



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: 12/03/1985

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 49533, Certificate 13859 is issued subject to the terms and conditions imposed in said Permit 49533, Certificate 13859 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 0.4 cubic feet per second or 14.83 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



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 FEB 14 1986 under 49532

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 13859 (application 49533)

1. The source of water is underground
Name of stream, lake, underground, spring or other sources.
2. The amount of water to be changed ^{0.4} 2.5 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.)
In a government protracted Lot 11, Sect. 3, T34N, R29E MDB&M (unsurveyed), or at a point from which the south 1/4 corner of Sect. 34, T35N, R29E bears North 26degrees 22' 27" West, 2969.5 feet (previously filed under Permit 49533).
6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)

*99D
10/12/2011
Per
CMAI*

28-7E

