



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: MANHATTAN MINING COMPANY, A NEVADA CORPORATION
Source: UNDERGROUND
Basin: BIG SMOKY VALLEY-TONOPAH FLAT
Manner of Use: MINING, MILLING AND DEWATERING
Period of Use: January 1st to December 31st
Priority Date: 10/06/2008

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 manner of use of the waters of an underground source as heretofore granted under Permit 69020 is issued subject to the terms and conditions imposed in said Permit 69020 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 a quarterly basis within 15 days after the end of each calendar quarter.

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 69021, 69022 and 77452 shall not exceed 44.74 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.

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 0.25 cubic feet per second or 44.74 acre-feet annually.

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

July 26, 2010

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

July 26, 2010

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 September, A.D. 2009

Tracy Taylor, P.E.
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 OCT 06 2008

Returned to applicant for correction _____

Corrected application filed _____ Map filed SEP 17 2002 under 69020

The applicant Manhattan Mining Company, A Nevada Corporation

P.O. Box 54 of Manhattan
Street Address or P.O. Box City or Town

Nevada, 69022, 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.)

Permit #69020

1. The source of water is Underground
Name of stream, lake, underground, spring or other sources.
2. The amount of water to be changed not changed at .25 cfs second-feet
Second feet, acre-feet. One second foot equals 448.83 gallons per minute.
3. The water to be used for Mining, Milling, and De-Watering
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 (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.)
Within the SE1/4 SW1/4, Section 18 T8N R44E MDB&M and being located S 82°07' 48" W 2095.16 feet to the Southwest Section corner of Section 18 T8N R44E MDB&M
6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)

No Change

137A-14

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

Not changed from existing place of use as described below in Section 8.

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)

Within portions of the NW1/4 SW1/4; NE1/4 SW1/4; SE1/4 SE1/4; NE1/4 SE1/4; SE1/4 SW1/4; NW1/4 SE1/4; SW1/4 SW1/4, and all SW1/4 SE1/4 all in Section 18 T8N R44E, and portions of the NW1/4 NW1/4; NE1/4 NW1/4; SE1/4 NW1/4; NW1/4 NE1/4, and the NE1/4 NE1/4 all in Section 19, T8N R44E MDB&M.

Per FAX
10/8/08
WHR

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.)

See attached description of proposed works.

12. Estimated cost of works USD \$200,000

13. Estimated time required to construct works 1 Year
If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use 2 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.)

See attached detailed description of proposed project and water usage.

16. Miscellaneous remarks:

Please note that the approved RIB (Rapid Infiltration Basin) is located in the NW1/4 NW1/4 of Section 19, T8N R44E MDB&M.

775-487-2454
Phone No.

manhattanmining@yahoo.com
E-mail

John Monroe

By Roland Larsen
Print or type name clearly

Roland Larsen
Signature, applicant or agent

Manhattan Mining Company
Company Name

P.O. Box 54
Street Address or P.O. Box

Manhattan, Nevada, 89022
City, State, Zip Code

STATE MINING DIVISION
2008 OCT -6 PM 1:27

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

\$150 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION

Attachment to 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

11. Description of proposed works

The proposed works includes the completion of a drilled and cased well containing a submersible pump and motor with necessary pipelines to deliver water to a storage tank for distribution to the mill and works of reduction already in place. Pipelines will also be constructed to deliver water from the well to an NDEP approved RIB (Rapid Infiltration Basin).

15. Provide a detailed description of the proposed project and its water usage.

The proposed project consists of drilling and casing a water well, which will contain a submersible pump which will transport underground water via necessary pipelines for distribution to the mill for processing operations (mining and milling). In addition to this usage, the well will also be utilized to remove or de-water from underground mining operations. Underground water will be pumped from the established well to a NDEP approved RIB (Rapid Infiltration Basin) located in the NW1/4 NW1/4 of Section 19, T8N R44E MDB&M. The permitted RIB is planned to be constructed within the next month.

The RIB will be 290 feet x 304 feet in plan. The embankment height, depending on the elevation contours of the terrain, will range from 2 feet to 8 feet in height. The construction of the RIB will be at an elevation so that the floor of the RIB is on the existing ground. The RIB will not be utilized as storage, for the infiltration rate is very high, established at 1 inch per minute.

The following are the NDEP permit numbers for the RIB and Water Discharge to the RIB:

NDEP RIB Permit # NEV2008101

NDEP Water Discharge Permit #TNEV2008459

2008 OCT -5 PM 1:27
STATE ENGINEER'S OFFICE