

AMENDED

No 49532

APPLICATION FOR PERMIT

TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

Date of filing in State Engineer's Office DEC 03 1985
Returned to applicant for correction DEC 17 1985
Corrected application filed FEB 14 1986
Map filed FEB 14 1986

The applicant Hycroft Resources and Development, Inc.
1325 Airmotive Way, Suite 200 of Reno
Nevada 89502 hereby make application for permission to appropriate the public

waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association, give names of members.) May 23, 1985 State of Nevada

1. The source of the proposed appropriation is underground
Name of stream, lake, spring, underground or other source

2. The amount of water applied for is 2.5 cfs second-foot
One second-foot equals 448.83 gals. per min.

(a) If stored in reservoir give number of acre-feet

3. The water to be used for mining, milling, and domestic
Irrigation, power, mining, manufacturing, domestic, or other use. Must limit to one use.

4. If use is for:
(a) Irrigation, state number of acres to be irrigated

(b) Stockwater, state number and kinds of animals to be watered

(c) Other use (describe fully under "No. 12. Remarks" See No. 12

(d) Power:
(1) Horsepower developed
(2) Point of return of water to stream

5. The water is to be diverted from its source at the following point in government protracted Lot 6,
Describe as being within a 40-acre subdivision of public
Section 3 of T34N, R29E, M.D.B.&M. (unsurveyed) or at a point from which the
survey, and by course and distance to a section corner. If on unsurveyed land, it should be so stated.
South 1/4 corner of Section 34, T35N, R29E, M.D.B.&M. bears North 44°40'0" West,
2,462.59 feet.

6. Place of use Sections 23, 24, 25, 26, 33, 34, 35, and 36 of T35N, R29E, Sections 30
Describe by legal subdivision. If on unsurveyed land, it should be so stated.
and 31 of T35N, R30E, and Sections 1, 2, 3, 4, 9, and 12 of T34N, R29E, M.D.B.&M.
(unsurveyed land).

7. Use will begin about January 1 and end about December 31, of each year.
Month and Day Month and Day

8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and
specifications of your diversion or storage works.) well, pump, storage tank, and pipeline
State manner in which water is to be diverted, i.e. diversion structure, ditches and
flumes, drilled well with pump and motor, etc.

9. Estimated cost of works \$50,000.00

10. Estimated time required to construct works. 2 years  
If well completed, describe works.

11. Estimated time required to complete the application of water to beneficial use. 5 years

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

Annual consumptive use of Well #1 in combination with Wells 2 and 3 is not to exceed 2.5 cfs (590,000,000 gallons per year). This water is the make-up requirement for a heap leach mining operation.

s/ John V.A. Sharp  
By John V.A. Sharp, Agent  
Hydro-Search, Inc.  
333 Flint Street  
Reno, NV 89501

Compared dn/se mm/se

Protested

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins or before the Proof of Completion of Work is filed.

This Permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

No perforations shall be put in the production casing from ground level to 100 feet.

The total combined duty of water under Permits 49532, 49533 and 49534 shall not exceed 589.77 million gallons annually.

(CONTINUED ON PAGE 2)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 2.5 cubic feet per second, but not to exceed 589.77 million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before March 17, 1988

Proof of completion of work shall be filed on or before April 17, 1988

Application of water to beneficial use shall be made on or before March 17, 1990

Proof of the application of water to beneficial use shall be filed on or before April 17, 1990

Map in support of proof of beneficial use shall be filed on or before N/A

Completion of work filed..... IN TESTIMONY WHEREOF, I PETER G. MORROS  
State Engineer of Nevada, have hereunto set my hand and the seal of

Proof of beneficial use filed..... my office, this 17 day of March,

Cultural map filed..... A.D. 19 87

Certificate No. .... Issued.....  
State Engineer

218 (Rev.)

CANCELLED JUN 15 1988 BECAUSE OF FAILURE OF APPLICANT TO COMPLY WITH THE PROVISIONS OF PERMIT

STATE ENGINEER

PERMIT TERMS CONTINUED

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.