

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

Name of Permittee: CORTEZ JOINT VENTURE
Source: UNDERGROUND (WELL DW 13)
Basin: CRESCENT VALLEY
Manner of Use: MINING AND MILLING
Period of Use: JANUARY 1ST THROUGH DECEMBER 31ST
Priority Date: 01/30/2008

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 point of diversion and place of use of the waters of an underground source as heretofore granted under Permit 64545, is issued subject to the terms and conditions imposed in said Permit 64545, 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. 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.

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.

This permit will allow the permittee to dewater the Cortez Hills Mine Area. It is understood that any water obtained as a result of this dewatering operation shall be used first by the permittee for mining, milling, heap leaching, drilling, road watering, and other related mining and milling uses (hereinafter referred to as mining and milling).

The total combined consumptive use of water under Permit 24663, Certificate 7292; Permit 24664, Certificate 7293; Permit 46224, Certificate 12482; Permit 46225, Certificate 12483; Permits 58187E, 58188E, 58189E, 58190E, 58191E, 58192E, 58985E, 59339, 59340, 75342, 76864, 77179, 80335, and 82592 in the Cortez Hills Project Area is limited to 1,517.6 acre-feet annually.

(Continued on Page 2)

Any water produced from this dewatering operation in excess of 1,517.6 acre-feet annually shall be returned to the Crescent Valley Groundwater Basin by infiltration galleries or injection wells. The design of the rapid infiltration basins or injection wells and the delivery system to these sites shall be submitted to the State Engineer for approval.

In addition, the State Engineer acknowledges that a substitutive use of excess dewatering water for existing irrigation rights is prudent and is allowed for under Order No. 1189. The amount of water allowed for irrigation substitutive uses cannot exceed the duty of water allowed for irrigation on lands under the control of the permittee.

The non-consumptive use of water for dewatering purposes from this permit and all other active permits within the Cortez Hills Project Area is limited to 13,248 acre-feet annually.

The operator shall keep monthly records of the following, but not limited to, and reported pursuant to Order No. 1189.

- A. The total volume of water pumped from each diversion in acre-feet.
- B. The maximum flow rate from each diversion in cubic feet per second.
- C. The pumping water level from each well in feet above mean sea level.
- D. The volume of water consumptively used for mining and milling in acre-feet.
- E. The amount of water diverted to the infiltration or injection sites in acre-feet.
- F. The amount of water diverted to other consumptive uses, if any, in acre-feet.
- G. The amount of water lost through evaporation or other system losses project wide.
- H. A map and a description of all wells or other water diversions within the project area.

Failure to comply with any provision of Order 1189 or any other terms of this permit will result in cancellation of the permit.

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 0.84 cubic feet per second or 608.1 acre-feet annually.**

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

January 29 2016

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

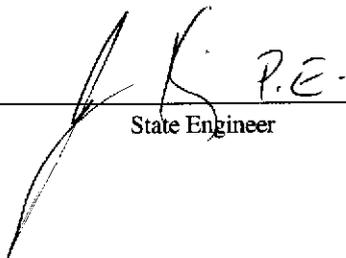
January 29 2018

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 29th day of **January, 2015**



 State Engineer

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 DEC 15 2010

Returned to applicant for correction _____

Corrected application filed _____ Map filed JUN 09 2010 under 79543

The applicant CORTEZ JOINT VENTURE
HC 66 Box 1250 of Crescent Valley
Street Address or PO Box City or Town
Nevada 89521-1250 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 64545

1. The source of water is Underground - Well DW-13
Name of stream, lake, underground, spring or other sources.
2. The amount of water to be changed 0.84 c.f.s. not to exceed 608.1 acre-feet annually
Second feet, acre-feet. One second foot equals 448.83 gallons per minute.
3. The water to be used for Mining and Milling
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 Milling
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 NW¹/₄SE¹/₄ Section 31, T. 27N., R. 48E., M.D.M.; or at a point from which the NE Corner of Section 1, T. 26N., R. 47E., M.D.M. bears S. 67°55'W., a distance of 3,870 feet. (Well DW-13)
Please refer to map on file under Application 79543T - Sheet 2 to support the Proposed Point of Diversion.
6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)
within the SE¹/₄SE¹/₄ Section 23, T. 27N., R. 47E., M.D.M., (unsurveyed), from which the NE Corner of Section 19, T. 27N., R. 48E., M.D.M. bears N. 69°03' E., a distance of 12,176 feet.
Please refer to map on file under Application 64545 to support the existing Point of Diversion.

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

See Attached.

Please refer to map on file under Application 79543T - Sheet 1 to support the Proposed Place of Use.

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.)

Sections 13, 24, & 25, T.27N., R. 47E., M.D.M. (unsurveyed), and Sections 18, 19, & 30, T.27N., R. 48E., M.D.M.

Please refer to map on file under Application 64545 to support the existing Place of Use.

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.)

Existing drilled well - DW-13 - drilled under Well Log 109426, equipped with pump, motor and totalizing meter, and connected into the Cortez Hills Mine pipeline system.

12. Estimated cost of works In excess of \$475,000

13. Estimated time required to construct works Existing well 1860' deep, cased 20" to 104' and 10" to 1860'.
If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use 10 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 drilled under Permit 64545 had water quality issues, and could not be used as intended. This application seeks to move the water under this Permit into an existing well at the Cortez Hills Mine which has been drilled and equipped under Permit 77179.

16. Miscellaneous remarks:

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

rciwater@rci-nv.com

E-mail Address

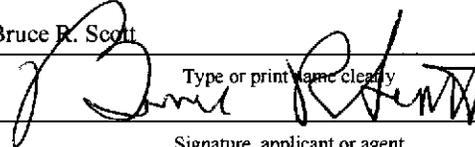
775-883-1600

Phone No.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

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

**ATTACHMENT TO APPLICATION TO CHANGE
THE POD & POU OF PERMIT 64545**

7. Proposed Place of Use:

T.26N., R.47E., MDM: Portion E $\frac{1}{2}$ Sec. 1 and Portion E $\frac{1}{2}$ Sec. 12 within Crescent Valley (Basin 054)

T.26N., R.48E., MDM: Portion Sec. 6 and Portion Sec. 7 within Crescent Valley (Basin 054)

T.27N., R.46E., MDM: W $\frac{1}{2}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 13; SW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 23; NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$ Sec.24; NW $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$ Sec. 26

T.27N., R.47E., MDM: All Sec. 4, 5, and 6; E $\frac{1}{2}$ Sec. 7, All Sec. 8 and 9; E $\frac{1}{2}$, SW $\frac{1}{4}$ Sec. 18; N $\frac{1}{2}$, SW $\frac{1}{4}$ Sec. 19; E $\frac{1}{2}$ Sec. 24; All Sec. 25; SE $\frac{1}{4}$ Sec. 30; All Sec. 36

T.27N., R.48E., MDM: W $\frac{1}{2}$ Sec. 19, All Sec. 30 and 31

T.28N., R.47E., MDM: E $\frac{1}{2}$, SW $\frac{1}{4}$ Sec. 13; SE $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 15; SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 21; NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 22; E $\frac{1}{2}$ Sec. 27; NW $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$ Sec. 28; S $\frac{1}{2}$ Sec. 29; SE $\frac{1}{4}$ Sec. 30; Lots 7, 8, 9, 10, E $\frac{1}{2}$ Sec. 31; All Sec. 32; SE $\frac{1}{4}$ Sec. 34; W $\frac{1}{2}$, SE $\frac{1}{4}$ Sec. 35

T.28N., R.48E., MDM: All Sec. 1, 3, 5, and 7; NE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ S $\frac{1}{2}$ Sec. 8; All Sec. 9, 11, and 13; N $\frac{1}{2}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ Sec. 14, All Sec. 15; W $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ Sec. 16; All Sec. 17; N $\frac{1}{2}$ N $\frac{1}{2}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$ Sec. 18; N $\frac{1}{2}$ NW $\frac{1}{4}$ Sec. 23

T.28N., R.49E., MDM: All Sec. 3, 7, 9 and 17

Please refer to map on file under Application 79543T – Sheet 2 to support the Proposed Place of Use.

2010 DEC 15 11:10:51
CASE NUMBER 79543T