

TEMPORARY

THE STATE OF NEVADA

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

Name of Permittee: SUNRISE MINERALS, LLC
Source: UNDERGROUND
Basin: IMLAY AREA
Manner of Use: MINING AND MILLING AND DOMESTIC
Period of Use: ONE YEAR FROM DATE OF ISSUANCE
Priority Date: 04/20/2004

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 of the waters of an underground source as heretofore granted under Permit 78152 is issued subject to the terms and conditions imposed in said Permit 78152 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. 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 temporary 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 73258, 76665 and 78152 and Temporary Permit 81505T shall not exceed 150 acre feet annually.

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)

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 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 3.34 cubic feet per second or 75.0 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:

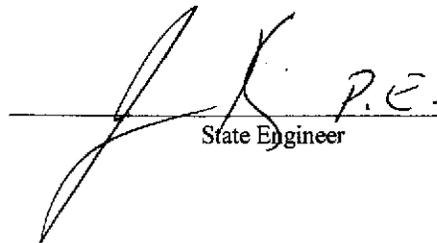
N/A

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 16th day of **February**, A.D. **2012**



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 JAN 24 2012
Returned to applicant for correction _____
Corrected application filed _____ Map filed JAN 24 2012

The applicant Sunrise Minerals, LLC
7343 South Alton Way, Suite 100 of Centennial
Street Address or PO Box City or Town
Colorado 80112 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.)
Permit No. 78152

1. The source of water is underground
Name of stream, lake, underground, spring or other sources.
2. The amount of water to be changed 3.34 cfs, 75.00 acre feet annually
Second feet, acre-feet. One second foot equals 448.83 gallons per minute.
3. The water to be used for Mining, milling and domestic
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, milling and domestic
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.)
within the SE 1/4 of the NW 1/4 of Section 17, T.33N., R.36E., M.D.M., or at a point from which the SE corner of said Section 17 bears South 54°21'04" East a distance of 4711.69 feet. Refer to exhibit map attached to this application.
6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)
the NE 1/4 of the SW 1/4 of Section 17, T.33N., R.36E., M.D.M., or at a point from which the SE corner of said Section 17 bears South 53°26'28" East a distance of 4108.98 feet. Refer to map supporting Application 78152.

72-7E

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

The Place of Use is not changed.

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.)

Within Section 17 of T.33N., R.36E., M.D.M.. A maximum of 640 acres within said Section 17 which is being developed as a mine site.

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, pump, motor, water meter and pipeline.

12. Estimated cost of works \$116,000 (see attached)

13. Estimated time required to construct works 3 to 6 months

If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use Not applicable.

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 well drilled under Permit No. 78152 is capable of producing only 5 gallons per minute, which is insufficient for mining operations. This temporary application is being filed to drill a replacement well in a different location. If the replacement well proves to be productive, an application for a permanent permit will be filed before this temporary allowance expires. The well permitted under Application No. 78152 will be abandoned and plugged upon approval of said permanent permit.

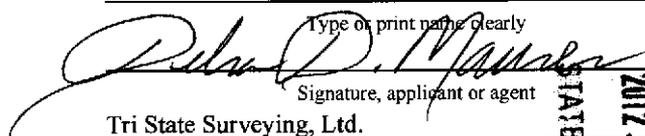
16. Miscellaneous remarks:

The total combined duty of water under Permits 73258, 76665 and the permit forthcoming under this application shall not exceed 150 acre feet annually.

DMaurer@TriStateLtd.com
E-mail Address
(775) 358-9491 128
Phone No. Ext.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

Debra D. Maurer, CST


Type or print name clearly
Signature, applicant or agent

Tri State Surveying, Ltd.
Company Name
1925 E. Prater Way
Street Address or PO Box
Sparks, NV 89434
City, State, ZIP Code

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2012 JAN 24 PM 1:32
STATE ENGINEERS OFFICE

Hydro Resources West, Inc.
 4975 West Winnemucca Blvd.
 Winnemucca, NV 89445
 (775) 623-5259 Fax: (775) 623-0307
 Contractors License NV: 56797 CA: 832718

Customer		Sunrise Minerals		Quote #:		
Address				Job #:	0	
				Date:	12/10/11	
				State	NV	
				Zip		
Contact:		Tim		Phone:		
Project:		8" water well		Fax:		
	Amount	Unit	Part Number	Description	Price Each	Total Price
1	1	ea		Mobilize Equipment, Material And Personnel	\$3,500.00	\$3,500.00
2	50	ft		Furnish & Install 14in Conductor Pipe	\$125.00	\$6,250.00
3	50	ft		Furnish & Pump Sanitary Cement Seal	\$30.00	\$1,500.00
4	680	ft		Drill 12.75in Hole in Sand, Clay & Gravel	\$35.00	\$23,800.00
5	0	ft		Drill 12.75in Hole in Cobbles, Boulders Or Rock	\$60.00	\$0.00
6	282	ft		Blank Casing, 8in .188 Wall Steel	\$33.00	\$9,306.00
7	420	ft		Double Perforated Casing, 8in .188 Wall Mill Slot	\$44.00	\$18,480.00
8	0	ft		Quad Perforated Casing, 8in .188 Wall Mill Slot	\$0.00	\$0.00
9	25	yds		Filter Gravel, Gopher 1/8 x 1/4	\$195.00	\$4,875.00
10	1	ea		Casing Hanger & Conductor To Casing Seal	\$500.00	\$500.00
11	700	ft		Install Casing & Gravel	\$9.00	\$6,300.00
12	36	hr		Develop well	\$350.00	\$12,600.00
13	1	ea		Bit Charge	\$2,000.00	\$2,000.00
14	1	ea		Estimated Freight	\$1,000.00	\$1,000.00
PUMPING						
15	600	ft		Install & Remove Test Pump	\$8.00	\$4,800.00
16	48	hr		Develop & Test Well	\$200.00	\$9,600.00
17		ft		Discharge Piping	\$0.00	\$0.00
WELL ABANDONMENT (If Required)						
18	1	ea		Mobilization/Demobilization Abandonment Equipment	\$1,500.00	\$1,500.00
19	0	ft		Pull pump in well to be abandoned	\$0.00	\$0.00
20	0	ea		Camera Shot	\$0.00	\$0.00
21	230	ft		Perforate well	\$12.00	\$2,760.00
22	980	ft		Furnish & Install Gopher Grout	\$7.00	\$6,860.00
23	20	ft		Furnish & Install Cement Cap	\$20.00	\$400.00
These abandonment figures are estimates only. Actual quantities will be billed. Customer responsible for digging around casing and cutting off below ground surface.						
Total						\$116,031.00

Bentonite if required will be billed at \$12 per bag.
 Customer responsible for backfill of pit and clean up of cuttings.
 Client responsible for all drilling or discharge permits.
 Client shall supply adequate location to dispose of drill fluids and/or test pump water.
 There will be an additional charge for discharge piping if needed.
 Client will furnish drilling water to location.
 If rock bit is required drilling rate will double in per foot price.
 Circulation recovery will be billed at an additional \$300/hour plus material.
 Contractor must have good access to site and level drill pad.
 If quantities vary from those quoted, unit prices will apply.
 HDP cannot guarantee quantity or quality of water available in this area.
 HDP requires a 50% deposit prior to job being started. Remaining balance due upon receipt of invoice.
 This bid must be signed and returned to HDP in order to be placed on the schedule for drilling.

Please note these prices do not include freight or taxes unless specifically noted.
 Quote good for 30 days, Subject to prior sale.
 Terms of sale are governed by Humboldt Drilling & Pump Co., Inc. Standard Terms & Conditions.

Signed: _____ Date: _____