



TEMPORARY
THE STATE OF NEVADA

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

Name of Permittee: NEVADA IRON, LLC
Source: UNDERGROUND
Basin: CARSON DESERT
Manner of Use: MINING AND MILLING
Period of Use: ONE YEAR FROM DATE OF ISSUANCE
Priority Date: 11/03/2010

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 temporary permit to change the point of diversion and place and manner of use of a portion of the waters of an underground source as heretofore temporarily granted under Permit 80270 is issued subject to the terms and conditions imposed in said Permit 80270 and with the understanding that no other rights on the source will be affected by the change proposed herein. 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. 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. 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 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 temporary permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

This temporary permit is issued pursuant to the provisions of NRS 533.345 Section 2 and will expire 1 year after the approval of the permit at which time all rights herein granted shall revert to the right being changed by this temporary permit.

The issuance of this temporary permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

(Continued on Page 2)

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 0.012 cubic feet per second or 4.48 acre-feet annually.**

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

N/A

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

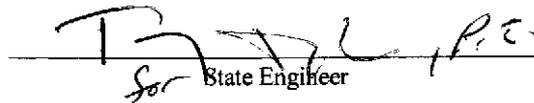
N/A

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 2nd day of November, A.D. 2011



Sec 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 AUG 17 2011
Returned to applicant for correction
Corrected application filed Map filed AUG 17 2011 under 81094T

The applicant NEVADA IRON, LLC
c/o Don Harmer, 204 W. Spear Street of Carson City
Nevada 89703 hereby make(s) application for permission to change the

- 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 80270

- 1. The source of water is Underground
2. The amount of water to be changed 0.05 c.f.s; not to exceed 35.0 AFA
3. The water to be used for Mining, Milling and Domestic
4. The water heretofore used for Mining and Milling
5. The water is to be diverted at the following point... within the SE 1/4 NE 1/4 Section 8, T. 24N., R. 34E., M.D.M., or at a point from which the NE Corner of said Section 8 bears N. 26° 30' E., a distance of 2,450 feet.
6. The existing point of diversion is located within... within the NW 1/4 NE 1/4 Section 13, T. 24N., R. 33E., M.D.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.

101-ctt

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

S½SW¼ Section 3, S½ Section 4, all of Sections 5 and 8, N½ Section 9, N½NW¼ Section 10, and N½ Section 17, all in T. 24N., R., 34E., M.D.M. (See accompanying sketch)

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.)

S½SW¼ Section 3, S½ Section 4, all of Section 5, N½ Section 8, N½ Section 9, and N½NW¼ Section 10, all in T. 24N., R., 34E., M.D.M. (See supporting map on file under Application 80270)

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.)

Drilled well and test pump. Test well for determination of locational suitability for mining culinary and office needs which are proposed in this general area.

12. Estimated cost of works over \$20,000

13. Estimated time required to construct works 1 year

If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use N/A

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.)

This Temporary Application will allow Applicant to drill a test well for a possible permanent potable water well. If sufficient water quality and quantity is found, Applicant will file a Permanent Application to Change. Water will be used for office and related domestic purposes to support the production of iron ore. Applicant holds leases and mineral rights for mineral development at the proposed point of diversion and proposed place of use.

16. Miscellaneous remarks:

Please send copies of all notices and correspondence to: Jim Wallace, P.O. Box 266, Courtland, CA 95615.

rciwater@rci-nv.com

E-mail Address

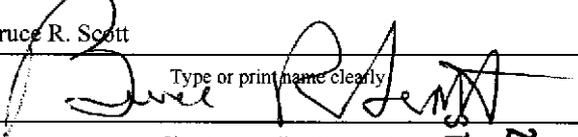
775-883-1600

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 North Minnesota Street

Street Address or PO Box

Carson City, NV 89703

City, State, ZIP Code

STATE ENGINEERS OFFICE
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