AMENDED

No. 61647

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

Date of filing in State Engineer's Office NOV 01 1995

Returned to applicant for correction

Corrected application filed NOV 27 1995

Map filed NOV 27 1995 under 61646

The applicant Kinross Goldbanks Mining Company

661 Anderson Street (Street and No. or P.O. Box No.), of Winnemucca (City or Town),

Nevada 89445 (State and Zip Code No.), hereby makes 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.) Incorporated in the State of Nevada in June, 1995.

1. The source of the proposed appropriation is underground, Well #2 (Name of stream, lake, spring, underground or other source)

2. The amount of water applied for is 4.0 CFS (One second-foot equals 448.83 gals. per min.) second-feet

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

3. The water to be used for mining, milling & 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 Attachment "A"

   (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 NE ¼ NW ¼, Section 14, (Describe as being within a 40-acre subdivision of public survey, and by course and distance to a section corner. If on unsurveyed land, it should be so stated.) T.30N., R.38E., M.D.B.&M., or at a point from which the NW corner of said Section 14, bears N 67° 30' W., a distance of 2150 feet.

6. Place of use Sections 2, 3, 10, 11, 14, 15; E ½ Section 21, E ½ Section 28, N ½ Section 34; Sections 22, 23, 26, 27; all in T.30N., R.38E., M.D.B.&M. (Describe by legal subdivision. If on unsurveyed land, it should be so stated.)

7. Use will begin about January 1 (Month and Day) and end about December 31 (Month and Day), 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.) A drilled & cased well, equipped with a motor, pump, storage tank & distribution system. (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 $25,000.00

10. Estimated time required to construct works Four (4) Years
If well completed, describe works.

11. Estimated time required to complete the application of water to beneficial use Ten (10) Years

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

See Attachment "A"

By s/ Gregory M. Bilyeu
Sierra Resource Engineering, Inc.
P.O. Box 21910
Carson City, NV 89721

Compared ds/bk
01/19/96, by U.S.D.I., BLM
Protested 02/06/96, by Agri-Beef Cp.-IL Ranch

DENIAL 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 application is hereby denied on the grounds that the applicant did not prove to the State Engineer's satisfaction a good faith intention to move forward on the project with reasonable diligence and to grant a water right permit under those circumstances would threaten to prove detrimental to the public interest. No ruling is made on the merits of the protests.

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

Work must be prosecuted with reasonable diligence and be completed on or before .....

Proof of completion of work shall be filed before .....

Application of water to beneficial use shall be filed on or before .....

Proof of the application of water to beneficial use shall be filed on or before .....

Map in support of proof of beneficial use shall be filed on or before .....

Completion of work filed .....

Proof of beneficial use filed .....

Cultural map filed .....

Certificate No. ..... Issued .....

IN TESTIMONY WHEREOF, I, HUGH RICCI, P.E., State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 22nd day of September, A.D. 2003.

Hugh Ricci, P.E.
State Engineer

(O)-2145 (Rev. 9-89)

ATTACHMENT "A"

Water appropriated under this application will be used for mining, milling and domestic purposes by Kinross Goldbanks Mining Company at their facility in Goldbanks Hills, south of Grass Valley in Pershing County, Nevada.

The mining operation consists of an open pit heap leach gold and silver mining and processing operation. The mine will operate 24 hours per day, every day, over the life of the project which is currently estimated at 8 years. Daily ore production is initially estimated at 30,000 tons per day or 10,950,000 tons annually. The projected start up date is the summer of 1997.

Water will be consumed in the mining operation for dust control in the tailings and mill area, road dust watering, heap leach operation and domestic use. Total annual demand is estimated as follows:

Dust Control & Initial Saturation

2000 lbs/ton ore x 9% average water application = 180 pounds
180 pounds/8.345 lb/gallon = 21.56 gal/ton
21.56 gal/ton x 30,000 tons ore/day = 646,800 gpd

Heap Evaporation Loss

Rate of Application = 8000 gallons per minute (gpm)
Average annual evaporation loss = 10% (0.1)
8000 gpm x 0.1 = 800 gpm
800 gpm x 1440 (minutes per day) = 1,152,000 gpd

Road Dust Suppression

Two 10,000 gallon water trucks operating 24 hours per day x 365 days/year
Each truck cycles once per hour
2 trucks x 10,000 gallons each hour x 24 hour = 480,000 gpd

Domestic Use

150 personnel x 25 gpd/person = 3,750 gpd

Total Daily Consumptive Use

646,8000 + 1,152,000 + 480,000 + 3,750 = 2,282,550 gpd

Total Annual Consumptive Use

2,282,550 gpd x 365 days = 833,130,750 gallons (2,556.78 acre-feet annually based on 30,000 tons per day ore production. Actual consumptive use may increase predicated on increased daily ore production but in any event will not exceed 6,452.00 acre-feet annually)

Water not consumed through the milling process will be used for pit dewatering. This water will be either reinjected or reinfiltrated back into the groundwater basin. The total combined duty of all applications, both consumptive and nonconsumptive, is not to exceed 6,452.00 acre-feet annually.