



ENVIRONMENTAL

THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of applicant: FLORIDA CANYON MINING, INC
Source: UNDERGROUND
Basin: IMLAY AREA
Manner of Use: ENVIRONMENTAL
Period of Use: January 1st to December 31st
Priority Date: 08/11/2010

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 environmental permit is issued subject to existing rights on the source. It is understood that the amount of water herein granted is only a temporary allowance for pollution control as mandated by orders issued by the Nevada Division of Environmental Protection and subsequent correspondence with said agency. The right will cease to exist upon termination of clean up activity as determined by the Nevada Division of Environmental Protection. A totalizing meter must be installed and maintained in the discharge pipeline and monthly records of this measurement shall be submitted on an annual basis not later than February 15th of each year. Multiple wells within this quarter-quarter may be constructed and pumped. The State retains the right to regulate the use of water granted herein 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 environmental 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 Environmental Permits 79819E, 79820E and 80098E shall not exceed 20.5 acre-feet annually.

The total combined duty of water under Permit 48997, Certificate 13237; Permit 48998, Certificate 13238; Permit 50061, Certificate 13953; Permit 50248, Certificate 14448; Permits 57096, 57097, 61203, 61643, 61644, 61707, 75771, 75772, 76621, 79819E, 79820E and 80098E shall not exceed 2,415.22 acre-feet annually.

(Continued on Page 2)

The issuance of this environmental 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 0.05 cubic feet per second or 20.5 acre-feet annually.**

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

October 26th 2011

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

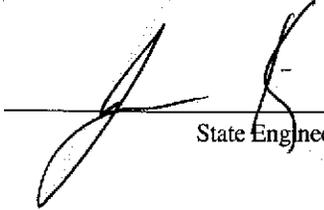
N/A

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 26th day of **October**, A.D. **2011**

 P.E.

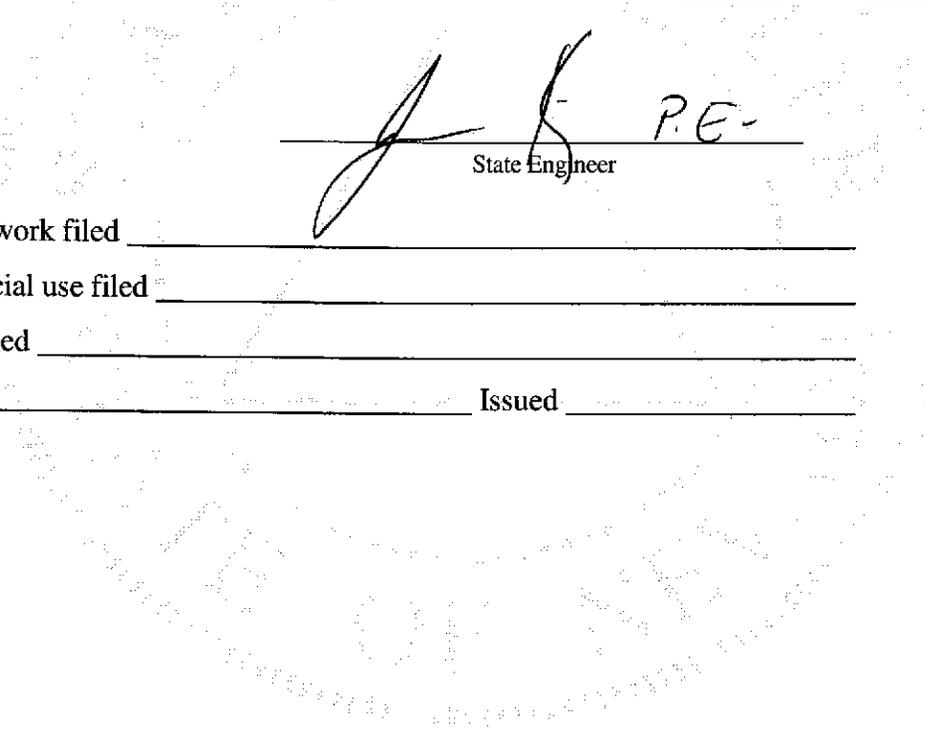
State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____



ENVIRONMENTAL

Application No. 80098 

APPLICATION FOR PERMIT TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA FOR ENVIRONMENTAL PURPOSES

THIS SPACE FOR OFFICE USE ONLY

Date of filing in State Engineer's Office AUG 11 2010
Returned to applicant for correction
Corrected application filed Map filed AUG 11 2010

The applicant Florida Canyon Mining, Inc.

P.O. Box 330 of Imlay
Street Address or PO Box City or Town

Nevada, 89418 hereby make(s) application for permission to appropriate the public
State and ZIP Code

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.)

Corporation formed in Delaware and registered in Nevada on February 12, 1999

1. The source of the proposed appropriation is Underground (MW-V Well)
Name of stream, lake, spring, underground or other source

2. The amount of water applied for is 0.05 cfs not to exceed 20.5 acre-feet annually second feet.
One second foot equals 448.83 gallons per minute

(a) If stored in reservoir, give number of acre-feet _____

3. Remediation Order or Letter (attach copy)

(a) Issued by NDEP - Bureau of Mining Regulation & Reclamation

(b) Order, Permit or Plan number WPC Permit No. NEV0086001

(c) Date issued Apr 16, 2009

4. The water is to be diverted from its source at the following point:
SE ¼ NW ¼, Section 3, T.31N., R.33E., M.D.B. & M., or at a point from which the SW Corner of said Section 3 bears S. 41° 14' 22" W., a distance of 4,286.00 feet. Please refer to map accompanying this application

Describe as being within a 40-acre subdivision of public survey, and by course and distance to section corner. If on unsurveyed land, it should be so stated.
Revised 07/09 - env_app

72-PE

5. Place of use:

Sections 2, 3, 4, 9, 10, 11, 14, 15, 16, 37, 38, 39, all within T.31N., R.33E., M.D.B. & M.: a portion of the Section 34. T.32N., R.33E., M.D.B. & M. Please refer to map filed under Permit 61203

Describe by legal subdivision. If on unsurveyed land, it should be so stated.

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

7. Description of proposed works.

Water will be diverted from a new monitoring and extraction well and piped to a series of lined ponds for future distribution and use in the mining and milling process.

State manner in which water is to be diverted, i.e. diversion structure, ditches and flumes, drilled well with pump and motor, etc.

8. Estimated cost of works Over \$1,000,000.00

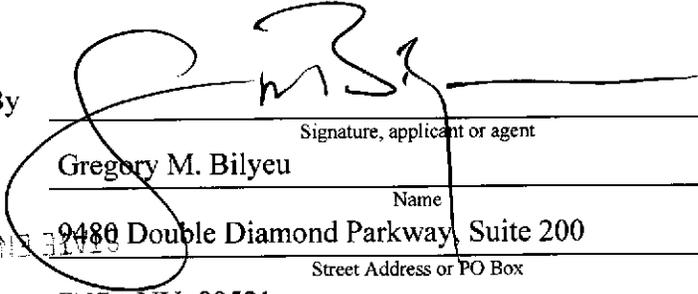
9. Estimated time required to construct works

One (1) year

If well completed, describe works.

10. Remarks: Describe project

NDEP has issued a Water Pollution Control Permit for the Florida Canyon Mine in Pershing County, Nevada. One requirement of this permit is that Florida Canyon Mine operate a groundwater remediation project and submit regular reports to NDEP. Florida Canyon Mine's groundwater remediation system is comprised of a groundwater monitoring system and a groundwater pump designed to capture the plume of nitrogen contaminated groundwater and prevent its migration. Contaminated groundwater is extracted from a total of ten (10) wells and is discharged to different lined ponds where it is then used in the mining and milling process. This application encompasses one additional well to be constructed within the SE ¼ NW ¼, Section 3. The total combined duty of this application and Permits 79819E and 79820E shall not exceed 20.5 acre-feet annually. The total combined duty of this application and Permits 48997, 48998, 50061, 50248, 57096, 57097, 61203, 61643, 61644, 61707, 75771, 75772, 76621, 77008, 79819E and 79820E shall not exceed 2415.22 acre-feet annually. Please refer to supporting map accompanying this application for further illustration of the above described system.

By 
Signature, applicant or agent

Gregory M. Bilyeu
Name

9480 Double Diamond Parkway, Suite 200
Street Address or PO Box

Nevada, NV 89521
City, State, ZIP Code

(775) 352-7800
Phone Number
gregb@tecreno.com
E-mail

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT

\$150 FILING FEE MUST ACCOMPANY APPLICATION