

**THE STATE OF NEVADA****PERMIT TO CHANGE POINT OF DIVERSION,
MANNER OF USE AND PLACE OF USE OF THE
PUBLIC WATERS OF THE STATE OF NEVADA
HERETOFORE APPROPRIATED**

Name of applicant: QUEENSTAKE RESOURCES USA, INC.
Source: UNDERGROUND
Basin: NORTH FORK AREA
Manner of Use: MINING AND MILLING
Period of Use: January 1st to December 31st
Priority Date: 12/04/1979

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 to change the point of diversion and place of use of the waters of an underground source as heretofore granted under Permit 39881, Certificate 11893, is issued subject to the terms and conditions imposed in said Permit 39881, Certificate 11893 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and 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 the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030.

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 42687, 47148, Certificate 13139; Permits 47414, 48175, Certificate 13143; Permit 54617, Certificate 14301; Permits 58336, 59274, 61722, Certificate 15094; Permits 61946, 62308, 62374, 65323, 65324, 75513 and 75514 shall not exceed 5847.33 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.

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 following and reported within 15 days after the end of each quarter:

- A. The total volume of water pumped from each diversion in acre-feet.
- B. The maximum flow rate from each diversion in cubic feet per second.
- C. The pumping water level from each well in feet above mean sea level.
- D. The volume of water consumptively used for mining and milling in acre-feet.
- E. The amount of water diverted to other consumptive uses, if any, in acre-feet.

(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 2.23 cubic feet per second or 116.13 acre-feet annually.**

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

January 2, 2009

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

January 2, 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 2nd day of January, A.D. 2008


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

llb

APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER OF USE AND PLACE OF USE OF THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

THIS SPACE FOR OFFICE USE ONLY
Date of filing in State Engineer's Office APR 05 2007
Return to applicant for correction
Corrected application field Map filed APR 05 2007

The applicant Queenstake Resources USA, Inc.
HC 31, Box 78 of Mountain City Star Route, Elko
Street and No. or P. O. Box No. City and Town

Nevada 89801-9524, hereby make s application for permission to change the
State and Zip Code No.

point of diversion and place of use
Point of diversion, manner of use, and/or place of use

of water heretofore appropriated under permit #39881 (cert #11893)
Identify existing right by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of

Decree and identify right in Decree

1. The source of water is underground (Well #7)
Name of stream, lake, underground, spring or other source

2. The amount of water to be changed 2.23 c.f.s. (37.841 MGA)
Second feet, acre-feet. One second foot equals 448.83 gallons per minute.

3. The water to be used for mining, milling, and domestic
Irrigation, power, mining, commercial, etc. If for stock state number and kind of animals. Must limit to one major use.

4. The water heretofore used for mining, milling, and domestic
If for stock state number and kind of animals.

5. The water is to be diverted at the following point within Lot 17 (NE 1/4 NE 1/4) Section 4, T.40N., R.54E., M.D.M. from
Describe as being within a 40-acre subdivision of
which the NE corner of said Section 4, bears N.50°21'E., 144.1 feet distance
public survey, and by course and distance to a section corner. If on unsurveyed land, it should be so stated.

6. The existing permitted point of diversion of record is located within Lot 17 (NE 1/4 NE 1/4), Section 4, T.40N.,
If point of diversion is not changed, do not answer.
R.54E. M.D.M., from which the NE corner of said Section 4, bears N.5°02'E., 929.0 feet distance

44-EL

7. Proposed place of use T.39N., R.53E., M.D.M. Sections 1 through 24;
T.39N., R.54E. - Sections 5 through 8; 17 through 20; T.40N., R.53E., all Sections;
T.40N., R.54E. - W½ Section 3, 4 through 8, 17 through 20, 29 through 32;
T.41N., R.53E., all Sections;
T.41N., R.54E., Sections 5 through 8, 18 through 20, 29 through 33, W½ Section 34.

8. Existing Place of use T.40N., R.54E, Section 4; NE¼NE¼; T.41N., R.54E., Section 33; S½, NW¼, SE¼NE¼,
W½NE¼, and approximately 6 miles of ore haul road through portions of Sections 25, 26, and 35, T.41N., R.53E.,
M.D.M. and Sections 29, 30, 32 and 33 in T.41N., R.54E., M.D.M.
Describe by legal subdivisions. If permit is for irrigation, state number of acres to be irrigated.

9. Use will begin from January 1 to December 31 of each year.
Month and Day Month and Day

10. Use permitted from January 1 to December 31 of each year.
Month and Day Month and Day

11. 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). drilled and cased well; submersible or line shaft pump and motor,
State manner in which water is to be diverted, i.e. diversion
existing storage tanks, and pipeline distribution network.
structure, ditches, pipes, and flumes or drilled well, pump and motor, etc.

12. Estimated cost of works \$350,000.00

13. Estimated time required to construct works 3 months

14. Estimated time required to complete the application of water to beneficial use 5 years

15. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use: New well has been constructed under permit #74566-T. Please send copies of notices and correspondence to undersigned agent.

TELEPHONE NUMBER
(775) 738-2121

By William A. Nishet Agent
Signature, applicant or agent
421 Court Street
Street and No., or P.O. Box No.
Elko, NV 89801
City, State, Zip Code No.

APPLICATION MUST BE SIGNED
 BY THE APPLICANT OR AGENT

STATE ENGINEERS OFFICE
 2007 APR -5 PM 1:30

RECEIVED

\$150 FILING FEE MUST ACCOMPANY APPLICATION