



THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of Permittee: **FIRST NEVADA MINING USA CORP.**
Source: **UNDERGROUND**
Basin: **BLACK ROCK DESERT**
Manner of Use: **MINING AND MILLING**
Period of Use: **JANUARY 1ST THROUGH DECEMBER 31ST**
Priority Date: **01/15/2013**

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 and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. 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. 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 82462 and 82643 shall not exceed 300 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)

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	<u>JAN 15 2013</u>
Returned to applicant for correction	_____
Corrected Application filed	_____ Map filed <u>JAN 15 2013</u>

The applicant First Nevada Mining USA Corp.

 6121 Lakeside Drive, Suite 260 _____ of Reno _____
Street Address or P.O. Box City or Town
Nevada, 89511 _____ 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.)
Incorporated in Nevada on June 8th, 2012

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- The source of water is underground
Name of the stream, lake, underground, spring or other sources.
 - The amount of water applied for is 1.671 cfs (150 acre feet annually)
One second foot equals 448.83 gallons per minute.
 (a) If stored in a reservoir give the number of acre-feet less than 20 acre feet
 - 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.
 - If use is for:
 - Irrigation, state number of acres to be irrigated _____
 - Stockwater, state number and kind of animals _____
 - Other use (describe fully in No. 12) mining, milling and domestic
 - Power:
 - Horsepower developed _____
 - Point of return of water to stream _____

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5. The water is to be diverted from its source 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 SE1/4SW1/4 of Section 28, T.34N., R.29E., M.D.B.&M (unsurveyed), or at a point from which the SW corner of Section 33, T.35N., R.29E., M.D.B.&M., bears N07°28'W a distance of 28,812.0 feet.

6. Place of use: (Describe by legal subdivision. If on unsurveyed land, it should be so stated)
Portions of Sections 15, 16, 20, 21, 22, 23, 26, 27, all Sections 28 & 29 and portions of Sections 32, 33 & 34 T.34N., R.29E., M.D.B.&M (unsurveyed)

7. Use will begin about January 1st and end about December 31st 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.)

Applicant proposes to use an existing 12" cased well, install a pump, motor and totalizing meter and pipelines and possibly small ponds and reservoirs (less than 20 acre feet capacity)

9. Estimated cost of works: \$70,000.00±

10. Estimated time required to construct works: 2 years (There is a 12" cased well approx 165 feet deep at the POD)
(If the well is complete, describe works.)

11. Estimated time required to complete the application of water to beneficial use: 5 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.)

Applicant proposes to use 150 acre feet of water from this point of diversion for mining milling and domestic purposes, for a placer mining operation located on 250 unpatented mining claims (RBL Lode claims). The total amount of water requested under this application and an accompanying application will not exceed 300 acre feet annually.

13. Miscellaneous remarks:

dms@winnemucca.net
E-mail Address
775-623-4414
Phone No. Ext.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

John H. Milton III (agent)
Type or print name clearly
John H. Milton III
Signature, applicant or agent
Desert Mountain Surveying
Company Name
146 West Second Street
Street Address or PO Box
Winnemucca, Nevada, 89445
City, State, ZIP Code

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STATE ENGINEERS OFFICE