



THE STATE OF NEVADA
PERMIT TO APPROPRIATE WATER

Name of Permittee: MIDWAY GOLD US INC.
Source: UNDERGROUND (GOLD ROCK WELL 1)
Basin: RAILROAD VALLEY-NORTHERN PART
Manner of Use: MINING, MILLING, AND DOMESTIC
Period of Use: JANUARY 1ST THROUGH DECEMBER 31ST
Priority Date: 04/04/2013

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 issued for a finite period of time. This permit will expire on or before May 31, 2040. This permit will be re-evaluated every ten (10) years from the date of issuance and may expire prior to May 31, 2040, upon additional determination and evaluation and will revert to the source upon expiration. 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 well must be sealed from ground level to 100 feet in accordance with NAC 534.380.

The total combined duty of water under Permits 80842 and 82691 shall not exceed 800 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.

This temporary in nature permit is issued ahead of senior filings for out-of-basin transfers. Pursuant to NRS 533.370(3)(d), water must remain in the basin for future economic growth and development for the duration of the permit. As such, water under this permit must remain in the basin.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

(Continued on Page 2)

Monthly records shall be kept of the following and reported on an annual basis by February 15th of the following year.

- A. The total volume of water pumped from each diversion in acre-feet.
- B. The maximum flow rate from each diversion in cubic feet per second.
- C. The pumping water level from each well in feet above mean sea level.
- D. The volume of water consumptively used for mining and milling in acre-feet.
- E. The amount of water diverted to the infiltration or injection sites, if any, in acre-feet.
- F. The amount of water lost through evaporation or other system losses project wide.

The State Engineer may require additional monitoring should conditions warrant such modification.

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 1.6 cubic feet per second or 800 acre-feet annually.**

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

May 27 2016

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

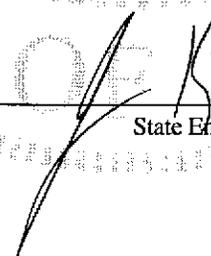
May 27 2020

Map in support of proof of beneficial use shall be filed on or before:

May 27 2020

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 27th day of May, 2015



State Engineer

82691

Application No. _____

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>APR 04 2013</u>
Returned to applicant for correction	_____
Corrected Application filed	JUL 26 1989 under 53389

The applicant MIDWAY GOLD US INC.

8310 South Valley Highway, Suite 280 of Englewood
Street Address or P.O. Box City or Town

Colorado 80112 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.)

Active Domestic Corporation, Nevada Entity Number C11032-2004, filed with the State of Nevada April 26, 2004

1. The source of water is Underground - Gold Rock Well #1
Name of the stream, lake, underground, spring or other sources.

2. The amount of water applied for is 1.6 c.f.s.
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) Mining, Milling, and Domestic

(d) Power:

(1) Horsepower developed _____

(2) Point of return of water to stream _____

*Carlsbad Valley N.P.
10-173B
WP*

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 SW¼NE¼ Section 35, T. 15N., R. 56E., M.D.M., or at a point from which the NW Corner of said Section 35 bears N. 62° 34' 40" W., a distance of 3,009.54 feet. (Gold Rock Well #1)

Please refer to supporting map on file under Application 53389.

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

Section 9, T. 15N., R. 56E., M.D.M.

Please refer to supporting map on file under Application 53389.

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, pump, motor, and distribution system. Water will be conveyed by pipeline or truck hauling as needed.

9. Estimated cost of works: Existing

10. Estimated time required to construct works: Existing drilled well, 445' deep, with a 12½" casing and a 60hp pump.
(If the well is complete, describe works.)

11. Estimated time required to complete the application of water to beneficial use: 10 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.)

See attached.

13. Miscellaneous remarks:

Please send copies of all correspondence to the attention of: Richard Moritz, Senior Vice President of Operations, Midway Gold US Inc., 8310 South Valley Highway, Suite 280, Englewood, CO 80112.

rciwater@rci-nv.com
E-mail Address
775-883-1600
Phone No. Ext.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

Bruce R. Scott, Agent
Type or print name clearly
Bruce R. Scott
Signature, applicant or agent
Resource Concepts, Inc.
Company Name
340 North Minnesota Street
Street Address or PO Box
Carson City, NV 89703
City, State, ZIP Code

STATE ENGINEERS OFFICE
2013 APR -4 AM 10:40

RECEIVED

**Attachment to Application to Appropriate Waters of the State of Nevada
By Midway Gold US Inc for the Gold Rock Mine**

12. Detailed description of the proposed project and its water usage:

This mine was formerly known as the "Easy Junior Mine" and was operated as a heap leach for recovery of gold by the Alta Gold Co. from 1989 until 2000.

Applicant also owns pending Application 80842 from the same proposed point of diversion. The total usage for these two applications is anticipated to be a peak demand of 2.6 cfs for a proposed heap leach process of 17,000 tons per day. A Mining Appropriation Data Sheet addressing the initially proposed 10,000 tons per day leach process is attached, together with water flow information for the increase to 17,000 tons per day as filed herein.

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