



THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of Permittee: MT. HAMILTON, LLC
Source: UNDERGROUND
Basin: NEWARK VALLEY
Manner of Use: MINING AND MILLING
Period of Use: JANUARY 1ST THROUGH DECEMBER 31ST
Priority Date: 12/05/2011

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 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. This permit will expire on **December 31, 2024**, and all rights herein will revert back to the source. 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. If the well is flowing, a valve must be installed and maintained to prevent waste. 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 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 77236, 77237, 79971 and 81354 shall not exceed 493.2 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 0.7 cubic feet per second or 240.0 acre-feet annually.

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

February 26, 2013

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

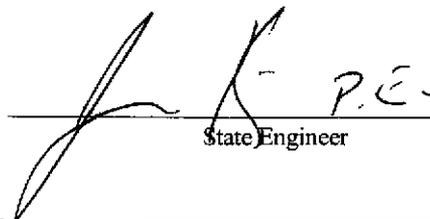
February 26, 2016

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 29th 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 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 DEC 05 2011

Returned to applicant for correction _____

Corrected application filed _____ Map filed JUL 10 1990 under 55044

The applicant Mt. Hamilton LLC
4251 Kipling Street, Suite 390 of Wheat Ridge
Street Address or P.O. Box City or Town
Colorado 80033 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.)

Mt. Hamilton LLC was formed in the State of Colorado on 12/20/2010.

-
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 ~~240 acre-feet annually~~ 0.7 CFS NOT TO EXCEED 240 ACRE- FEET SNC ANNUALLY E-M 12/1/11
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, milling, and domestic
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 ---

RECEIVED
 2011 DEC 5 PM 2:15
 STATE ENGINEER'S OFFICE

ISA-KUP

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 so stated.)

Within the NE1/4 of the SE1/4 of Section 8, T.16N., R.57E., M.D.M., or at a point from which the SE corner of Section 9, T.16N., R.57E., M.D.M. bears South 68°13'20" East a distance of 6226.51 feet. Refer to the map supporting Application Nos. 55044, 55045 and 55046, filed in the office of the State Engineer on July 10, 1990.

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

Within Sections 3-10, 15-17, 20-22 in T.16N., R.57E., M.D.M. Refer to the map supporting Application Nos. 55044, 55045 and 55046, filed in the office of the State Engineer on July 10, 1990.

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.)

Existing drilled well with submersible pump & motor, pipeline and storage tank.

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

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

11. Estimated time required to complete the application of water to beneficial use: 4 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.)

Mining will be open pit with ore transported via haul truck and surface conveyance to a lined ore stockpile for conventional heap leach/Adsorption Desorption Recovery (ADR) processing and production of gold doré on site. The ADR plant will operate 24 hours per day 365 days per year at 93% utilization. Water will be consumed on a continuous basis for application of leach solution on the leach pad and for processing at the plant. The plant will process approximately 8,500 tons per day (tpd) of nominal 3/4 inch crushed ore product. The crushed ore is an altered and oxidized carbonate host rock.

13. Miscellaneous remarks:

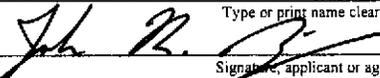
This Application is being filed to appropriate additional water for mining uses from the well being utilized under Permits 77237 & 79971. Since these water rights were obtained, the Applicant has increased its estimated production rate. The Applicant currently has 262.84 acre-feet of water rights under Permits 77236, 77237, and 79971. The Applicant estimates that a total combined volume of approximately 500 acre-feet will be necessary to satisfy its water needs.

jzimmerman@parsonsbehle.com
E-mail Address

775.323.1601
Phone No. Ext.

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT

John R. Zimmerman
Type or print name clearly


Signature, applicant or agent

Parsons Behle & Latimer
Company Name

50 W. Liberty Street, Suite 750
Street Address or PO Box

Reno, NV 89501
City, State, ZIP Code

Telephone: 775.323.1601

\$300 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION