



THE STATE OF NEVADA

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

Name of Permittee: HYCROFT RESOURCES & DEVELOPMENT, INC.
Source: UNDERGROUND
Basin: BLACK ROCK DESERT
Manner of Use: MINING AND MILLING
Period of Use: JANUARY 1ST THROUGH DECEMBER 31ST
Priority Date: 11/16/1983

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 of the waters of an underground source as heretofore granted under Permit 81279, is issued subject to the terms and conditions imposed in said Permit 81279 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.

The permittee shall keep monthly records of the amount of water pumped from this well and the records must be submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

A groundwater monitoring plan shall be submitted and approved by the State Engineer and shall be implemented prior to the development of water under this permit.

The total combined duty of water under Permits 81224, 81225, 81226, 81227, 81228, 81408, 81409, 82274, 82355, 82356, 83247T and 84477 shall not exceed 20,414.9 acre-feet annually.

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.

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.

(Continued on Page 2)

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 0.34 cubic feet per second or 177.9 acre-feet annually.**

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

Filed Under 81408 on April 26, 2013

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

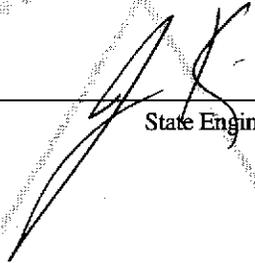
April 14 2016

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

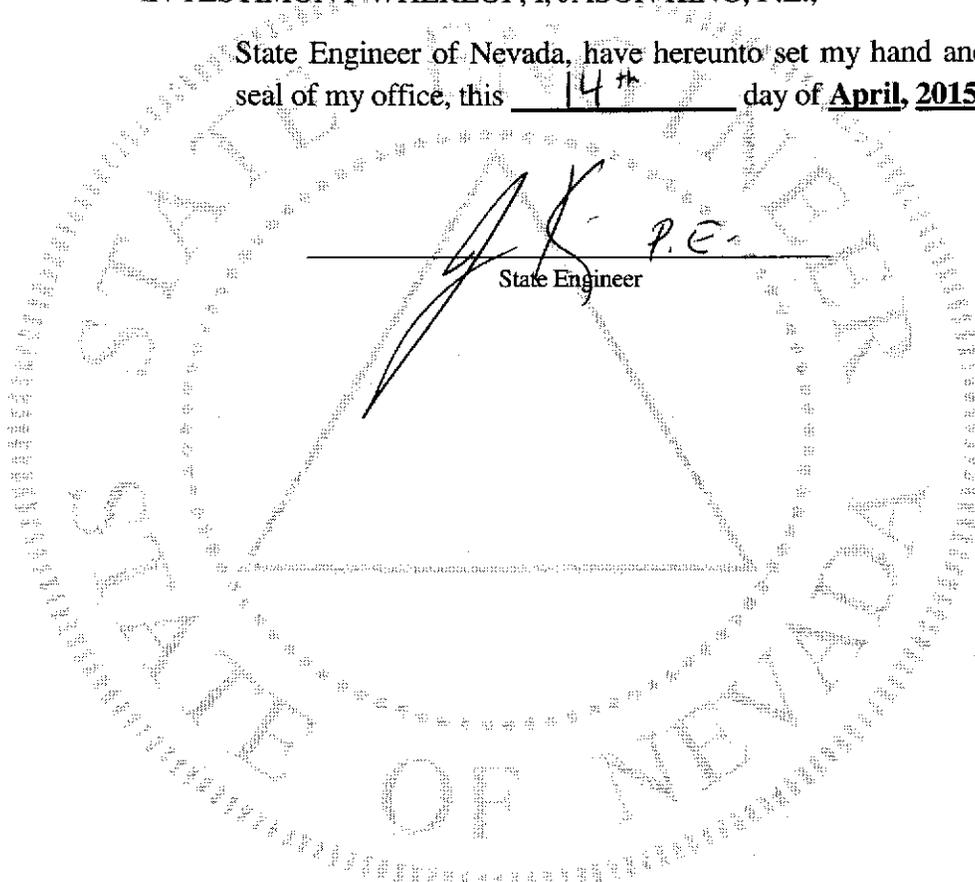
N/A

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 **April, 2015**



State Engineer P.E.



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

OCT 24 2014

Date of filing in State Engineer's Office _____

Returned to applicant for correction _____

Corrected application filed _____ Map filed Jul 15 1987 under 51112

The applicant Hycroft Resources & Development, Inc.
9790 Gateway Drive, Suite 200 of Reno
Street Address or PO Box City or Town
Nevada 89521 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.)
81279

1. The source of water is underground
Name of stream, lake, underground, spring or other sources.
2. The amount of water to be changed 0.34 cfs, 177.9 acre-feet
Second feet, acre-feet. One second foot equals 448.83 gallons per minute.
3. The water to be used for mining and milling
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 mining and milling
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.)
NE1/4, NE1/4, Sect. 31, T35N, R29E MDB&M (unsurveyed), or at a point from which the southeast corner of Sect. 31, T35N, R29E bears South 9degrees 39' 43" East, 5,097 feet (previously filed under Permit 51112).
6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)
NE1/4, NE1/4, Sect. 20, T35N, R30E MDB&M (unsurveyed), or at a point from which the southwest corner of Sect. 36, T35N, R29E bears South 43degrees 01' 47" west, a distance of 21,673.9 feet (previously filed under Permit 47423).

BRD
2-28
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7. Proposed place of use (Describe by legal subdivisions. If for irrigation, state number of acres to be irrigated.)

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.)

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.)
well, pump, and motor

12. Estimated cost of works N/A

13. Estimated time required to construct works N/A
If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use N/A

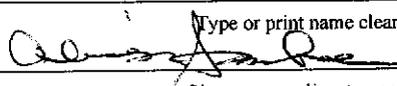
15. Provide a detailed description of the proposed project and its water usage (use attachments if necessary): (Failure to provide a detailed description may cause a delay in processing.)

The water will be used as process water at Hycroft Mine, an existing gold and silver mine. The existing POD well has been redrilled and tested and this location cannot pump enough flow to make the pump and pipeline costs worthwhile, whereas the proposed POD location has sufficient well capacity. The water is used primarily in heap leach operations and dust control.

16. Miscellaneous remarks:

alissa.sanchez@AlliedNevada.com
E-mail Address
775.789.0142
Phone No. Ext.

APPLICATION MUST BE SIGNED
 BY THE APPLICANT OR AGENT

Alissa Sanchez, Permit Manager
Type or print name clearly

Signature, applicant or agent
Hycroft Resources & Development, Inc.
Company Name
9790 Gateway Drive, Suite 200
Street Address or PO Box
Reno, NV 89521
City, State, ZIP Code

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 STATE ENGINEERS OFFICE