



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

**Name of applicant:** VICTORIA RESOURCES (US) INC  
**Source:** UNDERGROUND  
**Basin:** LOWER REESE RIVER VALLEY  
**Manner of Use:** MINING, MILLING AND DEWATERING  
**Period of Use:** JANUARY 1ST TO DECEMBER 31ST  
**Priority Date:** 12/20/2010

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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 on **December 31, 2017** 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 and the records must be submitted to the State Engineer on an annual basis within 30 days after the end of each calendar year.

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

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 0.2 cubic feet per second or 144.79 acre-feet annually.

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

June 8 2012

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

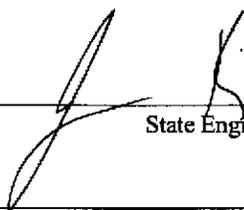
June 8 2014

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 8th day of June, A.D. 2011

 P.E.  
\_\_\_\_\_  
State Engineer

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

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

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

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

**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>DEC 20 2010</u>
Returned to applicant for correction	_____
Corrected Application filed	_____ Map filed <u>DEC 20 2010</u>

The applicant Victoria Resources (US) INC  
1015 Telegraph Street, Suite B of Reno  
Street Address or P.O. Box City or Town  
Nevada 89502 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.)  
Victoria Resources (US) INC. was incorporated on 1 July 1992, in the State of Nevada.

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- The source of water is underground (pit lake)  
Name of the stream, lake, underground, spring or other sources.
  - The amount of water applied for is 0.2 cfs (90 gpm)  
One second foot equals 448.83 gallons per minute.  
 (a) If stored in a reservoir give the number of acre-feet \_\_\_\_\_
  - The water is to be used for mining, milling & dewatering  
Irrigation, power, mining, commercial, domestic or other use. Must be limited to one major use.
  - If use is for:
    - Irrigation, state number of acres to be irrigated \_\_\_\_\_
    - Stockwater, state number and kind of animals \_\_\_\_\_
    - Other use (describe fully in No. 12) \_\_\_\_\_
    - Power:
      - Horsepower developed \_\_\_\_\_
      - Point of return of water to stream \_\_\_\_\_

59-LA

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.)

within the SE $\frac{1}{4}$ SW $\frac{1}{4}$  Section 36, T.29N.,R.42E., M.D.M., from which the SE corner of said Section 36 bears S.77°06'E., 2,765 ft. dist.

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

All or portions of: E $\frac{1}{2}$  Sec. 34, Sec. 35, Sec. 36, E $\frac{1}{2}$  Sec. 25, in T.29N.,R.42E., M.D.M., and N $\frac{1}{2}$  of Sec. 1 & N $\frac{1}{2}$  Sec. 2, in T.28N.,R.42E., M.D.M.

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.)

Water will be drawn from the pit lake by submersible pump, at a shoreline point on south side. A 2" pipe will carry water to a 12,000 gallon storage tank, thence along southerly and easterly perimeter of pit to shop buildings.

9. Estimated cost of works: est. \$10,000.00

10. Estimated time required to construct works: one year  
(If the well is complete, describe works.)

11. Estimated time required to complete the application of water to beneficial use: four years

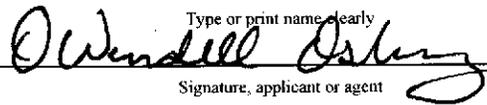
12. Provide a detailed description of the proposed project and its water usage (use attachments if necessary): (Failure to provide a detailed description may cause a delay in processing )

Water elevation in the pit lake will be held to near constant level while exploration is under way north of the pit. Use will be primarily for dust control of service and exploration roads near the pit, and for other incidental mining uses by shop, security and maintenance personnel.

13. Miscellaneous remarks:

wosbey@vitgoldcorp.com  
E-mail Address  
856-4477 104  
Phone No. Ext.

APPLICATION MUST BE SIGNED  
 BY THE APPLICANT OR AGENT

O. Wendell Osbey  
Type or print name clearly  
  
Signature, applicant or agent  
Victoria Gold Corp.  
Company Name  
1015 Telegraph Street, Suite B  
Street Address or PO Box  
Reno, Nevada 89502  
City, State, ZIP Code