THE STATE OF NEVADA

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

Name of Permittee:	**TONOPAH RESOURCES, INC.**
Source:	**UNDERGROUND**
Basin:	**BIG SMOKY VALLEY-TONOPAH FLAT**
Manner of Use:	**MINING AND MILLING**
Period of Use:	**JANUARY 1ST THROUGH DECEMBER 31ST**
Priority Date:	**11/08/1976**

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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, to change the point of diversion of a portion of the waters of an underground source as heretofore granted under Permit 83477, is issued subject to the terms and conditions imposed in said Permit 83477 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 total combined duty of water under Permits 84358 and 84882 shall not exceed 322.6 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.

If any water under this permit is cancelled or any water is not put to beneficial use, it will revert to the groundwater source and not back to the base water right.

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.

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 0.425 cubic feet per second or 161.3 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:	**February 22 2017**
Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:	**February 22 2019**
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 22nd day of **February, 2016**

J. K. P.E.

State Engineer

Application No. 84882

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 MAR 0 2 2015

Returned to applicant for correction

Corrected application filed Map filed JAN 1 5 2015 under 84358

The applicant Tonopah Resources, Inc.

611 Walnut St. (Street Address or PO Box) of Gadsden (City or Town)

Alabama, 35901 (State and ZIP Code) hereby make(s) application for permission to change the

☑ 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 83477

1. The source of water is underground
   Name of stream, lake, underground, spring or other sources.

2. The amount of water to be changed 0.425 cfs, 52.56 million gallons annually 161.3 AFA
   Second feet, acre-feet. One second foot equals 448.83 gallons per minute.

3. The water to be used for Milling and Mining
   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 Milling and Mining
   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.)

   SE1/4 NW1/4 Section 11, T03N, R40E, M.D.M., or at a point from which the SW corner of said Section 11 bears S 23 degrees 07' 53" W a distance of 4233.11 ft.

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

   SE1/4 of the NW1/4 of Section 11, T03N, R40E, M.D.M., or at a point form which the SW corner of said Section 11 bears S 24 degrees 32' 13"W a distance of 3718.65 feet.

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ES

7. Proposed place of use (Describe by legal subdivisions. If for irrigation, state number of acres to be irrigated.)
SE 1/4 of the NW1/4 of Section 11, T03N, R40E, M.D.M.

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.)
SE 1/4 of the NW1/4 of Section 11, T03N, R40E, M.D.M.

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 8-inch diameter well, motor and pump, and transmission piping and controls to distribute water to milling facilities.

12. Estimated cost of works $200,000

13. Estimated time required to construct works 1 Year
If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use 3 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.)
Freshwater generated from the well will be utilized for gravity concentration and precious metal extraction from various types of ore.

16. Miscellaneous remarks:
This application will transfer the remaining portion of Permit 83477 to the process water supply well drilled at the point of diversion for Application 84358. No well was drilled under Permit 83477. Please refer to supporting map on file for Application 84358 for proposed point of diversion and place of use.

Dwight L. Smith, PE, WRS
Type or print name clearly
Dwight L. Smith
Signature, applicant or agent
Interflow Hydrology, Inc.
Company Name
P.O. Box 1482
Street Address or PO Box
Truckee, CA 96160
City, State, ZIP Code

interflowhydro@aol.com
E-mail Address
(530) 582-1622
Phone No. Ext.

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT

 $240 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION