Permit No. **50791** Certificate No. **18071**

STATE OF NEVADA

CERTIFICATE OF APPROPRIATION OF WATER

WHEREAS, William A. Nisbet, Agent, has presented to the State Engineer of the State of Nevada, Proof of Application of Water to Beneficial Use, from the North Fork Humboldt River (Gance Creek), through a pipeline, tank and water trucks for mining and milling purposes. The point of diversion of water from the source is as follows:

Tract 40, Sections 5 and 8, T.39N., R.54E., M.D.B.& M., or at a point from which the SE corner of Section 32, T.40N., R.54E., M.D.B.&M., bears N. 23°05'E., a distance of 3,510 feet situated in Elko County, State of Nevada.

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

Name of appropriator:	**Queenstake Resources USA, Inc.**
Source:	**North Fork Humboldt River (Gance Creek)**
Manner of use:	**Mining and Milling**
Amount of appropriation:	**0.078 c.f.s., but not to exceed 9.0 acre-feet as decreed**
Period of use:	**April 15th to August 15th of each year**
Date of priority of	***As Decreed**

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

Water is diverted from Gance Creek through a 1½-inch diameter plastic pipe to an 800-gallon steel tank with overflow return to creek. Water is pumped from the tank into water trucks for dust control and drilling purposes within portions of Sections 1, 2, 3, 10, 11, 12, 13, 14, 15, 22, 23 and 24 T.39N., R.53E., M.D.B.& M.; portions of Sections 1, 11, 12, 13, 14, 23, 24, 25, 26, 27, 33, 34, 35 and 36 T.40N., R.53E., M.D.B.& M.; portions of Sections 1, 2, 3, 10, 11, 12, 13, 14, 23, 24, 25, 26, 35 and 36 T.41N., R.53E., M.D.B.&M.; portions of Sections 5, 6, 7, 8, 17 and 18 T.39N., R.54E.,

M.D.B.& M.; portions of Sections 5, 6, 7, 8, 17, 18, 19, 20, 29, 30, 31 and 32 T.40N., R.54E., M.D.B.& M.; portions of Sections 7, 18, 19, 20, 29, 30, 31 and 32 T.41N., R.54E., M.D.B.& M.

***This certificate changes the point of diversion, manner and place of use of a portion of Claim 00563, In the Matter of the Determination of the Relative Rights of the Waters of the Humboldt River Stream System and Tributaries, Case No. 2804, Sixth Judicial District Court of Nevada, In and for the County of Humboldt, 1923 - 1938, therefore, the date of priority remains the same as Claim 00563.**

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, JASON KING, P.E., State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 29th day of July, **2011.**

J. K. P.E.

State Engineer

JED/gkl