



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: NEVADA COPPER, INC.
Source: UNDERGROUND
Basin: MASON VALLEY
Manner of Use: MINING AND MILLING
Period of Use: January 1st to December 31st
Priority Date: 05/04/1976

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 75676 is issued subject to the terms and conditions imposed in said Permit 75676 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. 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 consumptive duty of water under Permits 77104 and 77105 shall not exceed 18.31 acre feet annually.

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 groundwater basin.

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

If any water under this permit is cancelled, withdrawn, or any water is not put to beneficial use, it will revert to the groundwater source and not back to the base water right.

This permit is approved for the entire 20.92 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount of the base right, 18.31 acre-feet, can be diverted annually. Additional diversion up to the total 20.92 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 18.31 acre-feet to be exceeded.

The issuance of Permits 77104 and 77105 simultaneously abrogates Permits 75675 and 75676.

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 0.113 cubic feet per second or 18.31 acre-feet annually.**

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

October 21, 2010

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

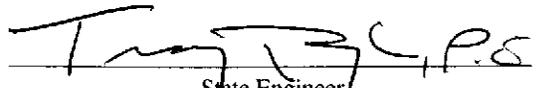
October 21, 2013

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 **21st** day of **October**, 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 JUN 04 2008

Returned to applicant for correction JUN 10 2008

Corrected application filed _____ Map filed JUN 13 2008 under 77103

The applicant Nevada Copper, Inc.

P.O. Box 1640 of Yerington
Street Address or P.O. Box City or Town

Nevada 89447, hereby make(s) application for permission to change the
State and Zip Code

Point of diversion Place of use Manner of use of a portion

of water heretofore appropriated under (Identify existing right by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree and identify right in Decree.)

Application 75676

1. The source of water is Underground
Name of stream, lake, underground, spring or other sources.
2. The amount of water to be changed 0.113 cfs, not to exceed 20.92 acre-feet annually
Second feet, acre-feet. One second foot equals 448.83 gallons per minute.
3. The water to be used for Mining, Milling & 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 & Domestic
If for stock, state number and kind of animals.
5. The water is to be diverted at the following point (Describe as being within a 40-acre subdivision of public survey and by course and distance to a found section corner. If on unsurveyed land, it should be stated.)
NE 1/4 NW 1/4, Section 4, T.12N., R.26E., M.D.B. & M., or at a point from which the NE Corner of said Section 4 bears N. 85° 45' 44" E., a distance of 3,011.29 feet. Refer to supporting map accompanying application to change Permit 15425 (Cert. 4398).
6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)
SE 1/4 NW 1/4, Section 3, T.12N., R.26E., M.D.B. & M., or at a point from which the NW Corner of said Section 3 bears N. 32° 3' 42" W., a distance of 2,836.51 feet. Refer to map on file under Permit 20387

REL
Per letter
6-12-08

108-44

7. Proposed place of use (Describe by legal subdivisions. If for irrigation, state number of acres to be irrigated.)

Please refer to Attachment "A" and supporting map accompanying application to change Permit 15425 (Cert. 4398).

8. Existing place of use (Describe by legal subdivisions. If changing place of use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.)

Please refer to Attachment "B" and map on file under Permit 20387

9. Proposed use will be from January 1 to December 31 of each year.
Month and Day Month and Day

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

11. Description of proposed works. (Under the provision of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) (State manner in which water is to be diverted, i.e. diversion structure, ditches, pipes and flumes or drilled well, pump and motor, etc.)

Drilled & cased well equipped with motor, pump meter, storage tanks & distribution system

12. Estimated cost of works \$100,000.00

13. Estimated time required to construct works Three (3) years
If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use Ten (10) years

15. Provide a detailed description of the proposed project and its water usage (use attachments if necessary):
(Failure to provide a detailed description may cause a delay in processing.)

This application is being filed to transfer the point of diversion of Application 75676 to a location better suited for development. The place of use is also being expanded. Water will be used for mining, milling & domestic purposes by Nevada Copper, Inc.'s (formerly Pumpkin Copper, Inc.) Pumpkin Hollow copper mine. The total combined duty of this application and the application to change Application 75675 shall not exceed 20.92 acre-feet annually. For additional information on the total annual project demand please refer to the letter submitted by George M. Thiel, P.E.

16. Miscellaneous remarks:

A Report of Conveyance updating ownership of this water right is on file with the State Engineer.

(775) 352-7800

Phone No.

gregb@tecreno.com

E-mail

By Gregory M. Bilyeu

Print or type name clearly

Signature, applicant or agent

TEC Civil Engineering Consultants

Company Name

9480 Double Diamond Parkway, Suite 200

Street Address or P.O. Box

Reno, NV 89521

City, State, Zip Code

**APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT**

\$150 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION

Attachment "A"

8. Proposed Place of Use

T.12N., R.26E., M.D.B. & M.NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$, Section 1

All of Section 2

All of Section 3

All of Section 4

E $\frac{1}{2}$, Section 5E $\frac{1}{2}$, Section 8

All of Section 9

All of Section 10

All of Section 11

NW $\frac{1}{4}$ NW $\frac{1}{4}$, Section 12

All of Section 14

All of Section 15

All of Section 16

E $\frac{1}{2}$, Section 17**T.13N., R.26E., M.D.B. & M.**E $\frac{1}{2}$, Section 32

All of Section 33

All of Section 34

All of Section 35

S $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$, Section 36

Attachment "B"

8. Existing Place of Use

T.12N., R.26E., M.D.B. & M.

portion
 NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, portion of the W $\frac{1}{2}$ NE $\frac{1}{4}$, Section 1

All of Section 2

All of Section 3

E $\frac{1}{2}$, portion of the E $\frac{1}{2}$ SW $\frac{1}{4}$, Section 4 *portion NW $\frac{1}{4}$*

NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, portion of the E $\frac{1}{2}$ NW $\frac{1}{4}$, Section 9N $\frac{1}{2}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, portion of the SE $\frac{1}{4}$, Section 10

N $\frac{1}{2}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, portion of the S $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, portion of the NE $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$, Section 11

portion
 NW $\frac{1}{4}$ NW $\frac{1}{4}$, Section 12

T.13N., R.26E., M.D.B. & M.

S $\frac{1}{2}$ S $\frac{1}{2}$, Section 34S $\frac{1}{2}$ S $\frac{1}{2}$, Section 35

portion
 Portion of the S $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$, Section 36

MISSED "PORTIONS" for
 EXISTING POU...
 ACCEPTED for BASE Right POU WHICH
 IS RFA