

TEMPORARY
THE STATE OF NEVADA

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

Name of Permittee: DESERT HAWK RESOURCES, INC.
Source: UNDERGROUND
Basin: LAKE VALLEY
Manner of Use: MINING, MILLING, AND DOMESTIC
Period of Use: ONE YEAR FROM DATE OF ISSUANCE.
Priority Date: 01/13/1975

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 place of use of the waters of an underground source as heretofore granted under Permit 29146, Certificate 12510; is issued subject to the terms and conditions imposed in said Permit 29146, Certificate 12510; 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. 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.

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

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 0.3 cubic feet per second or 217.19 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:

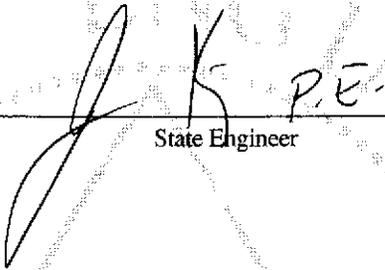
N/A

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 5th day of May, 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 MAR 31 2014

Returned to applicant for correction _____

Corrected application filed _____ Map filed MAR 31 2014

The applicant Desert Hawk Resources, Inc.
HC 10 Box 15 of Pioche
Street Address or PO Box City or Town
Nevada 89043 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.)

Certificate of Appropriation of Water, Application No. 29146, Certificate Record No. 12510

- The source of water is an underground well
Name of stream, lake, underground, spring or other sources.
- The amount of water to be changed 0.3 second feet, but not to exceed 70.77 mga (217.19 acre-feet/year)
Second feet, acre-feet. One second foot equals 448.83 gallons per minute.
- The water to be used for mining, milling, and domestic uses at Atlanta Mine
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, and domestic uses at Atlanta Mine
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.)
SW1/4 SE 1/4 Section 32, Township 7 North, Range 67 East, Mount Diablo Base & Meridian, or at a point from which the northwest corner of Section 5, Township 6 North, Range 67 East, Mount Diablo Base & Meridian bears south 88 degrees, 34 minutes west, a distance of 2,650 feet, situated in Lincoln County, Nevada
- The existing point of diversion is located within (If point of diversion is not changed, do not answer.)

STATE ENGINEERS OFFICE

2014 MAR 31 11:12:09

Lake Valley
10-183
L1

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

Lands within applicant's mining claim block (see attached map), to include all or portions of:

- Township 7 North, Range 67 East, Sections 12, 13, 24, 25
- Township 7 North, Range 68 East, Sections 1, 2, 3, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 26, 27, 30
- Township 8 North, Range 68 East, Sections 34, 35

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.)

SW 1/4 of Section 15, Township 7 North, Range 68 East, Mount Diablo Base & Meridian

9. Proposed use will be from January 1st to December 31st of each year.
Month and Day Month and Day

10. Existing use permitted from January 1st to December 31st 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.)

Diversion works include existing well, 6" diameter transmission pipe, 110,000 gallon storage tank, and appurtenances. No new works shall be constructed.

12. Estimated cost of works not applicable

13. Estimated time required to construct works not applicable

If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use not applicable

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 applicant proposes to conduct exploratory drilling at Atlanta Mine to further define the extent and nature of the quality and quantity of minerals within its mining claim block. The exploratory operations will include up to 18 core and 44 reverse circulation holes. The applicant has completed a Plan of Operations and Environmental Assessment through BLM's Schell Field Office for the proposed exploratory efforts and has received approval from BLM to proceed with the exploratory operations.

16. Miscellaneous remarks:

The purpose of this temporary change application is to enable the applicant to lawfully use waters of the State of Nevada in all points of its expanded claim block for pending mineral exploration purposes.

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E-mail Address

(479) 685-7379
Phone No. Ext.

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT

Mr. Doug Oliver, M.B.A., Ph.D., Project Manager

Doug Oliver Type of print name clearly
Signature, applicant or agent

Desert Hawk Resources, Inc.
Company Name

HC 10 Box 15
Street Address or PO Box

Pioche, NV 89043
City, State, ZIP Code

