Permit No. 83223

THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of Permittee:	**COLUMBUS S.M. LLC**
Source:	**UNDERGROUND**
Basin:	**COLUMBUS SALT MARSH VALLEY**
Manner of Use:	**MINING AND MILLING**
Period of Use:	**JANUARY 1ST THROUGH DECEMBER 31ST**
Priority Date:	**11/05/2013**

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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 permit is issued subject to all existing rights on the source. 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 at permittee's well due to other ground water development in the area. A measuring device must be installed and measurements of water use kept. The 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. The State retains the right to regulate the use of the water granted herein at any and all times.

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 64852, 70359, 80158 and 83223 shall not exceed 1360.10 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)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 6.0 cubic feet per second or 381.0 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before: **September 16 2016**

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before: **September 16 2019**

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 **September, 2014**

J. K. P.E.

State Engineer

STATE ENGINEER OF NEVADA

Application No. 83223

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 NOV 0 5 2013

Returned to applicant for correction _____

Corrected Application filed _____ Map filed Aug 13 2001 under 67829

The applicant Columbus S. M. LLC

2360 West Horizon Ridge Parkway, Suite 100 (Street Address or P.O. Box) of Henderson (City or Town)

Nevada 89502 (State and ZIP Code) hereby make(s) application for permission to appropriate the 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.)

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1. The source of water is Underground
   (Name of the stream, lake, underground, spring or other sources.)
2. The amount of water applied for is 6.0 cfs and 381 acre-feet annually
   (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 and milling
   (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) other
   (d) Power:
      (1) Horsepower developed _____
      (2) Point of return of water to stream _____

Revised 07/13

CSMV 10-118 ES

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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.)

a well located within the SE 1/4 of the NE 1/4 of Section 4, Township 2 N., Range 36 E. M.D.B. & M., or at a point from which the southeast corner of said Section 4 bears South 20 degrees, 43 minutes, 00 seconds ~~South~~ East a distance of 2,904 feet. Map showing Point of Diversion is found under permit 67829.

MS 11/8/13 See e-mail of 11/8/13

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

within the SE 1/4 of the NW 1/4, the S 1/2 of the NE 1/4, and the S 1/2 of Section 17, Township 3, North, Range 36 East, M.D.B. & M. Place of Use map is on file under permit 80158.

7. Use will begin about January 1 (Month and Day) and end about December 31 (Month and Day) of each year.

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.)

Drilled well, pump and pipeline to mill site.

9. Estimated cost of works: in excess of $250,000.00

10. Estimated time required to construct works: 3 years

(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.)

Water will be diverted and used for milling and mining at the Columbus Mine Project

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13. Miscellaneous remarks:

none

Michael W. Hardy, P.G., P.E.
Type or print name clearly

Signature, applicant or agent

Lumos and Associates
Company Name

9222 Prototype Drive
Street Address or PO Box

Reno, Nv 89521-8987
City, State, ZIP Code

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E-mail Address

775.827.6111
Phone No. Ext.

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT

Revised 07/13 $360 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION