



THE STATE OF NEVADA

PERMIT TO CHANGE THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Name of applicant: BATTLE MOUNTAIN GOLD COMPANY
Source: UNDERGROUND
Basin: LOWER REESE RIVER VALLEY
Manner of Use: MINING AND MILLING
Period of Use: January 1st to December 31st
Priority Date: 03/17/1980

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, place and manner of use of the remaining portion of the waters of an underground source as heretofore granted under Permit 55680 is issued subject to the terms and conditions imposed in said Permit 55680 and with the understanding that no other rights on the source will be affected by the change proposed herein. This well shall be equipped with a two (2) inch opening for measuring depth to water 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 Permit 22883, Certificate 7644 and Permit 79795 shall not exceed 1389.90 acre-feet.

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 0.39 cubic feet per second or 282.34 acre-feet annually.

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

September 15 2012

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

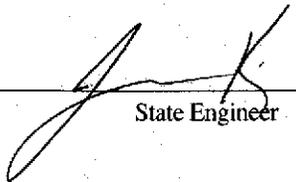
September 15 2013

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 15th day of September, A.D. 2010



State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

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 19 2010

Returned to applicant for correction _____

Corrected application filed _____ Map filed APR 19 2010

The applicant Battle Mountain Gold Company
Environmental Department, 1655 Mountain City Hwy. of Elko
Street Address or PO Box City or Town
Nevada, 89801 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 rights by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree and identify right in Decree.)
Permit 55680

1. The source of water is underground
Name of stream, lake, underground, spring or other sources.
2. The amount of water to be changed 321.67 acre-feet
Second feet, acre-feet. One second foot equals 448.83 gallons per minute.
3. The water to be used for Mining Milling and Minerals Exploration
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 ^{SW}SE1/4NE1/4 of Section 32, T.32N.,R.44E., M.B.D.&M., or at a point from which the SE corner of said Section 32 bears S36°45'E 3533.00 feet.
6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)
the NE1/4NW1/4(Lot 3) of Section 4, T.31N.,R.44E., M.B.D.&M., or at a point from which the N1/4 corner of said Section 4 bears N31°44'50"E 1597.10 feet.

KE
P.S.
Fax of
4/26/10

SSLD

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

S1/2 of Sections 19, 20 & 21; SW1/4 Section 22; W1/2 of Sections 27 & 34; all of Sections 28, 29, 30, 31, 32 & 33, all in T.32N., R.44E., M.D.B.&M.

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.)

Section 4, T.31N., R.44E., M.D.B.&M. and Sections 28, 29, 32 & 33, T.32N., R.44E., M.B.D.&M.

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

10. Existing use permitted from January 1st to December 31st 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 with motor and pump, and totalizing flowmeter.

12. Estimated cost of works \$50,000.00±

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 6 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.)

The well will be used for minerals exploration, dust suppression and other mining purposes near the Copper Basin Project area.

16. Miscellaneous remarks:

dms@winnemucca.net
E-mail Address
775-623-4414
Phone No.

John H. Milton III (agent)
Type or print name clearly
[Signature]
Signature, applicant or agent
Desert Mountain Surveying
Company Name

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT
146 West Second Street
Street Address or PO Box
Winnemucca, Nevada, 89445
City, State, ZIP Code