Permit No. 70748

THE STATE OF NEVADA
PERMIT TO APPROPRIATE WATER

Name of applicant:	**CASCADE GOLD, LLC**
Source:	**UNDERGROUND**
Basin:	**IMLAY AREA**
Manner of Use:	**MINING AND MILLING**
Period of Use:	**January 1st to December 31st**
Priority Date:	**01/08/2004**

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 issued under the provisions of NRS 533.371 for a finite period of time. This permit will expire on December 31, 2012 and all rights herein will revert back to the source. 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.

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

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

The well must be sealed with cement grout, concrete grout or neat cement from ground level to 100 feet.

The total combined duty of water under Permits 70743, 70744, 70745, 70746, 70747, 70748, 70749 and 70750 shall not exceed 159.27 acre-feet annually. No groundwater shall be pumped until all surface water is used.

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.

The point of diversion and place of use are as described on the submitted application to support this permit.

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 or 159.27 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:	**February 26, 2009**
Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:	**February 26, 2011**
Map in support of proof of beneficial use shall be filed on or before:	**N/A**

IN TESTIMONY WHEREOF, I, TRACY TAYLOR, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 26th day of **February**, A.D. **2008**

Tracy Taylor, P.E.
State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

llb

No. 70748

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

Date of filing in State Engineer's Office **JAN 08 2004**

Returned to applicant for correction

Corrected application filed

Map filed **JAN 13 2004 under 70743**

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The applicant **Cascade Gold, LLC** 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 Nevada on 8/18/98**

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1. The source of the proposed appropriation is **Underground Pershing County, NV.**

2. The amount of water applied for is **2.0 CFS** second-feet

   (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 **Within the SE¼ NE¼ section 24, T32N, R36E, MDM or at a point from which the NW corner of said Section 24 bears N 65°39'20" W, a distance of 4,696 feet (W2A)**

6. Place of Use **All of Section 14, S½ Section 13, all of Section 24, T32N, R36E, MDM and All of Section 30, T32N, R37E, MDM**

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

8. Description of proposed works **Drilled and cased well, equipped with motor, pump and pipelines to place of use**

9. Estimated cost of works **$70,000**

10. Estimated time required to construct works **3 years**

11. Estimated time required to complete the application of water to beneficial use **8 years**

12. Remarks:

By s/Roy H. Hibdon
Roy H. Hibdon P.E., #370
1479 S. Wells Ave., Ste. #21
Reno, Nv. 89502

Compared cmf/ sam

Protested

70748

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