

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

Date of filing in State Engineer's Office JUL 01 2003

Returned to applicant for correction JUL 22 2003

Corrected application filed SEP 17 2003

Map filed SEP 19 2003 under 70169

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The applicant **Round Mountain Gold Corporation, Homestake Nevada Corporation, BaRGold Corporation dba Smoky Valley Common Operation** hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated.

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1. The source of the proposed appropriation is **Underground**
2. The amount of water applied for is **1.0 second feet**.
  - (a) If stored in reservoir give number of acre-feet
3. The water to be used for **mining, milling, domestic and dewatering**
4. If use is for:
  - (a) Irrigation, state number of acres to be irrigated
  - (b) Stockwater, state number and kind 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 SW $\frac{1}{4}$  NE $\frac{1}{4}$  Section 32, T11N, R44E, M.D.B.&M., at a point from which the NW corner of Section 33 T11N, R44E, M.D.B.&M. bears North 36°11'51" East a distance of 2779.06 feet.**
6. Place of Use refer to **Exhibit A**
7. Use will begin about **January 1** and end about **December 31** of each year.
8. Description of proposed works **Drilled and case well, submersible pump and motor, distribution system to storage reservoir, and dewatering system.**
9. Estimated cost of works **approximately \$125,000.00**
10. Estimated time required to construct works **3 years**
11. Estimated time required to complete the application of water to beneficial use **7 years**

12. Remarks: A portion of the water developed from this source will be considered dewatered water, and a portion will be utilized for mining, milling and domestic purposes. The precise volumes of each use are unknown at this time. Current hydrologic data indicates that approximately 3200 acre feet will be utilized for consumptive purposes. The balance of water developed will be either reinjected, or disposed of in a manner acceptable to the State Engineer.

By s/Ross E. de Lipkau  
P.O. Box 2790  
Reno, Nevada 89505

Compared sg/sam ag/sam \_\_\_\_\_

Protsted \_\_\_\_\_

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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 is issued for diversion rate only and will allow the permittee to dewater the pit area.

It is understood that any water pumped as a result of the production and dewatering operation shall be used first by the permittee for mining, milling, heap leaching, drilling, construction, dust suppression, road watering, reclamation and other related mining uses within the described place of use on this permit, hereinafter referred to as mining and milling purposes.

Any water pumped and not used for mining and milling purposes shall be infiltrated back to the Big Smoky Valley Groundwater Basin, Northern Part (137B), or used to substitute for existing pumping in a manner to be later determined under applicable permits. The permittee shall discharge water in a manner to achieve maximum conservation of the water resource. It is understood that this right must allow for a reasonable lowering of the static water level. The permittee will prepare and submit a monitoring program that must be approved by the State Engineer, prior to the pumping of any water under this permit. The monitoring program must specify: (1) the sources to be measured (2) the background information already gathered (3) the method of measurement and (4) the projected frequency of measurement. The monitoring program must show what, if any, impacts the pumping of water for this project has on existing rights. The design of the infiltration site and the delivery system to the site or other substitutive discharge, shall be submitted to the State Engineer prior to any diversion of water from this source to the infiltration site. The State Engineer will retain the right to require additional monitoring of the water levels in monitor wells and the flow rates of surface sources.

(CONTINUED ON PAGE 3)

The permittee shall submit a report to the State Engineer by February 15<sup>th</sup> of each year detailing a water management plan. The management plan must include: (1) a summary of expected pumping for the year (2) a summary of the completed pumping and water level measurements for the previous year, and (3) an exact location of each well drilled or abandoned, and (4) any expected or proposed methods of disposal.

The permittee, on a schedule acceptable to the State Engineer, will prepare and present an update on the activities of the mine, the monitoring program and the water management plan on a periodic basis, but not less than two times a year.

A monthly report shall be submitted to the State Engineer within 15 days after the end of each calendar quarter which shall include: (A) the volume of water pumped from each well, (B) the measurement of pumping water level (drawdown) from each production, dewatering and monitoring well, (C) the volume of water consumptively used for mining and milling uses projectwide, and (D) the amount of water discharged for infiltration. A method that estimates the amount of evaporative losses from the discharge system shall be submitted with the monthly report. The evaporative losses will be considered as part of the combined duty for consumptive purposes.

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

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from the State, Federal and local agencies and is specifically issued contingent upon approval by the Nevada Division of Environmental Protection of the dewatering project.

The State Engineer retains the right to impose future conditions as necessary upon review and evaluation of all data submitted. The State Engineer retains the right to regulate pumping from the dewatering project and/or any other groundwater withdrawals herein authorized to protect the public interest and existing rights.

The total combined duty of water for consumptive purposes under Permits 536; 1077, Certificate 267; 2908, Certificate 353; 3898, Certificate 2347; 12442, Certificate 3831; 12445, Certificate 3832; 12768, Certificate 3751; 14119, Certificate 4889; 26650, Certificate 13904; 26652, Certificate 13905; 44297; 44299; 44300, Certificate 13174; 50971; 51577, Certificate 13185; 51578, Certificate 13186; 53365; 55498; 55500; 55501; 55502; 55503; 59217; 59218; 60874; 60875; 60876; 70169 through 70185, and any associated temporary changes of these rights, shall not exceed 13,910 Acre Feet Annually.

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.

Upon permanent cessation of all mining, milling and dewatering purposes, all water granted under the permit will revert back to the source from which it was appropriated, except for any water requirements needed for any mine closure plan and/or to mitigate any adverse effects caused by dewatering.  
(CONTINUED ON PAGE 4)

All of the above stated conditions are issued subject to having no adverse impacts on existing rights.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 1.0 cubic feet per second.

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

October 12, 2006

Proof of completion of work shall be filed on or before:

November 12, 2006

Water must be placed to beneficial use on or before:

October 12, 2009

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

November 12, 2009

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

N/A

IN TESTIMONY WHEREOF, I, HUGH RICCI, P.E.,

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

this 12th day of October, A.D. 2004

*Hugh Ricci, P.E.*  
\_\_\_\_\_  
State Engineer

Completion of work filed \_\_\_\_\_

Proof of beneficial use filed \_\_\_\_\_

Cultural map filed N/A \_\_\_\_\_

Certificate No. \_\_\_\_\_ Issued \_\_\_\_\_

djl per telecon  
R. DeLipkau

|         |    |    |     |     |     |    |
|---------|----|----|-----|-----|-----|----|
|         |    |    |     |     |     |    |
|         | E2 | 25 | 11N | 43E | MD  |    |
| Portion | NE | NW | 25  | 11N | 43E | MD |
| Portion | SE | NW | 25  | 11N | 43E | MD |
| Portion | NE | SW | 25  | 11N | 43E | MD |
| Portion | SE | SW | 25  | 11N | 43E | MD |
|         | E2 | 36 | 11N | 43E | MD  |    |
| Portion | NE | NW | 36  | 11N | 43E | MD |
| Portion | SE | NW | 36  | 11N | 43E | MD |
| Portion | NE | SW | 36  | 11N | 43E | MD |
| Portion | SE | SW | 36  | 11N | 43E | MD |
| Portion | NE | NW | 04  | 10N | 44E | MD |
| Portion | SE | NW | 04  | 10N | 44E | MD |
|         | W2 | NW | 04  | 10N | 44E | MD |
| Portion | NE | SW | 04  | 10N | 44E | MD |
|         | NW | SW | 04  | 10N | 44E | MD |
| Portion | S2 | SW | 04  | 10N | 44E | MD |
|         | N2 |    | 05  | 10N | 44E | MD |
|         | N2 | S2 | 05  | 10N | 44E | MD |
| Portion | SE | SE | 05  | 10N | 44E | MD |
| Portion | SW | SE | 05  | 10N | 44E | MD |
| Portion | SE | SW | 05  | 10N | 44E | MD |
| Portion | SW | SW | 05  | 10N | 44E | MD |
|         | NE |    | 06  | 10N | 44E | MD |
| Portion |    | NW | 06  | 10N | 44E | MD |
|         | N2 | SE | 06  | 10N | 44E | MD |
| Portion | SE | SE | 06  | 10N | 44E | MD |
| Portion | SW | SE | 06  | 10N | 44E | MD |
|         | NE | SW | 06  | 10N | 44E | MD |
| Portion | NW | SW | 06  | 10N | 44E | MD |
| Portion | SE | SW | 06  | 10N | 44E | MD |
| Portion | SW | SW | 06  | 10N | 44E | MD |
| Portion | NE | NW | 08  | 10N | 44E | MD |
| Portion | SE | NW | 08  | 10N | 44E | MD |
| Portion | NE | SW | 08  | 10N | 44E | MD |
| Portion | SE | SW | 08  | 10N | 44E | MD |
| Portion | SW | SW | 08  | 10N | 44E | MD |
| Portion | NE | NW | 17  | 10N | 44E | MD |
| Portion | NW | NW | 17  | 10N | 44E | MD |
| Portion | SW | NW | 17  | 10N | 44E | MD |
| Portion | NW | SW | 17  | 10N | 44E | MD |
| Portion | NE | SE | 18  | 10N | 44E | MD |
| Portion | W2 | SW | 27  | 11N | 44E | MD |
|         | S2 | S2 | 28  | 11N | 44E | MD |
| Portion | NE | SE | 28  | 11N | 44E | MD |
| Portion | NW | SE | 28  | 11N | 44E | MD |
| Portion | NE | SW | 28  | 11N | 44E | MD |
| Portion | NW | SW | 28  | 11N | 44E | MD |
|         | W2 | E2 | 29  | 11N | 44E | MD |
| Portion | NE | NE | 29  | 11N | 44E | MD |
| Portion | SE | NE | 29  | 11N | 44E | MD |
| Portion | NE | SE | 29  | 11N | 44E | MD |
|         | SE | SE | 29  | 11N | 44E | MD |
|         | W2 |    | 29  | 11N | 44E | MD |
|         |    |    | 30  | 11N | 44E | MD |
|         | E2 |    | 31  | 11N | 44E | MD |
|         | NW |    | 31  | 11N | 44E | MD |
|         | N2 | SW | 31  | 11N | 44E | MD |
|         | SE | SW | 31  | 11N | 44E | MD |
| Portion | SW | SW | 31  | 11N | 44E | MD |
|         |    |    | 32  | 11N | 44E | MD |
|         | N2 |    | 33  | 11N | 44E | MD |
| Portion | N2 | S2 | 33  | 11N | 44E | MD |
| Portion | SW | SW | 33  | 11N | 44E | MD |
| Portion | W2 | NW | 34  | 11N | 44E | MD |
| Portion | NW | SW | 34  | 11N | 44E | MD |

