Permit No. 79887

THE STATE OF NEVADA

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

Name of applicant:	**CORTEZ JOINT VENTURE**
Source:	**UNDERGROUND**
Basin:	**PINE VALLEY**
Manner of Use:	**MINING AND MILLING**
Period of Use:	**January 1st to December 31st**
Priority Date:	**11/12/1982**

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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 52134 is issued subject to the terms and conditions imposed in said Permit 52134 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.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The well must be sealed with cement grout, concrete grout or neat cement from ground level to 100 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.

(Continued on Page 2)

The issuance of this permit expires Temporary Permit 79873T.

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 0.28 cubic feet per second or 39.589 acre-feet annually**.

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:	**November 18 2011**
Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:	**November 18 2015**
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 18th day of **November**, A.D. **2010**

P.E.

State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

Application No. 79 887

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 0 4 2010

Returned to applicant for correction _____

Corrected application filed _____ Map filed JUN 0 4 2010

The applicant CORTEZ JOINT VENTURE

HC66 Box 1250 (Street Address or PO Box) of Crescent Valley (City or Town)

Nevada 89821-1250 (State and ZIP Code) hereby make(s) application for permission to change the

☑ 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 52134

1. The source of water is Underground
   Name of stream, lake, underground, spring or other sources.

2. The amount of water to be changed 0.28 c.f.s., not to exceed 12.9 million gallons annually
   Second feet, acre-feet. One second foot equals 448.83 gallons per minute.

3. The water to be used for Mining and 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 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.)
   Lot 6 (NW¼NW¼) Section 30, T. 26 N., R. 49 E. M.D.M., or at a point from which the NW corner of said Section 30 bears North 87°51' West, a distance of 1592 feet.

6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)
   NE¼SW¼ Section 3, T. 26 N., R. 48 E., M.D.M., or at a point from which the NW corner of said Section 3 bears North 30° 30' West, a distance of 4,100 feet.
   Use map on file under Application 52134 to support the existing point of diversion.

53-EW

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

Lot 1 and N½ Lot 6 (within NW¼NW¼) Section 30, T. 26 N., R. 49 E., M.D.M. being a portion of Eureka County Assessor Parcel Number 006-080-04.

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 34 and E½ Section 33, T.27 N., R.48 E., M.D.M. and W½ Section 3, E½ Section 4, S½ Section 8, Sections 9 & 16, NE¼ Section 17, E½ Section 21, and W½ Section 22, all in T. 26 N., R. 48 E., M.D.M. Surveyed and Unsurveyed. Use map on file under Application 46333 to support the existing place of use.

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

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

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 well, pump, motor and meter piped to a storage tank.

12. Estimated cost of works $250,000

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 5 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 water under this application is to be used for Cortez Joint Venture's Horse Canyon mining exploration needs as well as for domestic supply for 20 people at the Man Camp.

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16. Miscellaneous remarks:

Cortez Joint Venture is the successor to Cortez Gold Mines and a Report of Conveyance will be filed prior to permit issuance.

Bruce R. Scott
Type or print name clearly

Signature, applicant or agent

Resource Concepts, Inc.
Company Name

340 N. Minnesota Street
Street Address or PO Box

Carson City, Nevada 89703
City, State, ZIP Code

rciwater@rci-nv.com
E-mail Address

775-883-1600
Phone No.

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT

$200 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION