Permit No. 73552

THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of Permittee:	**KOBEH VALLEY RANCH, LLC**
Source:	**UNDERGROUND**
Basin:	**KOBEH VALLEY**
Manner of Use:	**MINING, MILLING AND DEWATERING**
Period of Use:	**JANUARY 1ST TO DECEMBER 31ST**
Priority Date:	**12/05/2005**

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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 and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. 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. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

Monthly records shall be kept of the amount of water pumped from this well and the records submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The total combined consumptive duty of water under Permits, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,007.64 acre-feet annually.

The total combined duty of water under Permits 72695, 72696, 72697, 72698, 73545, 73546, 73547, 73548, 73549, 73550, 73551, 73552, 74587, 75988, 75989, 75990, 75991, 75992, 75993, 75994 and 75995 shall not exceed 6,292.36 acre-feet annually.

The total combined duty of all of the above listed permits shall not exceed 11,300 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)

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

This permit is subject to the approval of a monitoring, management and mitigation plan by the State Engineer before any water is developed for mining.

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 6.0 cubic feet per second or 2,669.50 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:	**December 1 2012**
Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:	**December 1 2012**
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 1st day of **December,** A.D. **2011**

P.E.

State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

Permit No. 73552

THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of applicant:	**KOBEH VALLEY RANCH, LLC**
Source:	**UNDERGROUND**
Basin:	**KOBEH VALLEY**
Manner of Use:	**MINING, MILLING AND DEWATERING**
Period of Use:	**January 1st to December 31st**
Priority Date:	**12/05/2005**

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~~APPROVAL~~ OF STATE ENGINEER Vacated by Court Order 4/10/10

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 and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. 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. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

Monthly records shall be kept of the amount of water pumped from this well and the records submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The total combined duty of water under Permits 73551 and 73552 shall not exceed 5339.00 acre-feet annually.

The total combined duty of water under Permits 73551, 73552, 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 11,300.00 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.

The issuance of this temporary permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies, and is specifically issued contingent upon approval by the Nevada Division of Environmental Protection of the dewatering project.

(Continued on Page 2)

A monitoring, management and mitigation plan, approved by the State Engineer, is required prior to the diversion of any water. The State Engineer retains the right to require the applicant to perform additional monitoring. The permittee, on a schedule acceptable to the State Engineer, shall prepare and present an update on the activities of the mine and the monitoring on a periodic basis. The State retains the right to regulate pumping from the dewatering project and/or any other groundwater withdrawals herein authorized to protect the public interest and to protect existing rights.

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 6.0 cubic feet per second or 2669.5 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:	**July 21, 2012**
Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:	**July 21, 2014**
Map in support of proof of beneficial use shall be filed on or before:	**July 21, 2014**

IN TESTIMONY WHEREOF, I, TRACY TAYLOR, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 21st day of **July**, A.D. **2009**

Tracy Taylor, P.E.
State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

llb

No. 73552

APPLICATION FOR PERMIT
TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

Date of filing in State Engineer's Office **DEC 05 2005**

Returned to applicant for correction

Corrected application filed

Map filed **DEC 05 2005 under 72695**

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The applicant **Idaho General Mines, Inc.** hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. **(attached)**

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1. The source of the proposed appropriation is **underground**

2. The amount of water applied for is **22.280 cfs/10000 gpm** second-feet

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

3. The water to be used for **Mining, Milling and Dewatering**

4. If use is for:

   (a) Irrigation, state number of acres to be irrigated

   (b) Stockwater, state number and kinds of animals to be watered

   (c) Other use (describe fully under No. 12. "Remarks")

   (d) Power:
      (1) Horsepower developed

      (2) Point of return of water to stream

5. The water is to be diverted from its source at the following point **within the NE¼ of the SE¼ of Section 23, T.21N., R.51E., M.D.M. or at a point from which the southeast corner of said Section 23 bears South 18° 26' East a distance of 2087 feet.**

6. Place of Use **Refer to EXHIBIT "A". A maximum of approximately 90,000 acres within the described sections will be used to develop a mine and mill site. Exact location to be determined later.**

7. Use will begin about **January 1** and end about **December 31** of each year.

8. Description of proposed works **Drilled well, pump and pipelines or truck to mine and mill site.**

9. Estimated cost of works **in excess of $3,000,000.**

10. Estimated time required to construct works **3 years**

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

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12. Remarks: **Water will be diverted from well and will be used in mine development, dust control and milling. Aggregate total for water appropriated under all four existing applications and eight new applications shall not exceed 22.280 cfs or 10,000 gpm combined annual duty.**

By **s/George G Lindesmith**
George G. Lindesmith
Tri State Surveying 1925 E. Prater Way
Sparks, Nevada 89434

Compared **gkl/**

Protested **2-9-06 by Roy R Risi, 2-10-06 by US Bureau of Land Mgmt, 2-13-06 by David S A Stine, 2-14-06 by Eureka Cty & Eureka Producers Coop, 2-16-06 by Tim Halpin, Lloyd Morrison & Peter &/or Tom Damele, 2-21-06 by Bobcat Ranch LLC,(Robert & Cathy Weise)**
Protests Overruled 3/26/09 See Ruling #5966 Vacated by Court order 4/10/10

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Protests Overruled 7/15/11 See Ruling #6127

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EXHIBIT "A", PROPOSED PLACE OF USE, IDAHO GENERAL MINES, INC.

Division	Section	Township	Range	Meridian
All	1-3	21N	50E	M.D.M.
All	10-15	21N	50E	M.D.M.
All	22-27	21N	50E	M.D.M.
All	34-36	21N	50E	M.D.M.
All	1-36	21N	51E	M.D.M.
All	6 & 7	21N	52E	M.D.M.
All	18 & 19	21N	52E	M.D.M.
All	30 & 31	21N	52E	M.D.M.
All	36	21 1/2N	51 1/2 E	M.D.M.
All	31 - 36	21 1/2N	52E	M.D.M.
All	31	21 1/2N	53E	M.D.M.
All	34-36	22N	50E	M.D.M.
All	1-3	22N	51E	M.D.M.
All	10-15	22N	51E	M.D.M.
All	20-29	22N	51E	M.D.M.
All	31-36	22N	51E	M.D.M.
All	1	22N	51 1/2 E	M.D.M.
All	12 & 13	22N	51 1/2 E	M.D.M.
All	24 & 25	22N	51 1/2 E	M.D.M.
All	36	22N	51 1/2 E	M.D.M.
All	1 - 36	22N	52E	M.D.M.
All	6 & 7	22N	53E	M.D.M.
All	18 & 19	22N	53E	M.D.M.
All	30 & 31	22N	53E	M.D.M.
All	34-36	23N	51E	M.D.M.