



THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of applicant: SUNRISE MINERALS LLC
Source: UNDERGROUND
Basin: IMLAY AREA
Manner of Use: MINING AND MILLING AND DOMESTIC
Period of Use: January 1st to December 31st
Priority Date: 04/20/2004

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 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.

Monthly records shall be kept of the amount of water pumped from this well and the records submitted to the State Engineer on an annual basis within 30 days after the end of each calendar year.

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

The total combined duty of water under Permits 71091, 73258 and 76665 shall not exceed 150 acre feet annually.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

The manner of use of water under this permit is by nature of its activity a temporary use and Permit 71091 will expire on January 1, 2020 or upon the cessation of mining and or milling activities within the permitted place of use. Any application to change the manner of use will be denied. Any application to change the place of use to another separate area within the basin will be denied.

(Continued on Page 2)

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 3.34 cubic feet per second or 75.0 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

N/A

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

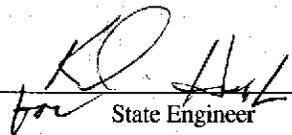
December 26, 2011

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 **December**, A.D. **2008**



State Engineer

Completion of work filed August 20, 2007 under 73258

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

llb

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

Date of filing in State Engineer's Office APR 20 2004

Returned to applicant for correction _____

Corrected application filed _____

Map filed APR 28 2004

The applicant **Sunrise Minerals LLC** 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.) **Applicant is a Colorado Limited Liability Company (Nov. 12, 2003) and is registered as a foreign-Limited Liability Company with the State of Nevada Secretary of State (Mar. 11, 2004)**

1. The source of the proposed appropriation is **Underground (Section 17 – 1990 Well)**
2. The amount of water applied for is **(for daily recirculating, processing, 1,500 gpm) 3.34 second-feet**
 - (a) If stored in reservoir give number of acre-feet **(3 pond system) 200 acre-feet annually**
3. The water to be used for **Mining, Milling (gravity beneficiation) 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 **SE¼, SE¼ of Section 17, T.33N., R.36E M.D.B.&M., Pershing County, Nevada, or at a point from which the southeast corner of said Section 17 bears South 77°21'33" East a distance of 1,274.32 feet.**
6. Place of Use **Section 17 of Pershing County, Nevada T.33N., R.36E., M.D.B.&M. as further described on the attached map.**
7. Use will begin about **January 1st** and end about **December 31st** of each year.
8. Description of proposed works **Water is to be developed by means of a drilled well (existing) up to 600 feet deep, 12-inch (I.D.) casing, via an 80 H.P. submersible pump and motor, through approximately 600 (but up to 1,200 feet) of pipeline to the place of use (3 pond system & gravity plant).**
9. Estimated cost of works **\$75,000.00 (for well, casing, pump, motor and pipeline)**
10. Estimated time required to construct works **Six (6) months**
11. Estimated time required to complete the application of water to beneficial use **Three (3) years**

71091

12. Remarks: Water will be used for gravity concentration and recovery of precious metals, by recirculating process water, and possible dust control and reclamation. Annual consumptive use is estimated at 200 acre feet.

Gene E. McClelland, Resident Agent
By s/Gene E. McClelland
1016 Greg Street
Sparks, Nevada 89431

Compared cmf/sam _____

Protested _____
