Permit No. 83454

THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of Permittee:	**NEVADA COPPER, INC.**
Source:	**UNDERGROUND (SHAFT DEWATERING)**
Basin:	**MASON VALLEY**
Manner of Use:	**MINING, MILLING, AND DEWATERING**
Period of Use:	**JANUARY 1ST THROUGH DECEMBER 31ST**
Priority Date:	**01/21/2014**

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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 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 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 for mining and milling purposes under Permits 83450, 83451 and 83452 (owned by RGGS) and Permits 77104 and 77105 (owned by Nevada Copper) shall not exceed 58.31 acre-feet annually. Of this, only 39.33 acre-feet annually may be pumped; the balance is considered to be the consumptive use for the rapid infiltration basins. The total combined duty of water for non-consumptive dewatering purposes under Permits 83090, 83454 and 83455 (owned by Nevada Copper) shall not exceed 1,013.59 acre-feet annually and must be discharged to rapid infiltration basins.

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.

(Continued on Page 2)

Monthly records shall be kept of the following and the records submitted to the State Engineer on an annual basis by February 15th of each 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 sites in acre-feet.

F. The amount of water diverted to other consumptive uses, if any, in acre-feet.

G. The amount of water lost through evaporation or other system losses project wide.

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 0.75 cubic feet per second or 543 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before: **April 4 2016**

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before: **April 4 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 4th day of **April, 2014**

P.E.

State Engineer

Application No. 83454

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 JAN 21 2014

Returned to applicant for correction _____

Corrected Application filed _____ Map filed JAN 21 2014

The applicant Nevada Copper, Inc.

P.O. Box 1640 (Street Address or P.O. Box) of Yerington (City or Town)

Nevada 89447 (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.)

Active Domestic Corporation created in the State of Nevada on February 2, 2006.

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1. The source of water is Underground (Shaft)
   Name of the stream, lake, underground, spring or other sources.
2. The amount of water applied for is 0.75 cfs non-consumptive
   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 (Shaft Dewatering Non-Conumptive)
   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) _____
   (d) Power:
      (1) Horsepower developed _____
      (2) Point of return of water to stream _____

Revised 07/09

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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.)

NW1/4 NE1/4, Section 2, T.12N., R. 26E., M.D.B.&M., or at a point from which the NW corner of Section 3, T.12N., R. 26E., M.D.B.&M., bears N. 82° 54' 18" W., a distance of 9,225.7 feet.

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

Please refer to Attachment "A" and map filed under Permit 77103.

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.)

A dewatering well will be drilled, equipped with motor, pump, totalizing flow-meter and piping system that will discharge into rapid infiltration basins.

9. Estimated cost of works: $250,000

10. Estimated time required to construct works: One (1) year
(If the well is complete, describe works.)

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

This application is filed to provide a NON-CONSUMPTIVE dewatering right for the mine shaft. Water will be pumped from the well and discharged into rapid infiltration basins for a non-consumptive rate of 0.75 cfs. The point of diversion and the point of return are illustrated on map accompanying the Applications to Change Permit 77103 by RGGS Land & Minerals, Ltd, filed concurrently herewith.

13. Miscellaneous remarks:

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George M. Thiel, P.E., S.W.R.S.
Type or print name clearly

Signature, applicant or agent

Thiel Engineering Associates, Inc.
Company Name

2801 Tamara Court
Street Address or PO Box

Minden, NV 89423
City, State, ZIP Code

georget@tecreno.com
E-mail Address

(775) 722-5380
Phone No. Ext.

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT

Revised 07/09 $300 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION

Attachment "A"

8. Proposed Place of Use

T.12N., R.26E., M.D.B. & M.

NW ¼, W ½ SW ¼, W ½ NE ¼, Section 1

All of Section 2

All of Section 3

All of Section 4

E ½, Section 5

E ½, Section 8

All of Section 9

All of Section 10

All of Section 11

NW ¼ NW ¼, Section 12

All of Section 14

All of Section 15

All of Section 16

E ½, Section 17

T.13N., R.26E., M.D.B. & M.

E ½, Section 32

All of Section 33

All of Section 34

All of Section 35

S ½ SW ¼, SW ¼ SE ¼, Section 36

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