



THE STATE OF NEVADA

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

Name of Permittee: HYCROFT RESOURCES & DEVELOPMENT, INC
Source: UNDERGROUND
Basin: BLACK ROCK DESERT
Manner of Use: MINING AND MILLING
Period of Use: JANUARY 1ST THROUGH DECEMBER 31ST
Priority Date: 07/21/1994

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 place of use of the waters of an underground source as heretofore granted under Permit 60231, is issued subject to the terms and conditions imposed in said Permit 60231 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and 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. 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.

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

The total combined duty of water under Permits 81224, 81225, 81226, 81227, 81228 and 81279 shall not exceed 3073.90 acre-feet annually.

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 groundwater basin.

The issuance of this 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 2.0 cubic feet per second or 1448.00 acre-feet annually.**

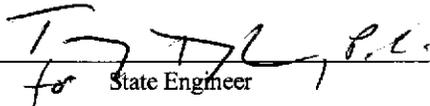
Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before: **March 23 2013**

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before: **March 23 2015**

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 23rd day of **March**, A.D. **2012**



for State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

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 OCT 10 2011

Returned to applicant for correction _____

Corrected application filed _____ Map filed JUL 15 1987 under 51112

The applicant Hycroft Resources & Development, Inc.
9790 Gateway Drive, Suite 200 of Reno
Street Address or PO Box City or Town
Nevada 89521 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.)
Application 60231

1. The source of water is underground
Name of stream, lake, underground, spring or other sources.
2. The amount of water to be changed 2.0 cfs
Second feet, acre-feet. One second foot equals 448.83 gallons per minute.
3. The water to be used for mining
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
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.)
NE1/4, NE1/4, Sect. 31, T35N, R29E MDB&M (unsurveyed), or at a point from which the southeast corner of Sect. 31, T35N, R29E bears South 9degrees 39' 43" East, 5,097 feet (previously filed under Permit 51112).
6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)

*JSD
10/11/2011*

28-HW

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

Sects. 1-4, 9-12, T34N, R29E

Sects. 12-14, 23-27, 34-36, T35N, R29E

Sects. 1-36, T35N, R30E

Sects. 2-11, T34N, R30E

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.)

Sects. 1-4, 9-12, T34N, R29E

Sects. 13, 23-27, 31-36, T35N, R29E

Sects. 16-20, 30-31, T35N, R30E

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.)

process well, pump and motor

12. Estimated cost of works N/A

13. Estimated time required to construct works N/A

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.)

The water will be used as process water at Hycroft Mine, an existing gold and silver mine. The mine is undergoing permitting for expansions of operations, which will expand the mine footprint and thus the Place of Use. The water is used primarily in heap leach operations and dust control.

16. Miscellaneous remarks:

molly.reeves@AlliedNevada.com

E-mail Address

775.789.0146

Phone No.

Ext.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

Molly Reeves, Hydrogeologist

Type or print name clearly

Molly Reeves

Signature, applicant or agent

Hycroft Resources & Development, Inc.

Company Name

9790 Gateway Drive, Suite 200

Street Address or PO Box

Reno, NV 89521

City, State, ZIP Code

STATE ENGINEERS OF NEVADA
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