

THE STATE OF NEVADA

CERTIFICATE OF APPROPRIATION OF WATER

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WHEREAS, Michael W. Hardy, 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 drilled wells, pumps and a distribution system for Mining purposes. The point of diversion of water from the source is as follows:

SE 1/4 SW 1/4 Section 34, T.1S., R.40E., M.D.B.&M., or at a point from which the SW corner of Section 22, T.2S., R.39E., M.D.B.&M., bears S.60°12'09"W., a distance of 44,209.0 feet situated in Esmeralda 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: Cyprus Foote Mineral Company
Source: Underground
Manner of Use: Mining
Amount of appropriation: *2.00 c.f.s., but not to exceed 1,448.0 acre-feet annually
Period of use: January 1st to December 31st of each year
Date of priority of appropriation: July 15, 1986

Description of the works of diversion, manner and place of use:
Water is developed by means of several drilled wells in the surrounding area, well depths and casing size vary, via pumps through 11,000 feet of 24 inch Drisco pipe collector line to several evaporative ponds, thence to a mill where lithium is extracted from the brine; the spent brine is returned to the evaporative ponds. The place of use is the following:

The S 1/2 of Section 35 and all of Section 36, both in T.1S., R.39E., M.D.B.&M., and the E 1/2 of Section 10, the E 1/2 of Section 15, the SE 1/4 of Section 21, the E 1/2 of Section 28 and all of Sections 1, 2, 3, 11, 12, 13, 14, 22, 23, 24, 25, 26, 27, 34, 35 and 36 all in T.2S., R.39E., M.D.B.&M., the SE 1/4 of Section 19, the S 1/2 of Section 20, the E 1/2 and Lots 23 and 24, now Lots 47, 48, 49, and 50 of Section 30 and all of Sections 21, 22, 23, 26, 27, 28, 29, 31, 32, 33, 34 and 35 all in T.1S., R.40E., M.D.B.&M., the NW 1/4 of Section 11, the N 1/2 and the SW 1/4 of Section 10, the NW 1/4 of Section 15, the N 1/2 and the SW 1/4 of Section 16 and all of Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 17, 18, 19, 20, 29, 30, and 31 all in T.2S., R.40E., M.D.B.&M., Clayton Valley, Esmeralda County, Nevada.

*The total combined duty under this certificate and Permit 44251 Certificate 12770, Permit 44252 Certificate 12771, Permit 44253 Certificate 12772, Permit 44255 Certificate 12733, Permit 44256 Certificate 12774, Permit 44257 Certificate 12775, Permit 44258 Certificate 12776, Permit 44260 Certificate 12777, Permit 44261 Certificate 12778, Permit 44267 Certificate 12779, Permit 44268 Certificate 12780, Permit 44269 Certificate 12781 and Permit 44270 Certificate 12782 shall not exceed 5851.11 acre-feet annually.

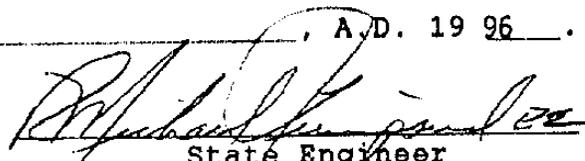
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*The total combined duty under this certificate and Permit 44251 Certificate 12770, Permit 44252 Certificate 12771, Permit 44253 Certificate 12772, Permit 44255 Certificate 12773, Permit 44256 Certificate 12774, Permit 44257 Certificate 12775, Permit 44258 Certificate 12776, Permit 44260 Certificate 12777, Permit 44261 Certificate 12778, Permit 44267 Certificate 12779, Permit 44268 Certificate 12780, Permit 44269 Certificate 12781, Permit 44270 Certificate 12782 and any certificates issued under Permits 52918, 52919, 52920 and 52921 shall not exceed 17.86 million gallons per day or 20,000 acre-feet 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 7th day of MARCH, A.D. 19 96.


State Engineer

cmg/sb