Permit No. 86108T

TEMPORARY

THE STATE OF NEVADA

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

Name of Permittee:	**JERRITT CANYON GOLD, LLC**
Source:	**UNDERGROUND**
Basin:	**NORTH FORK AREA**
Manner of Use:	**MINING, MILLING, AND DEWATERING**
Period of Use:	**ONE YEAR FROM DATE OF ISSUANCE.**
Priority Date:	**10/20/1980**

****

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, place and manner of use of the waters of an underground source as heretofore granted under Permit 48175, Certificate 13143, is issued subject to the terms and conditions imposed in said Permit 48175, Certificate 13143 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. 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.

Monthly pumpage and water management data that reports the amount of water consumptively used for mining and milling, the amount of water diverted to infiltration or injection sites, and the amount of water lost through evaporation or other system losses shall be submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

The total combined duty of water under Permit 42687; Permit 47148, Certificate 13139; Permit 47414; Permit 48175, Certificate 13143; Permit 54617, Certificate 14301; Permits 58336, 58426E, 58427E, 58428E, 58429E, 58430E, 58431E, 58432E, 58433E, 58744E, 59274; Permit 61722, Certificate 15094; Permits 61740E, 61780E, 61781E, 61946, 62308, 65323, 65324, 75513, 75514, 76655E, 76656E, 76657E, 76658E and 86105T through 86110T shall not exceed 5,847.33 acre-feet annually.

The total combined duty of water under Permits 86105T through 86110T shall not exceed 2,795.12 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.

(Continued on Page 2)

This temporary permit is issued pursuant to the provisions of NRS 533.345 Section 2 and will expire 1 year after the approval of the permit at which time all rights herein granted shall revert to the right being changed by this temporary permit.

A monitoring plan must be approved by the State Engineer prior to the diversion of any water under this permit.

The permittee shall re-inject all water diverted under this permit into the NDEP approved injection wells at the "South" injection field as depicted on Attachment D of the Jerritt Canyon Gold's monitoring proposal dated December 12, 2016. Re-injected water is to be returned into the same bedrock formation that is to be dewatered.

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 0.954 cubic feet per second or 333 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 27th day of **February, 2017**

P.E.

State Engineer

Permit No. 86108T

TEMPORARY

THE STATE OF NEVADA

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

Name of Permittee:	**JERRITT CANYON GOLD, LLC**
Source:	**UNDERGROUND**
Basin:	**NORTH FORK AREA**
Manner of Use:	**MINING, MILLING, AND DEWATERING**
Period of Use:	**ONE YEAR FROM DATE OF ISSUANCE.**
Priority Date:	**10/20/1980**

****

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, place and manner of use of the waters of an underground source as heretofore granted under Permit 48175, Certificate 13143, is issued subject to the terms and conditions imposed in said Permit 48175, Certificate 13143 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. 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.

Monthly pumpage and water management data that reports the amount of water consumptively used for mining and milling, the amount of water diverted to infiltration or injection sites, and the amount of water lost through evaporation or other system losses shall be submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

The total combined duty of water under Permit 42687; Permit 47148, Certificate 13139; Permit 47414; Permit 48175, Certificate 13143; Permit 54617, Certificate 14301; Permits 58336, 58426E, 58427E, 58428E, 58429E, 58430E, 58431E, 58432E, 58433E, 58744E, 59274; Permit 61722, Certificate 15094; Permits 61740E, 61780E, 61781E, 61946, 62308, 65323, 65324, 75513, 75514, 76655E, 76656E, 76657E, 76658E and 86105T through 86110T shall not exceed 5,847.33 acre-feet annually.

The total combined duty of water under Permits 86105T through 86110T shall not exceed 2,795.12 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.

(Continued on Page 2)

This temporary permit is issued pursuant to the provisions of NRS 533.345 Section 2 and will expire 1 year after the approval of the permit at which time all rights herein granted shall revert to the right being changed by this temporary permit.

A monitoring plan must be approved by the State Engineer prior to the diversion of any water under this permit.

The permittee shall re-inject all water diverted under this permit into the NDEP approved injection wells at the "South" injection field as depicted on Attachment D of the Jerritt Canyon Gold's monitoring proposal dated December 12, 2016. Re-injected water is to be returned into the same bedrock formation that is to be dewatered.

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 0.954 cubic feet per second or 333 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 27th day of **February, 2017**

P.E.

State Engineer

Amended

TEMPORARY Application No. 86108 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 Apr. 15, 2016

Returned to applicant for correction Apr. 22, 2016

Corrected application filed APR 2 8 2016 Map filed April 15, 2016 Under 86105T

The applicant Jerritt Canyon Gold, LLC

HC 31, Box 78 of Elko

Street Address or PO Box City or Town

Nevada 89801 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 #48175 (c.#13143)

1. The source of water is underground (dewatering well SWD-2-2)

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

2. The amount of water to be changed 0.954 cfs / 333 acre-feet

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

3. The water to be used for mining, milling, de-watering & domestic

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 & domestic

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.)

within the SE1/4NW1/4 of Section 18, T.40N.,R.54E., M.D.M., from which the SW corner of said section 18 bears S.19°33'W., 3,637.1 feet distant.

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

within the NW¼SW¼ of Section 34, T.41N.,R.54E., M.D.M., from which the SW corner of said section 34 bears S.39 30'W., 2,036 feet distant (please refer to map filed under #48175).

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

T.40N.,R.53E. - Section 13.
T.40N., R.54E. - portions of sections 5, 6, 8, 17 & 18.

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.40N., R.54E., M.D.M.: Section 4: Lot 17 (NE1/4NE1/4)
T.41N., R.54E., M.D.M: Section 33: S½, NW¼, W½NE¼ & SE¼NE¼, and approximately 6 miles of ore haul road through portions of Sections 25, 26 and 35, of T.41N.,R.53E., and Sections 29, 30, 32 & 33, in T.41N., R.54E., 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 well, submersible electric motor and pump; pipelines to various injection well sites on the identified North Injection Field and South Injection field, within proposed place of use.

12. Estimated cost of works estimate in excess of $300,000.00

13. Estimated time required to construct works estimate 6 months
If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use n/a; temporary appl'n.

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 ore zone of the developing Smith Mine contains groundwater. A hydrological study (previously supplied) proposes to draw water level down 200 feet to allow access to this ore body, with excess water to be re-injected into the bedrock formation, in the proposed "North" and "South" injection fields, within proposed place of use. See NDEP Underground Injection (UIC) Permit #UNEV93214, revised UIC permit application, and well completion waiver application, dated March 22, 2016, submitted on behalf of applicant by Adrian Brown Consultants, Inc.

16. Miscellaneous remarks:

It is anticipated that a request will be submitted for the creation of an order for adopting rules for well spacing and other modifications of well and other drilling regulations, for the duration of this mining de-watering effort.

waanelko@citlink.net
E-mail Address

738-5475
Phone No. Ext.

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT

William A. Nisbet, agent
Type or print name clearly

William A. Nisbet
Signature, applicant or agent

Water Matters, LLC
Company Name

Box 2624
Street Address or PO Box

Elko, Nevada 89803
City, State, ZIP Code

 $180 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION