



THE STATE OF NEVADA
APPLICATION TO APPROPRIATE WATER

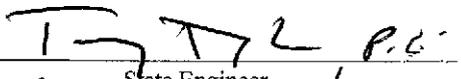
Name of Permittee: **PILOT METALS INC**
Source: **UNDERGROUND**
Basin: **MONTE CRISTO VALLEY**
Manner of Use: **MINING AND MILLING**
Period of Use: **JANUARY 1ST THROUGH DECEMBER 31ST**
Priority Date: **07/25/2011**

DENIAL OF STATE ENGINEER

This application is hereby denied on the grounds that the Applicant has not submitted the information requested by the State Engineer's Office, and that without this information granting of the application would threaten to prove detrimental to the public interest.

IN TESTIMONY WHEREOF, I, TRACY TAYLOR, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 26th day of April, 2013



for State Engineer 1

80996

Application No. _____

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 JUL 25 2011

Returned to applicant for correction _____

Corrected Application filed _____ Map filed OCT 16 1978 under 35744

The applicant Pilot Metals Inc.

P.O. Box 40817 of Reno
Street Address or P.O. Box City or Town

Nevada 89504 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.)

Applicant is a corporation incorporated in Nevada on February 2, 2011.

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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 1.0 cfs
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 _____

136-111

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.)

SE1/4SE1/4, Section 8, T6N, R37E, MDM (unsurveyed) at a point from which the NW corner of Section 6, T6N, R37E, MDM bears N 45° 37' W 14,174 feet

As shown on the map accompanying Applications 35744 and 35745.

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

Within Section 15, E1/2 Section 16, NE1/4 Section 21, N1/2 Section 22, T6N, R37E, MDB&M.

As shown on the map accompanying Applications 35744 and 35745.

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 and cased well connected by pipeline to plant distribution system.

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

10. Estimated time required to construct works: 3 years
(If the well is complete, describe works.)

11. Estimated time required to complete the application of water to beneficial use: 5 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.)

Principal use is making water for flotation and gravity concentrating mill for tungsten minerals production. Average daily consumption calculated at 1,000,000 gallons.

13. Miscellaneous remarks:

Please send copies of all correspondence and notices to applicant at P.O. Box 40817, Reno, Nevada 89504. Attention: Thomas P. Erwin.

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erwin@renolaw.com
E-mail Address

775-786-9494
Phone No. Ext.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

Thomas P. Erwin, Agent

Thomas P. Erwin
Signature, applicant or agent

Etwin & Thompson LLP
Company Name

P.O. Box 40817
Street Address or PO Box

Reno, NV 89504
City, State, ZIP Code