



THE STATE OF NEVADA

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

Name of Permittee: FLORIDA CANYON MINING, INC
Source: UNDERGROUND (WS-3 WELL)
Basin: IMLAY AREA
Manner of Use: MINING AND MILLING AND DOMESTIC
Period of Use: JANUARY 1ST THROUGH DECEMBER 31ST
Priority Date: 04/19/1985

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 to change the point of diversion of the waters of an underground source as heretofore granted under Permit 80978 is issued subject to the terms and conditions imposed in said Permit 80978 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 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 Permit 48997, Certificate 13237; Permit 48998, Certificate 13238; Permit 50061, Certificate 13953; Permit 50248, Certificate 14448; Permits 57096, 57097, 61203, 61643, 61644, 61707, 76621, 79819E, 79820E, 80098E, 80979, 82831 and 83029T shall not exceed 2415.22 acre-feet annually.

The total combined duty of water under Permits 76621, 80979, 82378T, 82831 and 83029T shall not exceed 616.89 acre-feet annually for use at Standard Mine.

(Continued on Page 2)

This permit is issued under the preferred use provisions of NRS Chapter 534. 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 ground water 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.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 0.29 cubic feet per second or 44.61 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion

of work shall be filed on or before: **N/A-Filed Under 80978 on December 18, 2012**

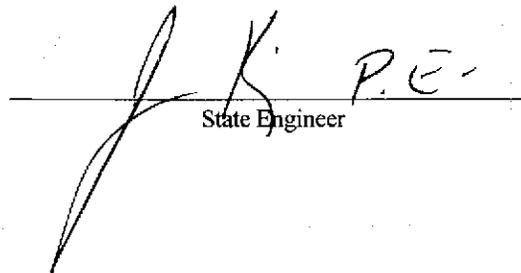
Water must be placed to beneficial use and proof of the application of water to

beneficial use shall be filed on or before: **February 27, 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 15th day of **October, 2013**



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 MAY 29 2013

Returned to applicant for correction _____

Corrected application filed _____ Map filed JUL 13 2011 under 80978

The applicant Florida Canyon Mining, Inc.
P.O. Box 330 of Imlay
Street Address or PO Box City or Town
Nevada 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 80978

- The source of water is Underground (WS-3 Well)
Name of stream, lake, underground, spring or other sources.
- The amount of water to be changed 0.29 cfs, not to exceed 44.61 acre-feet
Second feet, acre-feet. One second foot equals 448.83 gallons per minute.
- The water to be used for Mining, Milling & Domestic
Irrigation, power, mining, commercial, etc. If for stock, state number and kind of animals. Must limit to one major use
- The water heretofore used for Mining & Milling
If for stock, state number and kind of animals.
- 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.)
SE 1/4 NW 1/4, Section 35, T.31N., R.33E., M.D.B. & M., or at a point from which the NW Corner of said Section 35 bears N. 40° 38' 42" W., a distance of ~~3,335.80~~ 3,555.80 feet. Refer to map filed under Permit 80978 for proposed and existing point of diversion Suc
- The existing point of diversion is located within (If point of diversion is not changed, do not answer.)
Unchanged

*Imlay Area
4-72
Pe*

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

Sections 25, 26, 34, 36, all in T.31N., R.33E., M.D.B. & M.; Section 1, T.30N., R.33E., M.D.B. & M. Refer to map filed under Permit 80978 for proposed and existing place of use

Suc

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.)

Unchanged

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.)

Completed WS-3 well, 400' deep with a 26" diameter casing to 20' and then a 17" diameter casing to the bottom of well. Equipped with a Berkley Pump, Hatachi motor & McCrometer model MW-500 totalizing meter measuring in gallons x 100

12. Estimated cost of works \$200,000.00

13. Estimated time required to construct works Completed - See Proof of Completion for Permit 80978
If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use Ten (10) 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.)

The majority of the water will continue to be used for mining and milling purposes however the change to add domestic use will allow the integration of the WS-3 Well into the potable water supply for primary and backup demand purposes on the Standard Mine.

16. Miscellaneous remarks:

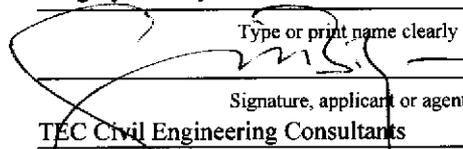
The total combined duty of this application and Permit 80979 will not exceed 89.22 acre-feet annually

gregb@tecreno.com
E-mail Address
(775) 352-7800 ext 227
Phone No.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

Gregory M. Bilyeu

Type or print name clearly



Signature, applicant or agent

TEC Civil Engineering Consultants

Company Name

9480 Double Diamond Parkway, Suite 200

Street Address or PO Box

Reno, NV 89521

City, State, ZIP Code

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STATE ENGINEERS OFFICE