



THE STATE OF NEVADA

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

Name of Permittee: CYANCO
Source: UNDERGROUND
Basin: WINNEMUCCA SEGMENT
Manner of Use: MINING AND MILLING
Period of Use: JANUARY 1ST THROUGH DECEMBER 31ST
Priority Date: 12/11/1972

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, to change the point of diversion, place and manner of use of a portion of the waters of an underground source as heretofore granted under Permit 76719, is issued subject to the terms and conditions imposed in said Permit 76719 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 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.

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 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 issuance of this permit reduces the total combined duty of Permit 54244, Certificate 15038; Permit 54245, Certificate 15037; Permit 76719, Permit 82658 and Permit 82659 by 100.0 acre-feet annually to 1981.32 acre-feet annually.

The point of diversion and place of use are as described on the submitted application to support this permit.

(Continued on Page 2)

A total of 100 acre-feet annually is abrogated from the base right. However, pursuant to NRS 533.3703 **only 85 acre-feet (the net consumptive use amount) at 0.26 cubic feet per second can be diverted annually.** Additional duty up to the total may be granted if it can be shown that this additional duty will not cause the consumptive use amount to be exceeded.

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

August 14 2015

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

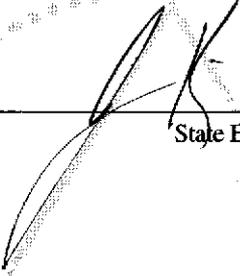
August 14 2017

Map in support of proof of beneficial use shall be filed on or before:

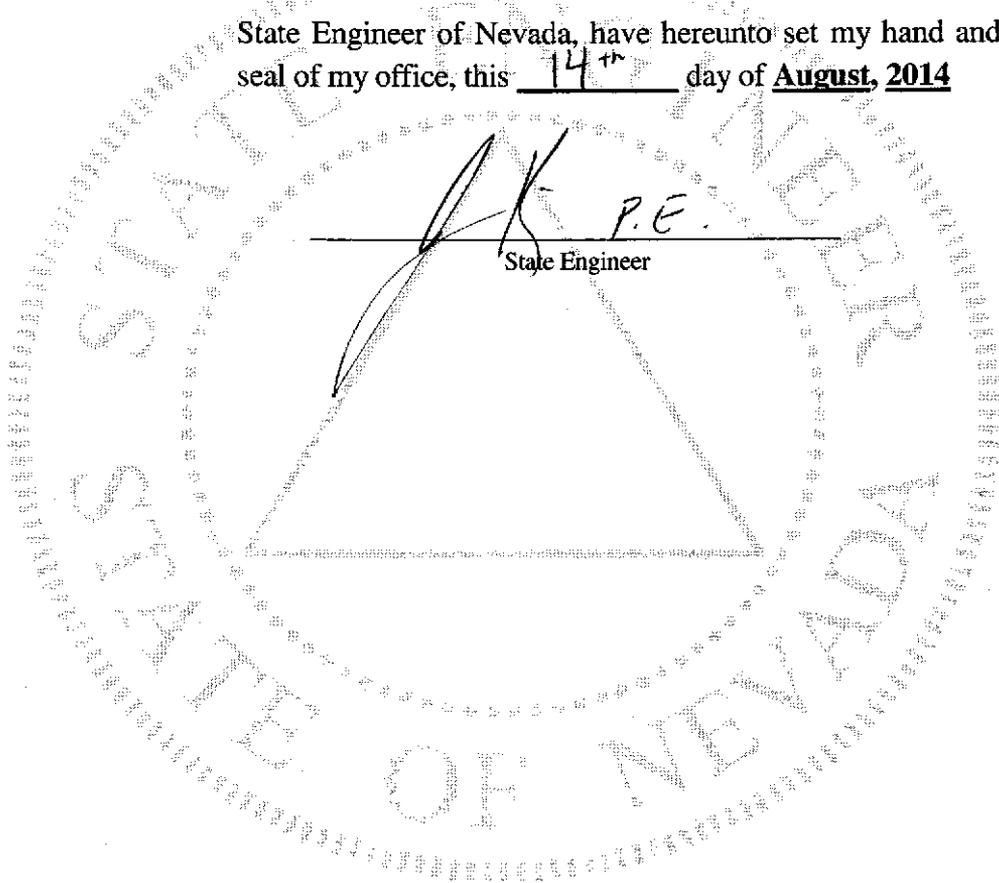
N/A

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 14th day of August, 2014



P.E.
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 APR 24 2014

Returned to applicant for correction _____ under _____

Corrected application filed _____ Map filed Sept 28 2011 81200T

The applicant Cyanco
5505 Cyanco Drive of Winnemucca
Street Address or PO Box City or Town
Nevada, 89455 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. 76719

1. The source of water is underground
Name of stream, lake, underground, spring or other sources.
2. The amount of water to be changed 100 AFA
Second feet, acre-feet. One second foot equals 448.83 gallons per minute.
3. The water to be used for mining and milling and minerals exploration
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 irrigation and domestic
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.)
within SW1/4 SW1/4, Section 09., T36 N., R36 E., M.D.M., from which the Southwest corner of said Section 09 bears S 48° 29' 20" W 1,219.00 feet. Refer to map under Permit No. 81200-T.
6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)
within the SE1/4 SW1/4 of Section 06., T35 N., R37 E., M.D.M. from which the East 1/4 corner of said Section 06 bears N 64° 08' E 3,028.00 feet. Refer to map under Permit No. 76719.

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

See Attached Exhibit A. Refer to map under Permit No. 81200-T.

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.)

A total of 25 acres from within the permitted place of use at a duty of 4.0 acre feet per acre totaling 100.00 acre feet per annum is proposed to be changed by this application. See Attached Exhibit A for the permitted existing place of use. Refer to map under Permit No. 76719.

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

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

Drilled, cased well, with a pump, motor and totalizing meter.

12. Estimated cost of works None - existing under Permit No. 81200-T.

13. Estimated time required to construct works None - existing under Permit No. 81200-T.
If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use 5 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.)

The well will be maintained as a water supply for exploration, potential dewatering and mining and milling. It is understood that the place of use covers 3 administrative basins. Outside of basin 070 the water will be used for mineral exploration and dust abatement only. Refer to Temporary Permit Nos. 81200-T, 81960-T and 82992-T.

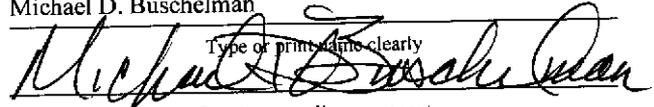
16. Miscellaneous remarks:

Cyanco is leasing water to Newmont USA Limited under a long term lease agreement.

mike@mbuschelman.com
E-mail Address
775-355-9628
Phone No. Ext.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

Michael D. Buschelman

Type or print name clearly


Signature, applicant or agent

Michael D. Buschelman Consulting, Inc.

Company Name

P.O. Box 51371

Street Address or PO Box

Sparks, NV 89435

City, State, ZIP Code

RECEIVED
FEBRUARY 24 PM 2:00
MINE ENGINEERS OFFICE

Item No. 7
Proposed Place of Use

Exhibit A
Refer to map under Permit No. 81200-T

Application No.

	Section		Section	Township North	Range East
All	11	Thru	15	37	35
"	22	Thru	25	"	"
"	26			"	"
N1/2	36			"	"

All	7			37	36
"	18	Thru	20	"	"
S1/2	22			"	"
All	27	Thru	33	"	"

NW1/4	4			36	36
All	5	Thru	9	"	"
"	13			"	"
"	17	Thru	24	"	"
"	26	Thru	27	"	"
"	29			"	"
E1/2	30			"	"

All	12			36	35
"	23	Thru	24	"	"

Item No. 8
Existing Place of Use

Refer to map under Permit No. 76719

Acres	Quarter	Quarter	Section	Township North	Range East
8.55	SE	NE	6	35	37
40.28	NE	SE	"	"	"
24.98	NW	SE	"	"	"
35.30	SE	SE	"	"	"
40.17	SW	SE	"	"	"
9.77	NE	SW	"	"	"
36.94	SE	SW	"	"	"
26.10	SW	SW	"	"	"
0.04	NW	SW	"	"	"

222.13 ACRES TOTAL

2014 APR 26 PM 2:09
 STATE ENGINEERS OFFICE
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