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:	**07/15/1987**

****

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 51113, Certificate 13458, is issued subject to the terms and conditions imposed in said Permit 51113, Certificate 13458 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.

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 3.2 cubic feet per second or 303.42 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 No. 81225

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.)

Certificate 13458 (application 51113)

SSD 10/11/2011

1. The source of water is underground

Name of stream, lake, underground, spring or other sources.

2. The amount of water to be changed 3.2 cfs ~~98.97 af~~ 303.5 af SSD 10/11/2011

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.)

NW1/4 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 25degrees 25' 30" East, 5,318 feet (previously filed under Permit 51113).

SSD 10/11/2011

6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)

28-HW

81225

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 (Month and Day) to December 31 (Month and Day) of each year.

10. Existing use permitted from January 1 (Month and Day) to December 31 (Month and Day) of each year.

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:

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STATE ENGINEER'S OFFICE

Molly Reeves, Hydrogeologist
Type or print name clearly

Molly Reeves
Signature, applicant or agent

molly.reeves@AlliedNevada.com
E-mail Address

775.789.0146
Phone No. Ext.

Hycroft Resources & Development, Inc.
Company Name

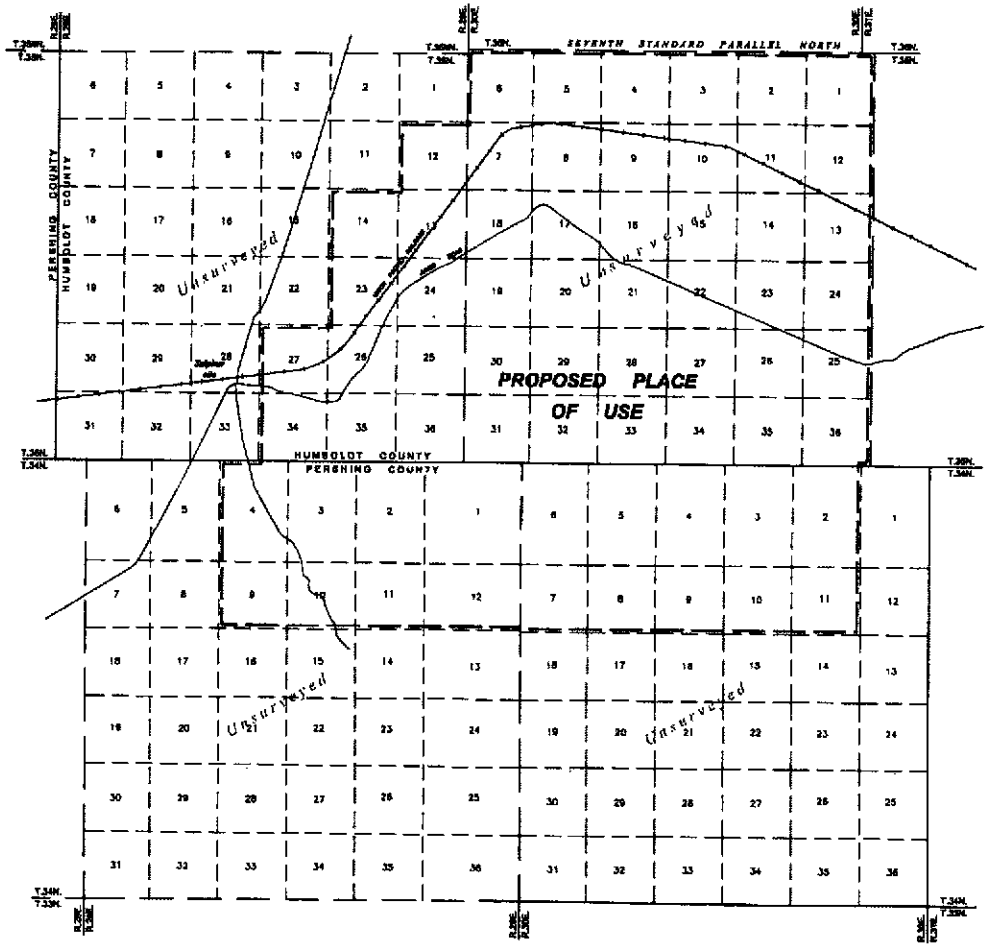
9790 Gateway Drive, Suite 200
Street Address or PO Box

Reno, NV 89521
City, State, ZIP Code

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

Revised 07/09 $200 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION

T.34N.,R.29E., T.34N.,R.30E., M.D.B.&M., PERSHING COUNTY, NEVADA
- and -
T.35N.,R.29E., T.35N.,R.30E., M.D.B.&M., HUMBOLDT COUNTY,NEVADA



STATE OF NEVADA
COUNTY OF HUMBOLDT

I, JOHN H. MILTON III, being first duly sworn, depose and say that this map, consisting of 1 sheet, numbered from 1 to 1, inclusive, has been correctly drawn to the designated scale by me, or under my supervision and direction, during September, 2011; that it truly and correctly represents the proposed location and extent of the works used to divert water from underground in Humboldt County and Pershing County, Nevada by HYCROFT RESOURCES AND DEVELOPMENT, INC., for mining, milling, and domestic purposes, under Permit 47423, Cert. 13448, Permit 48383, Cert. 13859, Permit 51112, Cert. 13457, Permit 51173, Cert. 13458, and Permits 80203 and 80231. That the proposed point of diversion, the approximate location and size of the diverting channel or other conduit, the place and manner of use, and the location and names of all other works or streams which are crossed by or connected with the said works, are fully and correctly designated thereon.

JOHN H. MILTON III
Reg. 23-01-11
NEVADA No. 573
10-4-11

State Water Right Surveyor No. 573

Subscribed and sworn to before me this 10th day of October, 2011.

Doris A. Twichell
Notary Public in and for
Humboldt County, State of Nevada

My commission expires: May 20th, 2013

DORIS A. TWICHELL
Notary Public - State of Nevada
Appointment Recorded in Humboldt County
No: 93-3552-9 - Expires May 20, 2013

LEGEND

——— ——— Indicates the boundary of the proposed place of use.

NOTES

This map was prepared from the B.L.M. NEVADA PRESTRACTION DIAGRAM No. 15 of Tp.34 & 35N., Rs.29, 30, & 30E., Tn. 33 N., Rs. 29 & 30E., M.D.B.&M., dated May 12, 1982.

GRAPHIC SCALE
5000 2500 0 5000 10000 20000
1 INCH = 5000 FEET

STATE ENGINEER'S USE

- MAP TO ACCOMPANY APPLICATION TO -
CHANGE THE PLACE OF USE OF PERMIT 47423, CERT. 13448, PERMIT 48383, CERT. 13859, PERMIT 51112, CERT. 13457, PERMIT 51173, CERT. 13458, AND PERMITS 80203 AND 80231
- BY -
HYCROFT RESOURCES & DEVELOPMENT, INC.
FOR MINING, MILLING, AND DOMESTIC PURPOSES
FROM AN UNDERGROUND SOURCE IN
HUMBOLDT COUNTY & PERSHING COUNTY, NEVADA

DESERT MOUNTAIN SURVEYING
GPS • Land • Water Rights • Accuracy
Las Vegas Desert Inn, Winnemucca, NV 89445
Telephone: 775-623-4114 • FAX 775-623-0881 • E-MAIL desertmtn@winnet.net

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