

## THE STATE OF NEVADA

### PERMIT TO APPROPRIATE WATER

Name of Permittee: BOREALIS MINING COMPANY,LLC  
Source: UNDERGROUND  
Basin: EAST WALKER AREA  
Manner of Use: MINING, MILLING, AND DOMESTIC  
Period of Use: JANUARY 1ST THROUGH DECEMBER 31ST  
Priority Date: 03/23/2015

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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 is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance issued under the provisions of NRS 533.371 for a finite period of time. **This permit will expire on December 31, 2020, and all rights herein will revert to the source.** It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. 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 water begins, or before the proof of completion of work is filed. 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.

The well must be sealed from ground level to 100 feet in accordance with NAC 534.380.

The total combined duty of water under Permits 84992 and 84993 shall not exceed 301.67 acre-feet annually.

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.

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 0.378 cubic feet per second or 273.36 acre-feet annually.**

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

December 23 2016

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

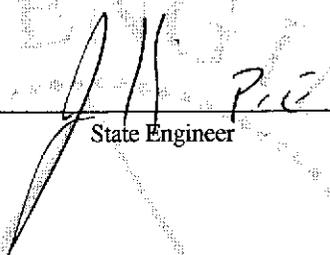
December 23 2020

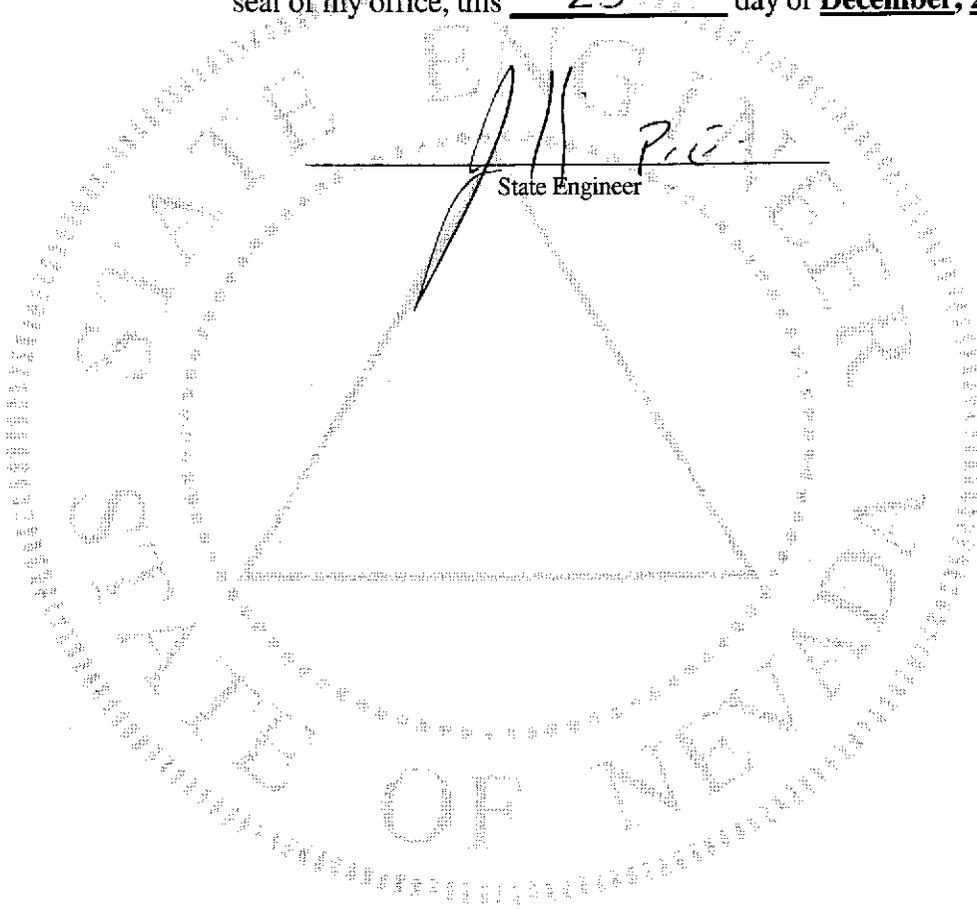
Map in support of proof of beneficial use shall be filed on or before:

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 23<sup>rd</sup> day of **December, 2015**

  
\_\_\_\_\_  
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	<u>MAR 23 2015</u>
Returned to applicant for correction	_____
Corrected Application filed	Map filed <u>May 27 1981 under 43574</u>

The applicant Borealis Mining Company, LLC

P.O. Box 549 \_\_\_\_\_ of Hawthorne \_\_\_\_\_  
Street Address or P.O. Box City or Town

Nevada, 89415 \_\_\_\_\_ 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.)

Incorporated on June 5, 2003, State of Nevada

**RECEIVED**

**MAR 23 2015**

STATE ENGINEER'S OFFICE

*2:25 pm SGT*

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

2. The amount of water applied for is 0.378 cfs not to exceed 89.17 mgs second feet \_\_\_\_\_  
One second foot equals 448.83 gallons per minute.

(a) If stored in a reservoir give the number of acre-feet \_\_\_\_\_

3. The water is to be used for mining, milling and domestic \_\_\_\_\_  
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) mining, milling and domestic purposes \_\_\_\_\_

(d) Power:

(1) Horsepower developed \_\_\_\_\_

(2) Point of return of water to stream \_\_\_\_\_

*East Walker Area  
9-109  
Mi*

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 SW1/4 SE1/4 Section 28, T6N, R29E, at a point from which the NW corner of Section 21, T6N, R29E, M.D. B.&M. bears N 17 degrees 15'0" W a distance of 9960.0 feet

6. Place of use: (Describe by legal subdivision. If on unsurveyed land, it should be so stated)  
within Sections 8,9,16 and 17, T6N, R29E, M.D.B.&M.

7. Use will begin about January 1 and end about December 31 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.)  
drilled encased well, submersible pump and motor, pipeline to storage reservoir and distribution system

9. Estimated cost of works: \$5 million

10. Estimated time required to construct works: 5 years  
(If the well is complete, describe works.)

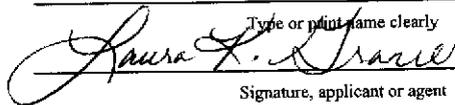
11. Estimated time required to complete the application of water to beneficial use: 5 years

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 to be utilized for mining, milling and domestic purposes. This Application is being filed in conjunction with a new application in place of expiring Permit 70321. Total combined duty of this application and the application filed simultaneously herewith not to exceed 98.3 mga. Estimated life of mine and therefore use of water approximately 5 years. Use map on file under Permit 70322.

13. Miscellaneous remarks:  
Permit 70322 expires on December 31, 2015 and because mining operations are still active at this location Borealis is submitting the instant application for water rights previously approved under Permit 70322 and set to expire in December.

Laura.Granier@dgsllaw.com  
E-mail Address  
775-210-1998  
Phone No. Ext.

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT

Laura K. Granier, Esq.  
Type or print name clearly  
  
Signature, applicant or agent  
Davis Graham & Stubbs LLC  
Company Name  
1 East Liberty Street, Suite 600  
Street Address or PO Box  
Reno, NV 89501  
City, State, ZIP Code

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MAR 23 2015

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