



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

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. This well shall be equipped with a two (2) inch opening for measuring depth to water and a weir or other type of measuring device at or near the well to facilitate the measurement and control of the water. If the well is flowing, a valve must be installed and maintained to prevent waste. The State reserves the right to regulate the use of the water under this proposed change 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 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, 82480T, 82481T, 82274, 82355, 82356, and 83247T shall not exceed 20,414.9 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.

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.

(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 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:

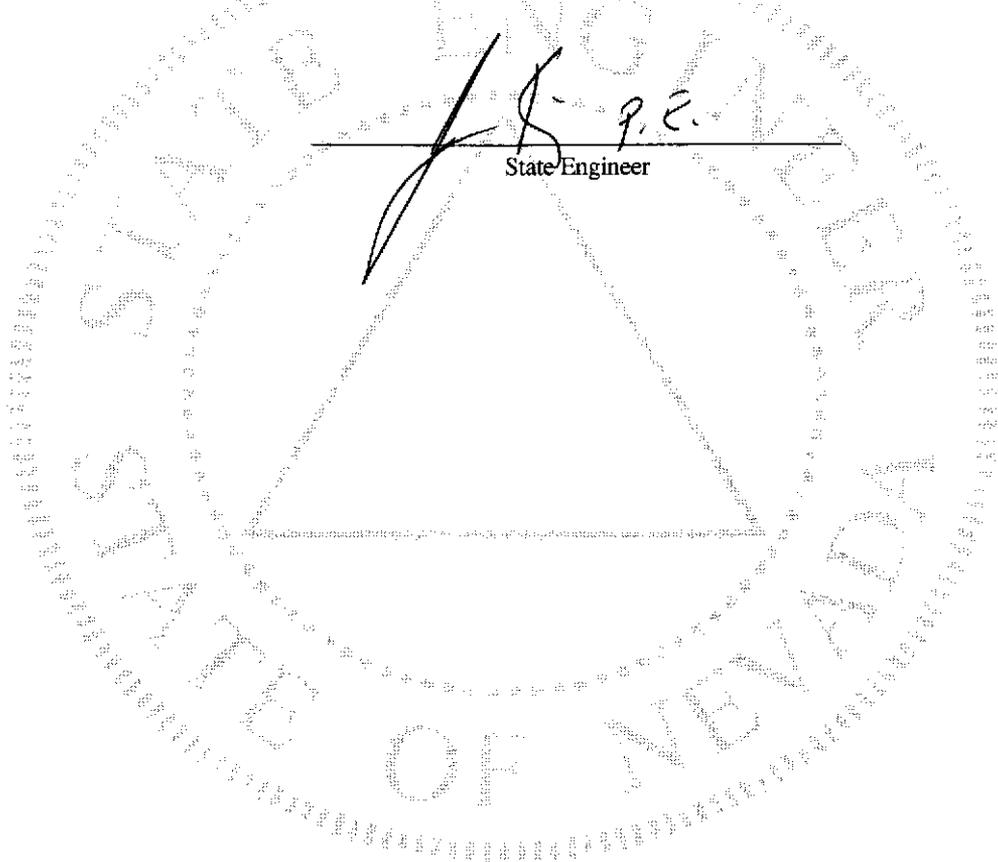
N/A

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 2nd day of January, 2014



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 12 2013

Returned to applicant for correction _____

Corrected application filed _____ Map filed NOV 12 2013

The applicant Hycroft Resources and Development, Inc.
9790 Gateway Drive, Suite 200 of Reno
Street Address or PO Box City or Town
Nevada 89523 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 No. 81409 (PW-3)

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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 and milling
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).

*Black back insert
2-28
pe*

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, pipeline, lined pond

12. Estimated cost of works \$200,000

13. Estimated time required to construct works completed

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:

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 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

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