours,

JOHN HATCH, Chief Engineer
Water Rights Division
605 773-3352

enclosure

1174-1

Water Rights Division - DENR
Conversation File Documentation

NAME OF PERSON OR FILE: Tim Comer - Wharf Resources

ADDRESS: COUNTY: Lawrence

DATE: 2/14/95 TELEPHONE: 584 - 1441 ext. 112

RE: Squaw Creek Well

COMMENTS:

Mr. Comer called regarding Permit No. 1460-1. This permit appropriated 0.10 cfs from an existing well to be used for suburban housing development and rural water system use. Originally the application for 1460-1 also included industrial use but that use was deleted based on a phone conversation between John Lawson and Ron Duvall (see file documentation). This well was existing and part of the application was to extend the well vertically because the location of the well was going to be waste rock fill area. The well was (and still is) from review of the files authorized by Vented Water Right No. 1174-1 to appropriate 0.667 cfs for municipal and commercial use. It appears from the report for Permit No. 1460-1 that Recognized Right No. 1174-1 was to be cancelled but it was validated pursuant to SDCL 46-2A-17 in 1992. Mr. Comer stated that the well is primarily used for applying water to haul roads for dust suppression purposes.

Mr. Comer stated they were going to be removing the waste rock from this area and Wharf wanted to remove the vertical extension on the well. They wanted to know if any water permitting was necessary. The well has always been into the same water source. After conferring with the Chief Engineer and Ron Duvall I called back to Mr. Comer and stated that they did not require a water permit to remove the extension. I also explained that industrial use of water for dust suppression was not specifically stated on any of the existing permits/right, however, our interpretation was that this use was allowed under the municipal/commercial use portion of Right NO. 1174-2.

File in Permit or other file as necessary. Use to document conversations and what the other party was told; why action or decision was made.

NAME: Eric Harland



WHARF RESOURCES (U.S.A.), Inc.

A wholly owned subsidiary of Goldcorp Inc.

1174-1



Wharf Resources (U.S.A.), Inc.
HC 37 Box 811
Lead SD 57754

SD DENR WATER RIGHTS PROGRAM
523 EAST CAPITOL
PIERRE SD 57501-3181

As a matter of corporate simplification, Wharf Resources will now be doing business as Wharf Resources (U.S.A.), Inc. Therefore, all contracts, statements, invoices, or other documents you may have with Wharf Resources, a Montana General Partnership, or simply in the name of Wharf Resources, should be changed to Wharf Resources (U.S.A.), Inc. All purchase orders or other correspondence to you in the future will be from Wharf Resources (U.S.A.), Inc. The management structure of the company remains the same.

If you have any questions, please do not hesitate to contact me.

Sincerely,

John A. Begeman
General Manager



1174-1
DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3181
www.state.sd.us/denr

June 16, 1999

Dale R Cockrell
Christensen, Moore, Cockrell & Cummings, PC
PG Box 7370
Kalispell, MT 59904-0370

RE: Wharf Resources (U.S.A.) Inc.

Dear Mr. Cockrell:

I am writing to acknowledge receipt of the transfer of ownership forms for Vested Water Right No. 1173-1, Water Right Nos. 1346-1, 1365-1, 1406A-1 and 1493-1 and Water Permit Nos. 1437-1 and 1667-1. The transfers have been completed and the above water rights and permits are now listed in the name of Wharf Resources (U.S.A.) Inc. Enclosed are the receipts for the filing fees.

I noticed when transferring the records that Wharf had an additional water right that I did not send a transfer form to you for. I am including a copy of Vested Right No. 1174-1 to give you an idea of which system the water right pertains to. I apologize for overlooking this in my first correspondence to you.

Enclosed is a partially completed "Notice of Transfer of Ownership" form for Vested Water Right No. 1174-1. The form will need to be signed in the presence of a notary by a representative of Wharf Resources (U.S.A.) Inc. Upon completion, please forward the form and a \$2.50 filing fee to our office.

Thanks again for your help and if I can answer any questions for you please give me a call.

Sincerely,

Genny McMath
Environmental Scientist
Water Rights Program
(605) 773-3352

enclosures

c: John Begeman, General Manager of Wharf Resources (U.S.A.) Inc

NOTICE OF TRANSFER OF OWNERSHIP

To: Chief Engineer
Water Rights Program, DENR
523 E. Capitol
Pierre, SD 57501-3181



No. 1174-1

Date: 7-13-99

I/We request that Vested Water Right No. 1174-1

formerly owned by Wharf Resources

be transferred to (address) Wharf Resources (U.S.A.) Inc., HC 37 Box 811, Lead, SD 57754

Telephone No. (605) 584-1441

Title to the following described land(s)/property has been transferred as described above:

diversion point location: SW 1/4 SW 1/4 Section 35, T5N, R2E

I/We understand that the validity of Vested Water Right No. 1174-1 has not been determined by this transfer action. If I/We have any questions on validity, I/We understand that only the Water Management Board has the authority to determine if a water permit/right is valid (see note).

You are requested to file this "Notice of Transfer" in the appropriate file with the Water Rights Program, as evidence of the change of ownership.

A fee of Two Dollars and Fifty Cents (\$2.50) is required to cover the filing fees as required under SDCL 46-2-13. This form must be signed by the new owner.

STATE OF SOUTH DAKOTA)

County of Lawrence)

I/We, John A. Begeman being first duly sworn on my oath depose and say that my relation to the above described undertaking is that of Owner, that I have read the above foregoing statement, and that I know of my own personal knowledge that the information herein stated is true.

** General Manager of Wharf Resources (U.S.A.), Inc.

John A. Begeman
(Signed)

Subscribed and sworn to before me this 13th day of July, 19 99.

Kristie L. Schillinger
(Notary Public)

NOTE: Water permits may be cancelled for nonconstruction within the five year construction period. Once a water permit is developed and the water used, the permit becomes a right. A water right may be lost for three reasons:

1. Abandonment - no intent to use water and use is abandoned.
2. Forfeiture - no use of water for three year period without legal excuse.
3. For a third violation of a condition of a water permit/right.

RECEIPT

Water Rights Program

South Dakota Department of Environment and Natural Resources
Pierre,

N2 416163

July 14, 1999

RECEIVED OF Wyaf Resources, Inc., HC 37, Box 811, Lead, SD 57754
the following amount in fees for services rendered as provided for by law:

Fee for Application for Permit No. _____ to Appropriate Water, to construct
and to put water to beneficial use _____

Fee for Application for Permit No. _____ to Appropriate Water, for Future
Use _____

Fee to retain Future Use Permit No. _____ after period of seven years.

Fee for Inspecting Constructed Works, confirming beneficial use and issuing Water
License No. _____

Fee for Filing Transfer Form Vested Water Right No. 1174-1

Fee for Filing Extension Request _____

Fee for _____

(Any Other Work Provided by Law)

Total 2 50

By John M. [Signature]
Chief Engineer



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3181
www.state.sd.us/denr

July 15, 1999

1174-1

John A Begeman
Wharf Resources (USA) Inc
HC 37 Box 811
Lead, SD 57754

Dear Mr. Begeman:

Thank you for sending in the ownership change for Vested Water Right No. 1174-1. The transfer has been completed and the vested right is now listed in the name of *Wharf Resources (U.S.A.) Inc.*

Enclosed is Receipt No. 416163 in the amount of \$2.50. If I can answer any questions for you, please let me know.

Sincerely,

Genny McMath
Environmental Scientist
Water Rights Program
(605) 773-3352

enclosure