

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

Date of filing in State Engineer's Office NOV 12 1996
 Returned to applicant for correction NOV 22 1996
 Corrected application filed JAN 15 1997
 Map filed JAN 14 1997 under 62577

The applicant **Meridian Gold Company**, hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated.

1. The source of the proposed appropriation is **underground**.
2. The amount of water applied for is **2.0** second-feet
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for **mining, milling and domestic purposes**.
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 **Within the SW¼ NW¼ Sec. 26, T.37N., R.49E., M.D.M., at a point from which the SW corner of said section bears S 1°33'01" W, 3206 feet.**
6. Place of Use **See Exhibit "A" attached hereto**
7. Use will begin about **January 1st** and end about **December 31st**, of each year.
8. Description of proposed works **Drilled and cased well, electric motor driving submersible pump, storage tank and distribution system.**
9. Estimated cost of works **\$150,000**
10. Estimated time required to construct works **Three (3) years.**
11. Estimated time required to complete the application of water to beneficial use **Eight (8) years.**
12. Remarks: **Water will be used for mining, milling and domestic purposes within the above described place of use. Water will be commingled with water permitted under Permits 42931, 42932 and 42934. See Memorandum of Lease dated April 6, 1993, filed in Permit 42931. The life of the mine is expected to be 10, or possibly more, years.**

By **s/Ross E. de Lipkau**
Ross E. de Lipkau
P.O. Box 2790
Reno, NV 89505-2790

Compared cms/bk dl/bk

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 source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

This permit is issued under the preferred use provisions of NRS Chapter 534. 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.

Monthly records shall be kept of the amount of water pumped from this well and the records submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

The total combined duty of water under Permits 62577, 62578, and 62579, shall not exceed 1,500.0 acre-feet annually.

This permit is issued with the understanding that if dewatering occurs, and if that dewatering exceeds the consumptive use utilized for mining and milling purposes under Permits 62577, 62578, and 62579, further approvals by the State Engineer will be required.

(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 2.0 cubic feet per second, 1,448.0 acre-feet annually.

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

July 6, 2000

Proof of completion of work shall be filed before:

August 6, 2000

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

July 6, 2003

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

August 6, 2003

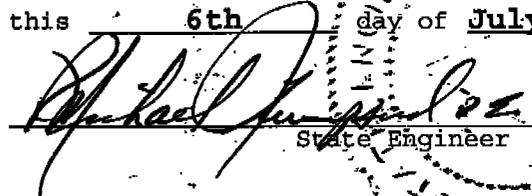
Map in support of proof of beneficial use shall be filed on or before:

N/A

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office,

this 6th day of July, A.D. 1998


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

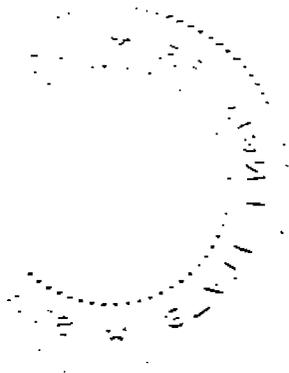


EXHIBIT A
TO ACCOMPANY APPLICATION NOS. 62577, 62578, AND 62579

PLACE OF USE DESCRIPTION
WITHIN T37N, R49E, MDM

- SECTION 9: SW $\frac{1}{4}$; SE $\frac{1}{4}$
- SECTION 10: SW $\frac{1}{4}$
- SECTION 11: S $\frac{1}{2}$ NW $\frac{1}{4}$; S $\frac{1}{2}$ NE $\frac{1}{4}$; SW $\frac{1}{4}$; SE $\frac{1}{4}$
- SECTION 12: S $\frac{1}{2}$ NW $\frac{1}{4}$; S $\frac{1}{2}$ NE $\frac{1}{4}$; SW $\frac{1}{4}$; SE $\frac{1}{4}$
- SECTION 13: NW $\frac{1}{4}$; NE $\frac{1}{4}$; N $\frac{1}{2}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ SW $\frac{1}{4}$; NW $\frac{1}{4}$ SE $\frac{1}{4}$
- SECTION 14: ALL
- SECTION 15: NW $\frac{1}{4}$; S $\frac{1}{2}$ NE $\frac{1}{4}$; SW $\frac{1}{4}$; SE $\frac{1}{4}$
- SECTION 16: NW $\frac{1}{4}$; S $\frac{1}{2}$ NE $\frac{1}{4}$; SW $\frac{1}{4}$; SE $\frac{1}{4}$
- SECTION 21: NW $\frac{1}{4}$; NE $\frac{1}{4}$; SW $\frac{1}{4}$; E $\frac{1}{2}$ SE $\frac{1}{4}$
- SECTION 22: ALL
- SECTION 23: ALL
- SECTION 26: NW $\frac{1}{4}$; NE $\frac{1}{4}$; SW $\frac{1}{4}$; N $\frac{1}{2}$ SE $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$
- SECTION 27: ALL
- SECTION 28: N $\frac{1}{2}$ NW $\frac{1}{4}$; E $\frac{1}{2}$ NE $\frac{1}{4}$; E $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$; NE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$;
N $\frac{1}{2}$ SE $\frac{1}{4}$; N $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$; NW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$; E $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$
- SECTION 33: E $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$; E $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$; E $\frac{1}{2}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$; NE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$
- SECTION 34: NW $\frac{1}{4}$; NE $\frac{1}{4}$; NW $\frac{1}{4}$ SW $\frac{1}{4}$; W $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$; N $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$
- SECTION 35: N $\frac{1}{2}$ NW $\frac{1}{4}$; N $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$; N $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$; W $\frac{1}{2}$ NE $\frac{1}{4}$

