

APPLICATION FOR PERMIT TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

Date of filing in State Engineer's Office JUL 15 1987

Returned to applicant for correction

Corrected application filed

Map filed JUL 15 1987 Under 51112

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

2. The amount of water applied for is 3.2 cubic feet per second

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

3. The water to be used for mining, milling and domestic

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")

(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 NW 1/4 NE 1/4 Section 31, T.35N,

R.29E, M.D.B.&M. (unsurveyed) or at a point from which the southeast corner of

Section 31, T.35N., R. 29E bears South 25° 25' 30" East, 5,318 feet.

6. Place of use Sections 13, 23, 24, 25, 26, 27, 31, 32, 33, 34, 35, and 36 of T.35N,

R.29E, Sections 16, 17, 18, 19, 20, 30, and 31 of T. 35N, R.30E, and Sections

1, 2, 3, 4, 9, 10, 11, and 12 of T.34N, R.29E, M.D.B.&M. (unsurveyed land).

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

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

flumes, drilled well with pump and motor, etc.

9. Estimated cost of works \$ 60,000

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.

This well is the make-up requirement for a heap leach mining operation. Annual consumptive use of Well #A in combination with Well #B is not to exceed 3.2 cfs (755,000,000 gallons per year).

s/Forrest L. Fox
Forrest L. Fox, Agent
By Hydro-Search, Inc.
333 Flint St.
Reno, Nevada 89501

Compared ijk/ pm pm/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, 49534, 51112 and 51113 shall not exceed 754.9 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 3.2 cubic feet per second, but not to exceed 754.9 million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before March 17, 1989

Proof of completion of work shall be filed on or before April 17, 1989

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 MAR 01 1988 IN TESTIMONY WHEREOF, I PETER G. MORROS

Proof of beneficial use filed MAY 12 1992 State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 8th day of January

Cultural map filed _____

Certificate No. 13458 Issued AUG 20 1992 A.D. 19 88
Peter G. Morros
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.

