



THE STATE OF NEVADA
PERMIT TO APPROPRIATE WATER

Name of applicant: VICTORIA RESOURCES US, INC.
Source: UNDERGROUND
Basin: LOWER REESE RIVER VALLEY
Manner of Use: MINING AND MILLING
Period of Use: January 1st to December 31st
Priority Date: 07/31/2007

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.

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.

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 placed to a beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level.

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 water herein granted at any and all times.

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

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 0.10 cubic feet per second or 35.0 acre-feet annually.

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

October 19, 2008

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

December 31, 2012

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 19th day of October, A.D. 2007

Signature of Tracy Taylor, P.E., State Engineer

Completion of work filed

Proof of beneficial use filed

Cultural map filed

Certificate No. Issued

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

THIS SPACE FOR OFFICE USE ONLY	
Date of filing in State Engineer's Office	<u>JUL 31 2007</u>
Return to applicant for correction	_____
Corrected application field	_____ Map Filed <u>JUL 31 2007</u>

The applicant Victoria Resources U.S., Inc.

240 S Rock Blvd. Suite #117 of Reno
Street and No. or P. O. Box No. City and Town

Nevada 89502, hereby make s _____ application for permission to
State and Zip Code No.

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, July 1, 1992.

1. The source of the proposed appropriation is underground
Name of stream, lake, underground, spring or other source

2. The amount of water applied for is 0.1 c.f.s. second feet.
One second foot equals 448.83 gallons per minute

(a) If stored in reservoir give number of acre-feet _____

3. The water to be used for mining and milling
Irrigation, power, mining, comercial, domestic or other use. Must limit to one major use.

4. If use is for:

(a) Irrigation, state number of acres to be irrigated _____

(b) Stockwater, state number and kind of animals _____

(c) Other use (describe fully under "No. 12 Remarks") _____

(d) Power:

(1) Horse power developed _____

(2) Point of return of water to stream _____

59-6.12

5. The water is to be diverted from its source at the following point within the SW¼SW¼, Sec. 36, T.29N.,
Describe as being within a 40-acre subdivision of
R.42E., M.D.M. from which the SE corner of said Sec. 36 bears S.83°26'E., 4,205 feet distant.
public survey, and by course and distance to a section corner. If on unsurveyed land, it should be so stated.

6. Place of use T.28N., R.42E., M.D.M. Section 1: N½; Section 2: N½
Describe by legal subdivision. If on unsurveyed land, it should be so stated.
T.29N., R.42E., M.D.M. Section 34: E½; Sections 35 & 36: all

7. Use will begin about January 1 and end about December 31
Month and Day Month and Day

8. 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.) 15 h.p. submersible pump placed near edge of present
State manner in which water is to be diverted, i.e. diversion structure,
pit lake; 2" plastic pipeline to 10,000-gallon storage tank, then pumped through small diameter
lines to various drill sites.

9. Estimated cost of works estimate: \$50,000.00

10. Estimated time required to construct works one year (has been operating under waiver)
If well completed, describe works.

11. Estimated time required to complete the application of water for beneficial use five years.

12. Remarks: for use other than irrigation or stock watering, state number of type of units to be served or
annual consumptive use:
Use of this water is for exploration-related activities; except for evaporative losses, discharge
water from filtering sumps returns to underground.

TELEPHONE NUMBER

(775) 738-2121

By William A. Nisbet
Type or print name clearly
William A. Nisbet
Signature, applicant or agent
421 Court Street
Street and No., or P.O. Box No.
Elko, NV 89801
City, State, Zip Code No.

STATE ENGINEERS OFFICE
2001 JUL 31 PM 1:34
Agent

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT

\$250 FILING FEE MUST ACCOMPANY APPLICATION