

BRIAN SANDOVAL
Governor

STATE OF NEVADA



LEO DROZDOFF
Director

JASON KING, P.E.
State Engineer

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

MM-210

August 15, 2016

Afzaal Pirzada
Manager
Ultra Lithium USA Inc.
2735 Caroline Street
Vancouver, B.C Canada, VST 3T3

Re: Request to use an existing well (Hole-105) as a temporary groundwater source for mineral exploration on Assessor Parcel Number 006-151-01, in the Big Smokey Valley Hydrographic Basin (137A), Esmeralda County, Nevada.

Proposed Location: NAD 83

137A N02 E38 36 Ad [se NE], UTM E 438968.00, N 4204676.00 (NAD 83)

Dear Mr. Pirzada:

As provided in Nevada Administrative Code (NAC) 534.442 and Nevada Revised Statute (NRS) 534.050, permission is hereby granted to utilize the above site as a temporary groundwater source well. This waiver **expires August 11, 2017**. Please request any extensions prior to the expiration of this waiver. Projects lasting longer than this may be required to initiate procurement of a permitted water right. Per regulation, water used from the entire project will be **limited to 5 acre-feet of water**. This well is part of a project that may consist of up to ten wells and last one year. MM-208 was the first waiver associated with this project. MM-210 will be the second waiver associated with this project.

Monthly records of the amount of water pumped from this well under this waiver must be kept and those records must be submitted to the State Engineer on a quarterly basis. Failure to submit this report may result in immediate cancelation of this waiver and delays of any waiver extension requests.

MM-210, Esmeralda Minerals, LLC

August 15, 2016

Page 2

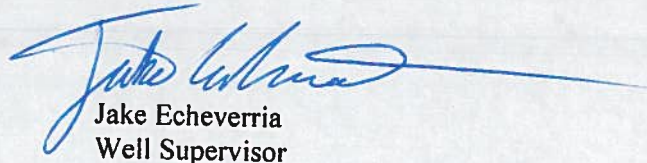
Please reference the above waiver number in all correspondences regarding these wells.

This waiver does not grant or infer any rights of ingress or egress, nor does it grant or infer any appropriation of water and shall not be deemed to result in the development of any equity.

It is expressly understood that this waiver does not relieve the operator of the requirements of any other state, local or federal agencies or private property.

If you have any questions, please call me at 775-684-2813.

Sincerely,



Jake Echeverria
Well Supervisor

JE/ac

Cc: Matt Banta
Shannon McDaniel
Ken Haffey

**IN THE OFFICE OF THE STATE ENGINEER OF THE STATE OF NEVADA
REQUEST FOR A WAIVER FOR TEMPORARY USE OF GROUND WATER
FOR MINERAL EXPLORATION**

The applicant and/or person or company responsible for drilling and plugging the temporary well:

<u>Afzaal Pirzada</u> Name	<u>Manager</u> Title	<u>Ultra Lithium USA Inc.</u> Company
<u>2735 Caroline Street</u> Street Address or PO Box	<u>Vancouver</u> City or Town	<u>B.C. Canada, V5T 3T3</u> State and ZIP Code

Telephone number of responsible party: (778) 558-4940

Estimated project dates: May 7, 2016 Start Date June 4, 2016 Completion Date

Location of the well: **PLSS, GPS Coordinates and Map Datum are required.**

SE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 36 T 2 N R 38 E, M.D.B. & M.

{ Latitude (N): _____ } or { UTM (m) E: 438968.00 } Datum
{ Longitude (W): _____ } { UTM (m) N: 4204676.00 } NAD83/WGS84

County Assessor Parcel Number (APN): 006-151-01

Street Address (if any): NA

Location of mineral exploration, plan of operations, and description of how water is to be used: *(Attach additional sheets as necessary)*

A Well, With Location Provided Herein, Has Been Installed In GW Basin 137A (See Attached Well Construction Log). The Intent Of The Well Is Lithium Brine Mineral Exploration And Characterization. The Well Will Also Be Used To Monitor Water Quality To Later Satisfy NDEP Permit Requirements. Land Occupancy And Drilling Disturbance Is Authorized Under Bureau Of Land Management Notice Of Intent NVN-094590.

Estimated amount of water to be used:

Number of days 365 x Gallons per day 4,464 = Total Gallons 1,629,360

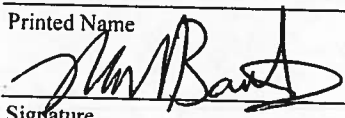
Is this an existing well? Yes If yes, what is the NDWR well log number? NA

The following items must be submitted with the waiver request:

- **If this is an existing well, submit a copy of the agreement between you and the owner**
- **Affidavit of Intent to Plug a Well (for new well(s) or well(s) which ownership is not claimed)**
- **Location Map (i.e., Large Scale, inch = miles)**
- **Site Detail Map (i.e., Small Scale, inch = feet)**

Signatory Contact Information:

(775) 843-1908
Telephone Number
14175 Saddlebow Drive
Mailing Address
Reno, Nevada, 89511
City, State, ZIP Code

Matt Banta
Printed Name

Signature
8/1/2016
Date

IN THE OFFICE OF THE STATE ENGINEER OF NEVADA

AFFIDAVIT OF INTENT
TO PLUG A MONITORING WELL

Notice of Intent # _____

I, Afzaal Pirzada Name & Title
Ultra Lithium USA Inc. Company
2735 Caroline Street Address
Vancouver, B.C. Canada, V5T 3T3
(778) 558-4940 Telephone Number

RECEIVED
2016 AUG -2 PM 2:39
STATE ENGINEERS OFFICE

of the real property located at:

Street Address (if any) _____

County Assessor Parcel Number (APN) ~~006-201-01~~ 006-151-01

Situated within the SE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 36 T 2 N R 38 E, M.D.B. & M.

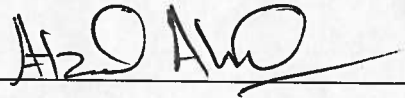
{ Latitude (N): 37.988074° } or { UTM (m) N 4204676.00 } Datum
{ Longitude (W): -117.646468° } { UTM (m) E 438968.00 } NAD83/WGS84

and whereupon one or more monitoring wells are located or to be located, fully understand that I shall be responsible for, and shall cause the wells to be plugged in accordance with the provisions contained in Nevada Administrative Code (NAC) 534.4365 and all other applicable rules and regulations for drilling/plugging wells in the State of Nevada, **not later than thirty days after the date when monitoring is no longer required.**

I shall further make any purchaser of this parcel aware of these conditions.

Responsible Party

(Printed Name): Afzaal Pirzada

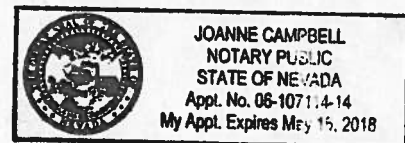
(Signature): 

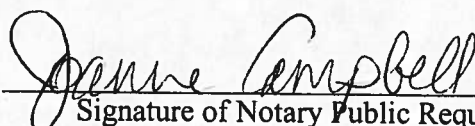
State of Nevada

County of ~~Esmeralda~~ Nye

Subscribed and sworn to before me on 26, July 2016

by Joanne Campbell




Signature of Notary Public Required

Notary Seal



Confluence Water Resources LLC

14175 Saddlebow Drive

Reno, Nevada 89511

T: (775) 843-1908

mbanta@confluencewaterresources.com

www.confluencewaterresources.com

August 2, 2016

Shannon McDaniel
Nevada Division of Water Resources
901 S. Stewart St., Suite 2002
Carson City, NV 89701

RECEIVED
2016 AUG -2 PM 2:39
STATE ENGINEERS OFFICE

Subject: Waiver Request for Temporary Use of Groundwater for Mineral Exploration for (Drill Hole 105), Ultra Lithium USA Inc., South Big Smokey Valley Project, Esmeralda County, Nevada, GW Basin 137A.

Dear Ms. McDaniel,

On behalf of Ultra Lithium USA Inc. (ULI), Confluence Water Resources LLC, (CWR) is submitting this application package to the Nevada Division of Water Resources (NDWR) for a Waiver for Temporary Use of Groundwater for Mineral Exploration for a well located in the SE ¼ of NE ¼ Section 36, T2N, R38E in Esmeralda County, Nevada.

The well will be used for mineral exploration and characterization of Lithium brine, then later used for monitoring purposes to satisfy NDEP permit requirements. A location map of the ULI Project is presented in Figure 1. Land occupancy and drilling disturbance is authorized under Bureau of Land Management Notice of Intent Notice NVN-094590, (Attachment 1).

The location of the well (Hole-105) is shown in Figure 2. This well was constructed by Harris Exploration Drilling, see attached well construction diagram provided in Figure 3.

Please contact Matt Banta of Confluence Water Resources at 775-843-1908 should you have any questions.

Confluence Water Resources LLC

775-843-1908

mbanta@confluencewaterresources.com
www.confluencewaterresources.com

Sincerely,

Confluence Water Resources LLC



Matt Banta
mbanta@confluencewaterresources.com
(775) 843-1908

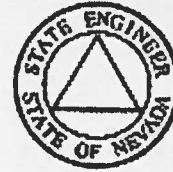
Attachments:

Waiver for Temporary Use of Groundwater for Mineral Exploration
Affidavit of Intent to Plug a Monitoring Well
Attachment 1 – BLM NVN-094590
Figure 1 – Large Scale Map of Project
Figure 2 – Small Scale Project and Hole Location Map
Figure 3 – Well Construction Diagram

RECEIVED
2016 AUG -2 PM 2:39
STATE ENGINEERS OFFICE



**Division of Water Resources
Receipt for Payment**



Confluence Water Resources
14175 SADDLEBOW DR
Reno, NV 89511

Check #: 138
Check Date: 8/2/2016
Date Received: 8/2/2016
Receipt #: 26116

FY	Amount	Permit #	Invoice #	Fee Type/Fee desc	Notes
2017	\$120.00	MM-WAIVER		- Waivers	



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Tonopah Field Office

P.O. Box 911 (1553 South Main Street)

Tonopah, Nevada 89049

Phone: 775-482-7800

Fax: 775-482-7810

http://www.blm.gov/nv/st/en/fo/battle_mountain_field.html



24/MAR/16
WCOYLE 3/24/16

In Reply Refer To:
N-94590
3809 (NVB0200)

MAR 24 2016

REGISTERED MAIL – RETURN RECEIPT REQUESTED RB 546 486 653 US

DECISION

Ultra Lithium USA Inc.
2735 Caroline Street
Vancouver, BC, Canada V5T 3T3

:
: 43 CFR 3809 – Surface Management
: Notice

RECEIVED
2016 AUG -2 PM 2:39
STATE ENGINEERS OFFICE

Determination of Required Financial Guarantee Amount

Description of Notice - Your notice for drill holes for the South BSV Lithium Project was received in this office on February 18, 2016 and an updated version was received on March 22, 2016. The project area is located in Esmeralda County, Nevada in section 28, T. 1 N., R. 38 E. and 36, T. 2 N., R. 38 E Mount Diablo Meridian. The notice proposes 3 drill holes and access routes totaling 4.21 acres of disturbance. The proposed operations were reviewed by various resource specialists who have determined that the operation, as proposed, will not cause unnecessary or undue degradation as defined under 43 CFR 3809.5. The Bureau of Land Management (BLM) casefile number for your notice is N-94590. Please refer to this number in any future communication concerning this notice.

Amount of Financial Guarantee – A member of the Tonopah Field Office staff has reviewed your reclamation cost estimate and determined that a financial guarantee of \$30,522.00 is sufficient to complete reclamation of the proposed disturbance. The amount of the reclamation cost estimate is based on operator compliance with all applicable operating and reclamation requirements.

All line items contained in the reclamation cost estimate are not to be considered as the limits of financial guarantee expenditures in that respective category or task should forfeiture of the financial guarantee by necessary. The line items listed are solely for the purpose of arriving at a total amount for the financial guarantee. This total amount may be spent however the BLM deems necessary to implement the approved reclamation plan, and does not represent a reclamation cost limit or constraint.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Nevada State Office
1340 Financial Boulevard
Reno, Nevada 89502-7147
<http://www.blm.gov/nv>



In Reply Refer To:
3809 (NV921z)

APR 18 2016

RECEIVED - MAIL ROOM
2016 APR 20 P 12:13
BUREAU OF LAND MANAGEMENT
TONOPAH FIELD OFFICE

DECISION

Obligor:	:	
Nevada Division of Minerals	:	BLM Bond Number: NVB000493
Reclamation Performance Bond Pool	:	Bond Amount: \$2,500,000
400 W King Street, Suite 106	:	
Carson City, NV 89703	:	
Coprincipal:	:	
Ultra Lithium USA Inc.	:	BLM Notice-Level Operations: NVN094590
2735 Caroline St.	:	Bond Amount Required: \$30,522
Vancouver, BC V5T 3T3	:	
GeoXplor Corporation	:	BLM Notice-Level Operations: NVN093774
3655 W. Anthem Way, Suite 109-293	:	Bond Amount Required: \$25,236
Anthem, AZ 85086	:	

Bond Rider Extending Coverage of Statewide Bond Accepted Obligation Under Statewide Bond Adjusted

The BLM Nevada State Office (NSO) currently holds BLM bond number NVB000493, in the amount of \$2,500,000. The Nevada Division of Minerals, Reclamation Performance Bond Pool is principal on the bond. The bond provides surface reclamation coverage for notice-level operations conducted on public lands in the State of Nevada under 43 CFR 3809.

Ultra Lithium USA Inc.

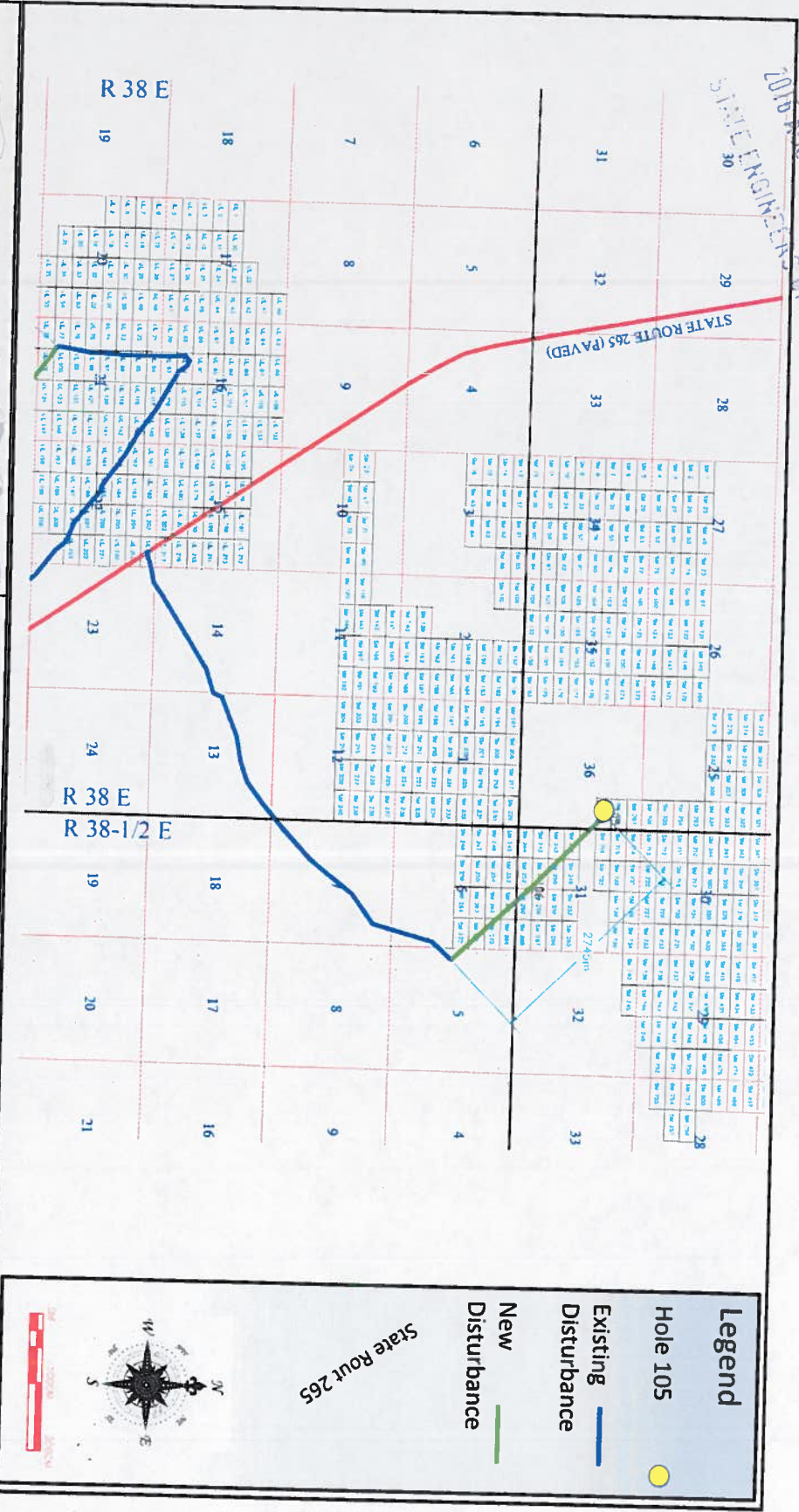
On March 24, 2016, the BLM Tonopah Field Office determined the reclamation cost estimate on NVN094590, the BSV Lithium Project, to be \$30,522. On April 4, 2016, the NSO received a bond rider adding Ultra Lithium USA Inc., as coprincipal to NVB000493, in the amount of \$30,522. The rider has been examined, found satisfactory, and is accepted effective April 4, 2016. Effective April 4, 2016, NVN094590 is satisfactorily bonded under NVB000493 in the amount of \$30,522.

RECEIVED
2016 AUG -2 PM 2:40
SILVER ENGINEERS OFFICE

RECEIVED
2016 AUG -2 PM 2:40



2016 AUG-2 PM 2 OFFICIAL



confluence
WaterResourcesLLC

Figure 2: Site Detail Map (Small Scale)

Date: 7/22/16

Prepared For:
Ultra Lithium USA Inc.

South Big Smokey Valley Project

RECEIVED
2016 AUG -2 PM 2:40
STATE ENGINEERS OFFICE

Confluence Water Resources LLC
www.confluencewaterresources.com