



Permit No. 76255

**AMENDED
THE STATE OF NEVADA
PERMIT TO APPROPRIATE WATER**

Name of applicant: MGC RESOURCES, INC.
Source: UNDERGROUND
Basin: BUENA VISTA VALLEY
Manner of Use: MINING AND MILLING
Period of Use: January 1st to December 31st
Priority Date: 09/07/2007

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 **July 1, 2013** and all rights herein will revert 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.

No extensions of time will be approved for the filing of the Proof of Completion. 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 76255 and 76256 shall not exceed 20.0 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 point of diversion and place of use are as described on the submitted application to support this permit.

(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 0.01547 cubic feet per second or 11.29 acre-feet annually.**

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

June 01, 2008

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

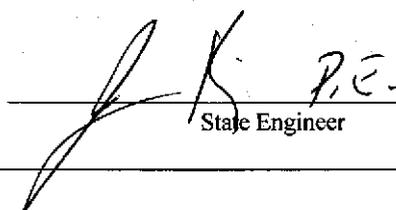
N/A

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

N/A

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 29th day of **January**, A.D. **2013**



State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

dfi



See Amended Permit

Permit No. 76255

THE STATE OF NEVADA
PERMIT TO APPROPRIATE WATER

Name of applicant: MGC RESOURCES, INC.
Source: UNDERGROUND
Basin: BUENA VISTA VALLEY
Manner of Use: MINING AND MILLING
Period of Use: January 1st to December 31st
Priority Date: 09/07/2007

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 February 1, 2013 and all rights herein will revert 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.

No extensions of time will be approved for the filing of the Proof of Completion. 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 76255 and 76256 shall not exceed 20.0 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 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 0.01547 cubic feet per second or 11.29 acre-feet annually.

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

June 01, 2008

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

N/A

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 10th day of January, A.D. 2008

Tracy Taylor, P.E.
State Engineer

Completion of work filed JUN 23 2008

Proof of beneficial use filed

Cultural map filed

Certificate No. Issued

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

THIS SPACE FOR OFFICE USE ONLY

Date of filing in State Engineer's Office SEP 07 2007

Returned to applicant for correction _____

Corrected application filed _____ Map filed SEP 17 2007

The applicant MGC Resources, Inc.

2778 Spokane Creek Road of East Helena
Street and No. or P.O. Box No. City or Town

Montana 59635 hereby make s application for permission to appropriate
State and Zip Code No.

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.) (See attached)

Is applicant a U.S. citizen? Yes No

Is applicant 21 years of age or older? Yes No

NRS 533.325 requires that applicant be a citizen of the United States or have legally declared their intention to become a citizen, and that they be 21 years of age or older.

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

2. The amount of water applied for is 0.01547 cfs / 6.9445 gpm
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, commercial, domestic or other use. Must limit to one major use.

4. If use if 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) Horsepower developed _____

(2) Point of return of water to stream _____

129-7E

5. The water is to be diverted from its source at the following point within the NE 1/4 of the SW 1/4 of Section 35,
Describe as being within a 40-acre subdivision of public
T.29N., R.34E., M.D.M., or at a point from which the northwest corner of Section 26, T.29N., R.34E.,
survey, and by course and distance to a section corner. If on unsurveyed land, it should be so stated.
M.D.M. bears North 13°48'51" West a distance of 9018.03 feet. (Well #2)

6. Place of use Refer to EXHIBIT "A".
Describe by legal subdivision. If on unsurveyed land, it should be so stated.
A maximum of approximately 7,735 acres within the described sections will be used to develop
a mine and mill site.

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

8. Description of proposed works. (Under the provisions of MRS. 535.010 you may be required to submit plans and specifications of your diversion or storage works.) Drilled well, pump and pipeline system.
State manner in which water is to be diverted, i.e. diversion structure, ditches and flumes, drilled well with pump and motor, etc.

9. Estimated cost of works in excess of \$1,000,000.

10. Estimated time required to construct works 3 years
If well completed, describe works.

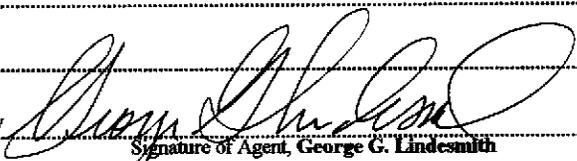
11. Estimated time required to complete the application of water to beneficial use 5 years

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.
Water to be diverted from well will be used in mine exploration and development. Aggregate
total for water appropriated under this and one other application shall not exceed 3.65 million
gallons combined annually duty.

TELEPHONE NUMBER

(775) 358-9491

By


Signature of Agent, George G. Lindesmith

Tri State Surveying 1925 E. Prater Way
Street and No., or P.O. Box No.

Sparks, Nevada 89434
City, State, Zip Code No.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

\$250 FILING FEE MUST ACCOMPANY APPLICATION

(O)-4577 (Rev. 10-93)

EXHIBIT "A", PROPOSED PLACE OF USE, MGC RESOURCES, INC.

Division	Section	Township	Range	Meridian
All	1	28N	34E	M.D.M.
All	2	28N	34E	M.D.M.
All	3	28N	34E	M.D.M.
All	4	28N	34E	M.D.M.
All	25	29N	34E	M.D.M.
SE 1/4	33	29N	34E	M.D.M.
All	34	29N	34E	M.D.M.
All	35	29N	34E	M.D.M.
All	36	29N	34E	M.D.M.
All	30	29N	35E	M.D.M.
All	31	29N	35E	M.D.M.