



THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of Permittee: GULLSIL, LLC
Source: SPRING (SPRING)
Basin: DIAMOND VALLEY
Manner of Use: MINING AND MILLING
Period of Use: JANUARY 1ST THROUGH DECEMBER 31ST
Priority Date: 06/19/2014

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 all existing rights on the source. It is understood that the 0.22 c.f.s., 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 a beneficial use. A suitable measuring device must be installed and accurate measurements of the water placed to a beneficial use must be included in the proof of such use when filed. The State retains the right to regulate the use of the water herein granted at any and all times.

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

This permit is subject to the condition that the permittee must ensure that wildlife which have customarily used such water will have access thereto, NRS 533.367.

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

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 0.22 cubic feet per second or 3.31 acre-feet annually.**

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

October 28 2015

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

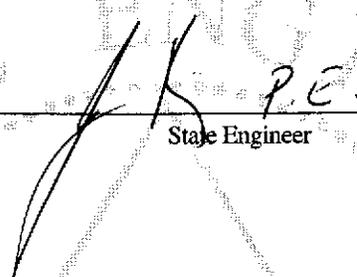
October 28 2017

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

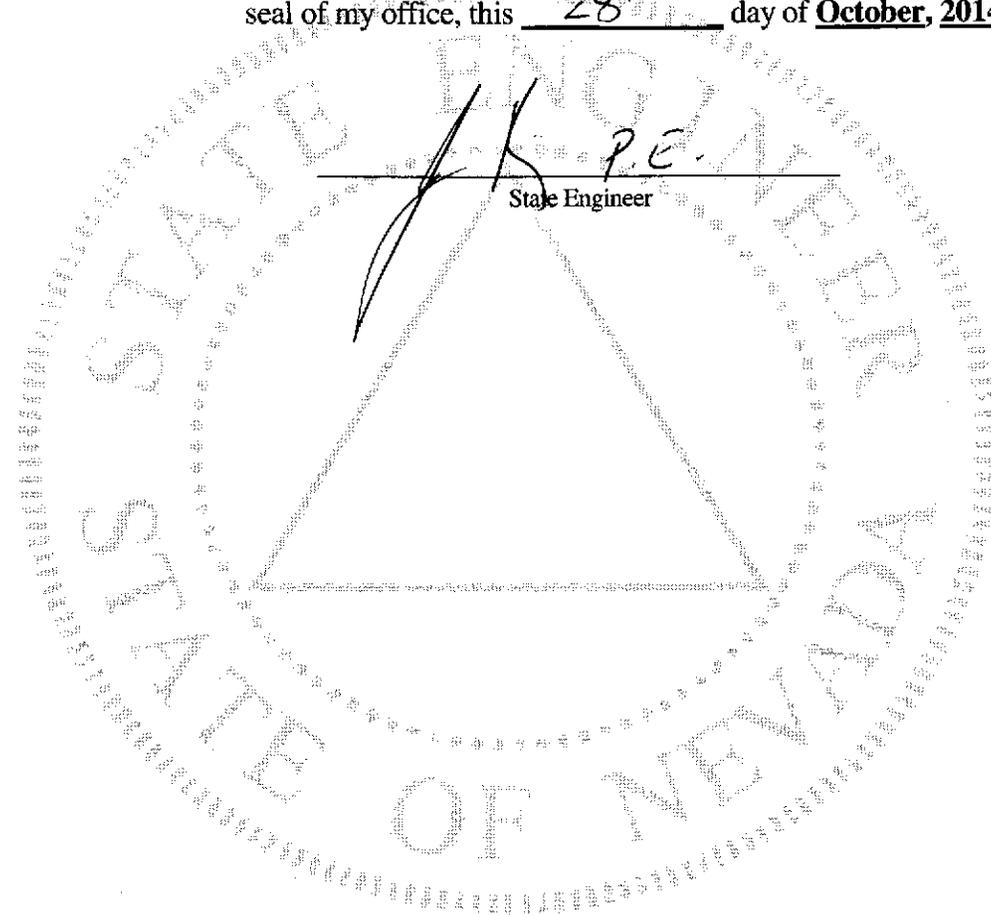
N/A

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 28th day of **October, 2014**



State Engineer



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 JUN 19 2014

Returned to applicant for correction _____

Corrected Application filed _____ Map filed JUN 19 2014

The applicant Gullsil, LLC

545 S. Valley View Drive #100 of St. George

Street Address or P.O. Box City or Town

Utah, 84770 hereby make(s) application for permission to appropriate the

State and ZIP Code

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.)

Nevada, 12/27/2013

RECEIVED
 JUN 19 11:57
 STATE ENGINEERS OFFICE

1. The source of water is Spring
Name of the stream, lake, underground, spring or other sources.
2. The amount of water applied for is 0.22 cfs
One second foot equals 448.83 gallons per minute.
 - (a) If stored in a reservoir give the number of acre-feet 3.31 acre-feet
3. The water is to be used for Mining and Milling
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 _____

DV
 10-153
 EV

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.)

Within the SE1/4 NE1/4 of Section 3, T.18N., R.53E., M.D.B.&M., or at a point from which the NE corner of Section 35 T. 19N., R.53E., M.D.B.&M. bears N. 45° 14'11" E., 8697.28 feet distant.

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

The N1/2 NE1/4 of Section 3, T. 18 N., R. 53 E., M.D.B.&M. and the S1/2 SE1/4 of Section 34, T. 19 N., R. 53 E., M.D.B.&M.

7. Use will begin about January 1st and end about December 31st of each year.
Month and Day Month and Day

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.)

Water from the spring will be diverted to the place of use via an existing collection box and pipeline.

9. Estimated cost of works: \$20,000

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: Three (3) Years

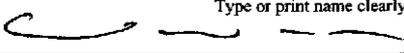
12. Provide a detailed description of the proposed project and its water usage (use attachments if necessary): (Failure to provide a detailed description may cause a delay in processing.)

Water will be used for a mining and milling operation and will include water usage in the mill, assay lab, machine shop, utility/office, underground mine, process pond, and tanks.

13. Miscellaneous remarks:

almberg@basineng.com
E-mail Address
(775) 289-9800
Phone No. Ext.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

Emil W. AlMBERg, Jr., P.E./P.L.S.
Type or print name clearly

Signature, applicant or agent
Basin Engineering Corporation
Company Name
1070 E. Aultman Street
Street Address or PO Box
Ely, NV 89301
City, State, ZIP Code