Permit No. 83723

THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of Permittee:	**CANAMEX RESOURCES U.S., INC.**
Source:	**UNDERGROUND**
Basin:	**GABBS VALLEY**
Manner of Use:	**MINING, MILLING, AND DOMESTIC**
Period of Use:	**JANUARY 1ST THROUGH DECEMBER 31ST**
Priority Date:	**04/11/2014**

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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 issued under the provisions of NRS 533.371 for a finite period of time. This permit will expire on January 1, 2031, and all rights herein will revert to the source. 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. 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 submitted to the State Engineer on an annual basis by February 15th of each year.

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

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

This permit is issued under the provisions of NRS 534.120(2) as a preferred use.

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 0.78 cubic feet per second or 565.0 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:	**December** 30 **2016**
Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:	**December** 30 **2017**
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 30th day of **December, 2014**

P.E.

State Engineer

STATE ENGINEER STATE OF NEVADA

Application No. 83723

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 APR 11 2014

Returned to applicant for correction _____

Corrected Application filed _____ Map filed APR 11 2014

The applicant Canamex Resources U.S., Inc.

8353 W. Iliff Ave. (Street Address or P.O. Box) of Denver (City or Town)

Colorado 80227 (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.)

Canamex Resources U.S., Inc. was incorporated in Nevada on 9/23/2010 as a domestic corporation, entity number E 0463032010-8. The corporation is currently active.

1. The source of water is underground in Basin #122
   (Name of the stream, lake, underground, spring or other sources.)
2. The amount of water applied for is 0.78 cubic feet per second not too exceed 565 afa
   (One second foot equals 448.83 gallons per minute.)
   (a) If stored in a reservoir give the number of acre-feet n/a
3. The water is to be used for mining, exploration, milling and domestic purposes
   (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 n/a
   (b) Stockwater, state number and kind of animals n/a
   (c) Other use (describe fully in No. 12) n/a
   (d) Power:
      (1) Horsepower developed n/a
      (2) Point of return of water to stream n/a

Revised 07/13

Gabbs Valley
10-122
N4

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.)

The source of the water is a point in the NW1/4 NE1/4 of Section 28, T14N, R37E MDB&M, Nye County, Nevada from which the SW corner of Section 31, T.14N., R.37E., bears S52 00'15"W a grid distance of 16,527.44', where the bearing and grid distance are NAD-83, zone 2702.

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

On MS#4298, MS#4301, MS4302A and MS4303, in unsurveyed lands lying in T14N, R37E, MDB&M, being portions of the W1/2 & the SE1/4 of Section 13, the E1/2 of Section 14, the E1/2 of Section 23, and the W1/2 & the NE1/4 of Section 24.

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 well to be drilled in the NW4NE4 of Section 28, T14N, R37E, MDB&M. A 4 inch diameter pipe buried adjacent to the existing county road with pump station(s) constructed as required and 75,000 gallon storage tank at the terminus.

9. **Estimated cost of works:** $300,000.00

10. **Estimated time required to construct works:** 2 to 3 years
(If the well is complete, describe works.)

11. **Estimated time required to complete the application of water to beneficial use:** 1 year after proof of completion.

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.)

The proposed well and pipeline is located near an existing road. The water will be transported up-grade via a 3 inch pipeline by the necessary pumping station(s) for a distance of approximately 2.67 miles terminating at a 75,000 gallon storage tank, located on Patented mining claims. The water will be used for mining, exploration, milling, dust control on roads and for domestic purposes.

13. **Miscellaneous remarks:**

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STATE ENGINEER'S OFFICE

G.I.S. Land Services as Agent for Canamex Resources U.S.
Type or print name clearly

Greg Ekins - Agent
Signature, applicant or agent

Greg Ekins - Agent
Company Name

241 Ridge Street Suite 250
Street Address or PO Box

Reno, NV 89501
City, State, ZIP Code

greg@gislandservices.com
E-mail Address

775-746-8803 n/a
Phone No. Ext.

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT

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