

THE STATE OF NEVADA

CERTIFICATE OF APPROPRIATION OF WATER

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WHEREAS, Brad Wigglesworth, Agent has presented to the State Engineer of the State of Nevada Proof of Application of Water to Beneficial Use, from an Underground Source through a drilled well, pump and distribution system for Mining and Milling purposes. The point of diversion of water from the source is as follows:

NE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 31, T.35N., R.29E., M.D.B.&M. (unsurveyed) or at a point from which the SE corner of said Section 31 bears S. 9° 39' 43" E., a distance of 5,097.0 feet situated in Humboldt County, State of Nevada.

NOW KNOW YE, That the State Engineer, under the provisions of NRS 533.425, has determined the date, source, purpose, amount of appropriation, and the place where such water is appurtenant, as follows:

Name of appropriator:	Hycroft Resources and Development, Inc.
Source:	Underground
Manner of Use:	Mining and Milling
Amount of appropriation:	3.2 c.f.s. but not to exceed *236.171 million gallons annually
Period of use:	January 1st to December 31st of each year
Date of priority of appropriation:	July 15, 1987

Description of the works of diversion, manner and place of use:

Water is developed by means of a drilled well, 426 feet deep, 14 inch casing, via a 9 stage Worthington pump with a 250 H.P. GE motor, thence through 17,500 feet of 14 inch diameter and 3,500 feet of 12 inch diameter SDR 17 poly pipe to the Crofoot/Lewis Project for mining and milling purposes located in Sections 13, 23, 24, 25, 26, 27, 31, 32, 33, 34, 35 and 36, T.35N., R.29E., M.D.B.&M.; Sections 16, 17, 18, 19, 20, 30 and 31, T.35N., R.30E., M.D.B.&M. and Sections 1, 2, 3, 4, 9, 10, 11 and 12, T.34N., R.29E., M.D.B.&M (unsurveyed land).

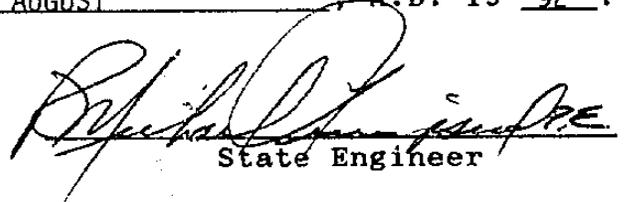
*The total combined duty of water under this certificate and any certificates issued under Permits 49533 and 51113 shall not exceed 754.9 million gallons annually.

*The total combined duty of water under any certificates issued under permits 51112 and 51113 shall not exceed 296.298 million gallons annually.

This certificate is issued subject to the terms of the permit.

The right to water hereby determined is limited to the amount which can be beneficially used, not to exceed the amount above specified, and the use is restricted to the place and for the purpose as set forth herein.

IN TESTIMONY WHEREOF, I R. MICHAEL TURNIPSEED, State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 20th day of AUGUST, A.D. 19 92.


State Engineer

bk/sb