



# TEMPORARY

## THE STATE OF NEVADA

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

Name of Permittee: **HYCROFT RESOURCES AND DEVELOPMENT, INC**  
Source: **UNDERGROUND**  
Basin: **BLACK ROCK DESERT**  
Manner of Use: **MINING AND MILLING**  
Period of Use: **ONE YEAR FROM DATE OF ISSUANCE**  
Priority Date: **12/23/2011**

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#### 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 a portion of the waters of an underground source as heretofore granted under Permit 81409 is issued subject to the terms and conditions imposed in said Permit 81409 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.

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 81224, 81225, 81226, 81227, 81228, 81279, 81408, 81409, and Temporary Permit 82283T shall not exceed 10,854 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 0.89 cubic feet per second or 640.0 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:

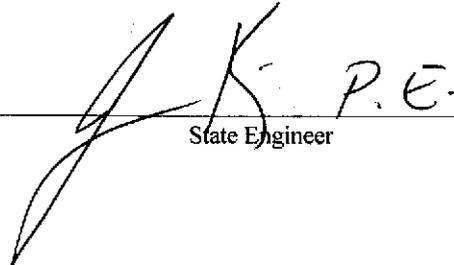
N/A

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 11<sup>th</sup> day of **December, 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 NOV 14 2012
Returned to applicant for correction
Corrected application filed Map filed NOV 14 2012

The applicant Hycroft Resources and Development, Inc.

9790 Gateway Drive, Suite 200

of Reno

Street Address or PO Box

City or Town

Nevada 89523

State and ZIP Code

hereby make(s) application for permission to change the

- Point of diversion, Place of use, Manner of use, of a portion

SLS 11-15-2012

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. 81409 (PW-3)

1. The source of water is Underground

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

2. The amount of water to be changed 640 acre-feet, 0.89 second feet

Second feet, acre-feet. One second foot equals 448.83 gallons per minute.

3. The water to be used for mining and construction at mine

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.)

Point of Diversion is located in the SW 1/4 NE 1/4 of Section 5, T. 34 N., R. 29 E., M.D.B.&M, or at a point from which the SE Corner of Section 31, T.35N., R.29E., M.D.B.&M. bears N. 63°07'58.8"W. a distance of 8,216.3 ft from the proposed Point of Diversion. POD UTM Coordinates NAD 83: 353,174.34, 4,523,102.22.

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

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 or 81409).

28-RE

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

(Previously filed under 81409) 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  
MDB&M (unsurveyed)

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.)

Same

9. Proposed use will be from Jan 1 to Dec 31 of each year.  
Month and Day Month and Day

10. Existing use permitted from Jan 1 to Dec 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.)

Well, pump and motor

12. Estimated cost of works \$200,000

13. Estimated time required to construct works 12" HSLA was installed, 2 weeks for remainder  
If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use Construction will last 2 years

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.)

This well and proposed pumping are being installed to supply construction water to the mine over the next 1 to 2 years. The mine is constructing new heap leach pads.

16. Miscellaneous remarks:

RECEIVED  
NOV 14 PM 2:30  
STATE ENGINEERS OFFICE

Molly.Reeves@AlliedNevada.com  
E-mail Address  
775-789-0146  
Phone No. Ext.

APPLICATION MUST BE SIGNED  
BY THE APPLICANT OR AGENT

Molly Reeves  
Type or print name clearly  
Molly M. Reeves  
Signature, applicant or agent  
Hycroft Resources & Development, Inc.  
Company Name  
9790 Gateway Drive, Suite 200  
Street Address or PO Box  
Reno, Nevada 89523  
City, State, ZIP Code