



**THE STATE OF NEVADA**  
**PERMIT TO APPROPRIATE WATER**

**Name of applicant:** NEVADA IRON, LLC  
**Source:** UNDERGROUND  
**Basin:** CARSON DESERT  
**Manner of Use:** MINING AND MILLING  
**Period of Use:** January 1st to December 31st  
**Priority Date:** 11/03/2010

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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 is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance issued under the provisions of NRS 533.371 for a finite period of time. This permit will expire upon cessation of mining operations and all rights herein will revert back to the source. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. 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 water begins, or before the Proof of Completion of Work is filed. 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.

The Permittee shall keep monthly records of the amount of water pumped from this well and the records must be submitted to the State Engineer on an annual basis within 30 days after the end of each calendar year. These reports must include measurements of total dissolved solids (TDS).

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

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 4.8 cubic feet per second or 1750.0 acre-feet annually.**

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

March 3 2012

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

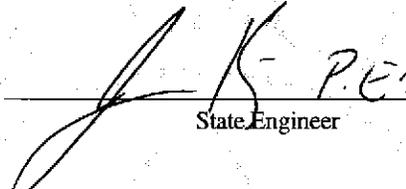
March 3 2014

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 3rd day of March, A.D. 2011

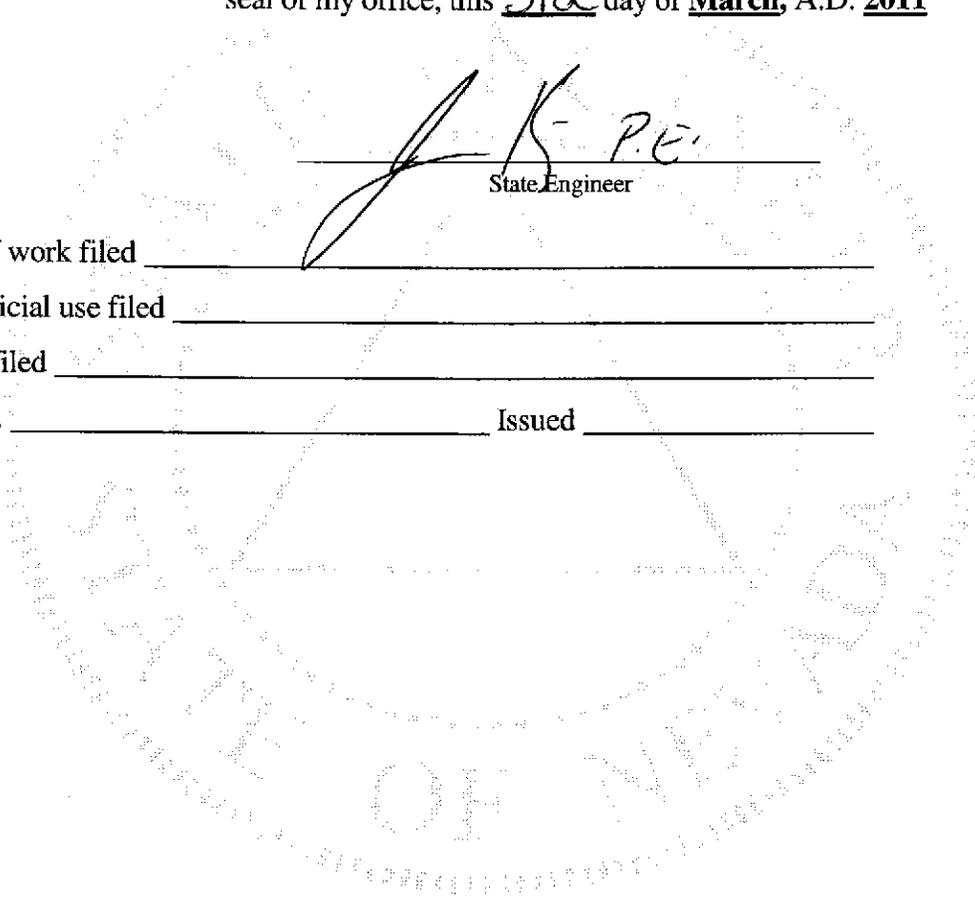
  
\_\_\_\_\_  
State Engineer

Completion of work filed \_\_\_\_\_

Proof of beneficial use filed \_\_\_\_\_

Cultural map filed \_\_\_\_\_

Certificate No. \_\_\_\_\_ Issued \_\_\_\_\_



AMENDED

Application No. 80270

**APPLICATION FOR PERMIT TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA**

THIS SPACE FOR OFFICE USE ONLY	
Date of Filing in State Engineer's Office	<u>NOV 03 2010</u>
Returned to applicant for correction	<u>NOV 09 2010</u>
Corrected Application filed	<u>NOV 12 2010</u> Map filed <u>MAY 22 1978</u> under _____

The applicant Nevada Iron, LLC  
 \_\_\_\_\_  
 c/o Don Harmer, 204 W. Spear Street, #2961 of Carson City  
Street Address or P.O. Box City or Town  
NV 89703 hereby make(s) application for permission to appropriate the  
State and ZIP Code

public 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.)  
Incorporated in Nevada on March 12, 2010

1. The source of water is Underground  
Name of the stream, lake, underground, spring or other sources.
2. The amount of water applied for is 4.8 cfs, 1,750 AF/Yr.  
One second foot equals 448.83 gallons per minute.
- (a) If stored in a reservoir give the number of acre-feet \_\_\_\_\_
3. The water is to be used for Mining and Milling  
Irrigation, power, mining, commercial, domestic or other use. Must be limited to one major use.
4. If use is for:
- (a) Irrigation, state number of acres to be irrigated \_\_\_\_\_
- (b) Stockwater, state number and kind of animals \_\_\_\_\_
- (c) Other use (describe fully in No. 12) \_\_\_\_\_
- (d) Power:
- (1) Horsepower developed \_\_\_\_\_
- (2) Point of return of water to stream \_\_\_\_\_

5. The water is to be diverted from its source 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 so stated.)

NW¼ NE¼ Section 13, T.24N., R.33E., M.D.B.&M., or at a point from which the SE corner of said Section 13 bears S. 20° 52' E., a distance of 5,316.15 feet. (Use map filed under Permit 33192)

6. Place of use: (Describe by legal subdivision. If on unsurveyed land, it should be so stated)

S½ SW¼ Sec. 3; S½ Sec. 4; all Sec. 5; N½ Sec. 8; N½ Sec. 9; N½ NW¼ Sec. 10, all in T.24N., R.34E., MDM.

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

8. Description of proposed works. (Under the provisions 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 and flumes, drilled well with a pump and motor, etc.)

Drilled well, pump and motor, and conveyance pipeline to Proposed Place of Use

9. Estimated cost of works: \$100,000

10. Estimated time required to construct works: 1 Year

(If the well is complete, describe works.)

11. Estimated time required to complete the application of water to beneficial use: 3 Years

12. 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.)

Water will be used for mining, milling and production of iron ore. The Applicant holds leases and mineral rights for mineral development at the Proposed Point of Diversion and within the Proposed Place of Use.

13. Miscellaneous remarks:

Please send copies of all notices and correspondence to: Jim Wallace, P.O. Box 1313, Walnut Grove, CA 95690

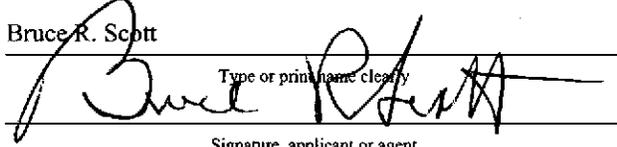
rci-nv.com

E-mail Address

775-883-1600

Phone No.

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

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT