Permit No. 84834T

TEMPORARY

THE STATE OF NEVADA

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

Name of Permittee:	**CORTEZ JOINT VENTURE**
Source:	**UNDERGROUND**
Basin:	**CRESCENT VALLEY**
Manner of Use:	**MINING, MILLING AND DEWATERING**
Period of Use:	**EXPIRES MARCH 5, 2016**
Priority Date:	**06/23/2008**

****

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 point of diversion and place of use of a portion of the waters of an underground source as heretofore granted under Permit 77179, is issued subject to the terms and conditions imposed in said Permit 77179 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 totalizing meters must be installed and maintained in the discharge pipelines near the points of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meters must be installed before any use of the water begins. If the wells are 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.

This temporary permit will allow the permittee to dewater the Cortez Hills mine area. The total water produced for both consumptive and non-consumptive dewatering purposes from this permit and all other active permits within the Cortez Hills Project Area is limited to 13,248 acre-feet annually.

The total combined consumptive use of water under Permit 24663, Certificate 7292; Permit 24664, Certificate 7293; Permit 46224, Certificate 12482; Permit 46225, Certificate 12483; Permits 58187-E, 58188-E, 58189-E, 58190-E, 58191-E, 58192-E, 58985-E, 59339, 59340, 64545, 75342, 76864, 77179, 82592, and Temporary Permits 83540T and 83541T in the Cortez Hills Project Area is limited to 1,517.6 acre-feet annually.

Any water produced from this dewatering operation in excess of 1,517.6 acre-feet annually shall be returned to the Crescent Valley Groundwater Basin by infiltration galleries or injection wells. The design of the rapid infiltration basins or injection wells and the delivery system to these sites shall be submitted to the State Engineer for approval.

(Continued on Page 2)

This temporary permit is issued subject to the provisions of State Engineer's Order No. 1189.

The operator shall keep monthly records of the following:

A. The total volume of water pumped from each diversion in acre-feet.

B. The maximum flow rate from each diversion in cubic feet per second.

C. The pumping water level from each well in feet above mean sea level.

D. The volume of water consumptively used for mining and milling in acre-feet.

E. The amount of water diverted to the infiltration or injection sites in acre-feet.

F. The amount of water diverted to other consumptive uses, if any, in acre-feet.

G. The amount of water lost through evaporation or other system losses project wide.

H. A map and a description of all wells or other water diversions within the project area.

Failure to comply with any provision of Order 1189 or any other terms of this temporary permit will result in cancellation of this temporary permit.

This temporary permit is issued pursuant to the provisions of NRS 533.345 Section 2 and will expire March 5, 2016, at which time all rights herein granted shall revert to the right being changed by this temporary permit.

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.

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 18.2931 cubic feet per second or 13,243.0 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 1st day of **May, 2015**

P.E.

State Engineer

TEMPORARY Application No. 84834 T

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 FEB 11 2015

Returned to applicant for correction

Corrected application filed Map filed FEB 11 2015

The applicant Cortez Joint Venture

HC-66, Box 1250 of Crescent Valley

Street Address or PO Box City or Town

NV 89821-1250 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 77179, under State Engineer's Order 1189

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1. The source of water is Underground

Name of stream, lake, underground, spring or other sources.

2. The amount of water to be changed 18.2931 c.f.s., not to exceed 13,243.0 AFA

Second feet, acre-feet. One second foot equals 448.83 gallons per minute.

3. The water to be used for Mining, Milling, and Dewatering

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, Milling, and Dewatering

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.)

See Attached.

6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)

NW¼NW¼ Section 31, T. 27N., R. 48E., M.D.M., or at a point from which the ~~NE~~ W ¼ Corner of said Section 31 bears North 45° West, a distance of 250 feet. (Master Permit location under State Engineer's Order 1189)

Please refer to supporting map on file under Application 77179.

Crescent V. 54

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

See Attached.

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.)

T.27 N., R. 47 E., MDM: E½ Section 24, all of Sections 25 and 36;
T.27 N., R. 48 E., MDM: W½ Section 19, all of Sections 30 and 31;
T.26 N., R. 47 E., MDM: E½ Section 1, portions of Section 12;
T.26 N., R. 48 E., MDM: portions of Sections 6 and 7; all known as the Cortez Hills Project Area within Lander County and all within the Crescent Valley Hydrographic Basin. Please refer to supporting map on file under Application 77179.

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

10. Existing use permitted from January 1 (Month and Day) to December 31 (Month and Day) of each year.

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 wells, pumps, motors, meters, conveyance works and facilities.

12. Estimated cost of works in excess of $10,000,000

13. Estimated time required to construct works Varies
If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use 10 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.)

This Application is filed in support of the Cortez Hills Mining Project and the Rules established under Order 1189. This Application reflects the projected total 2015 mining, milling, and dewatering pumpage for Cortez Hills. It is the intention of this Application to replace the current Order 1189 Temporary Permit 83540-T. Please refer to the attached description of proposed pumpage.

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16. Miscellaneous remarks:

See Attached.

Bruce R. Scott
Type or print name clearly

Bruce Scott
Signature, applicant or agent

Resource Concepts, Inc.
Company Name

340 N. Minnesota Street
Street Address or PO Box

Carson City, Nevada 89703
City, State, ZIP Code

rciwater@rci-nv.com
E-mail Address

(775) 883-1600
Phone No. Ext.

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT

Revised 07/13 $180 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION

ATTACHMENT TO TEMPORARY APPLICATIONS TO CHANGE PERMIT 77179
PER STATE ENGINEER WELL SPACING ORDER 1189

5. Proposed Points of Diversion:

State Engineer's Order 1189 requires the locations of all producing wells in the Cortez Hills Mine Area. There are currently 26 separate wells and 1 Portal Location within the Cortez Hills project, as described by Sheet 2 of the accompanying supporting map, from which the water may be pumped in 2015. Records of actual pumpage from individual wells will be provided as required under the conditions of the Order. Note: Well DW-10 is within the Cortez Hills area but are not within the Order 1189 boundary.

Well	Qtr Qtr	Section	T.	R.	Bearing to NE Cor. Sec. 1, T26N., R47E., M.D.M.	Distance
DW-11	SE¼NE¼	31	27N	48E	S. 55° 25' W.	5,845'
DW-12	SE¼SE¼	31	27N	48E	S. 83° 03' W.	5,067'
DW-13	NW¼SE¼	31	27N	48E	S. 67° 55' W.	3,870'
DW-14	NE¼SW¼	31	27N	48E	S. 46° 38' W.	2,588'
DW-15	SW¼SW¼	31	27N	48E	S. 34° 37' W.	1,600'
DW-16	SW¼NE¼	06	26N	48E	N. 67° 59' W.	3,483'
DW-17	SW¼NW¼	06	26N	48E	N. 21° 34' W.	2,192'
DW-18	SW¼SE¼	31	27N	48E	S. 86° 13' W.	3,933'
DW-19	SW¼SE¼	31	27N	48E	S. 66° 52' W.	3,349'
DW-20	SW¼SW¼	31	27N	48E	S. 55° 00' W.	886'
DW-21	NE¼SE¼	36	27N	47E	S. 17° 30' E.	1,804'
DW-33	NW¼NW¼	06	26N	48E	N. 78° 58' W.	1,038'
DW-34	NW¼NW¼	06	26N	48E	N. 37° 01' W.	1,382'
DW-35	NW¼NW¼	06	26N	48E	N. 47° 38' W.	991'
DW-36	SW¼NW¼	06	26N	48E	N. 19° 10' W.	1,815'
DW-38	NE¼NW¼	06	26N	48E	N. 72° 51' W.	1,889'
DW-39	NE¼NW¼	06	26N	48E	N. 85° 28' W.	1,878'
DW-40	SE¼SW¼	31	27N	48E	S. 84° 02' W.	1,876'
DW-41	SE¼SW¼	31	27N	48E	S. 72° 09' W.	2,177'
Portal	NW¼NE¼	25	27N	47E	S. 10° 26' E.	10,453'
M1PW-01	SE¼NE¼	24	27N	47E	S. 01° 49' E.	14,079'
PPW-02	NW¼NE¼	06	26N	48E	N. 85° 47' W.	3,936'
PPW-03	SE¼NW¼	06	26N	48E	N. 62° 41' W.	2,792'
PPW-05	NW¼SE¼	31	27N	48E	S. 60° 22' W.	4,094'
					Bearing to SE Cor. Sec.31, T27N., R48E., M.D.M.	
DW-09	NE¼NE¼	31	27N	48E	S. 06° 48' E.	4,885'
DW-10	SW¼SW¼	32	27N	48E	S. 14° 56' W.	1,263'
					Bearing to SW Cor. Sec. 6, T26N., R48E., M.D.M.	
DW-37	NE¼SW¼	06	26N	48E	S. 39° 00' W.	3,130'

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ATTACHMENT TO TEMPORARY APPLICATIONS TO CHANGE PERMIT 77179 PER STATE ENGINEER WELL SPACING ORDER 1189

7. Proposed Place of Use:

T.26N., R.47E., MDM: E½ Section 1 and the portion of Section 12 within Crescent Valley (Basin 054)

T.26N., R.48E., MDM: The portions of Sections 6 and 7 within Crescent Valley (Basin 054)

T.27N., R.46E., MDM: W½SE¼, E½SW¼ Section 13; SW¼SW¼ Section 23; NE¼, E½NW¼ Section24; NW¼, W½NE¼ Section 26

T.27N., R.47E., MDM: All of Sections 4, 5, and 6; E½ Section 7, All of Sections 8 and 9; E½, SW¼ Section 18; N½, SW¼ Section 19; E½ Section 24; All of Section 25; SE¼ Section 30; All of Section 36

T.27N., R.48E., MDM: W½ Section 19; All of Sections 30 and 31

T.28N., R.47E., MDM: E½, SW¼ Section 13; SE¼SW¼ Section 15; SE¼NE¼, NE¼SE¼ Section 21; NW¼, NW¼SW¼ Section 22; E½ Section 27; NW¼, W½NE¼ Section 28; S½ Section 29; SE¼ Section 30; Lots 7, 8, 9, 10, and E½ Section 31; All of Section 32; SE¼ Section 34; W½, SE¼ Section 35

T.28N., R.48E., MDM: All of Sections 1, 3, 5, and 7; NE¼NE¼, S½S½ Section 8; All of Sections 9 and 11; S½SW¼, SW¼SE¼ Section 12; All of Section 13; N½, W½SE¼ , SW¼ Section 14, All of Section 15; W½NE¼, NW¼ Section 16; All of Section 17; N½N½, SE¼NE¼, E½SE¼ Section 18; N½NW¼ Section 23; NE¼NE¼ Section 24

T.28N., R.49E., MDM; All of Sections 3, 5, 7, 9 and 17; N½ Section 19;

T.29N., R.49E., MDM; All of Sections 25 and 35

T.29N., R.50E., MDM; All of Section 19

All within Crescent Valley (Basin 054)

As shown on Sheet 1 of 2 of the map accompanying this Application.

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ATTACHMENT TO TEMPORARY APPLICATIONS TO CHANGE PERMIT 77179 PER STATE ENGINEER WELL SPACING ORDER 1189

15: Project Description:

These Temporary Applications are being filed in accordance with State Engineer's Order 1189 dated June 4, 2008, to meet the annual temporary filing requirements as described under Rule #3 of said Order. In accordance with Rule #3 of the Order, these temporary applications are based on the total amount of water permitted under master Permit 77179, issued February 6, 2009.

2015 Projected Pumpage

The estimated Cortez Hills project total water to be pumped in 2015 is 13,248 acre-feet under Permit 71779 and 480 acre-feet under Permits 79896 and 79897.

16: Miscellaneous Remarks:

It is estimated that a total of 5 acre-feet will be used for stock watering at various locations within the Proposed Place of Use area described under Item 7, delivered either by pipeline or by truck hauling.

It is estimated that approximately 480 acre-feet under Permits 79896 and 79897 will be delivered through the cross-valley pipeline to irrigated acreage within the Proposed Place of Use (Item 7).

Accordingly, the following summarizes the estimated 2015 Cortez Hills dewatering pumpage:

1. Mining, milling, dewatering – Cortez Hills total pumpage:	13,243 AF
2. Irrigation use under Permits 79896 and 79897:	480 AF
3. Stockwater Use:	5 AF
2015 Estimated Cortez Hills Use	13,728 AF

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