



## THE STATE OF NEVADA

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

**Name of Permittee:** KOBEB VALLEY RANCH, LLC  
**Source:** UNDERGROUND  
**Basin:** KOBEB VALLEY  
**Manner of Use:** MINING AND MILLING  
**Period of Use:** JANUARY 1ST TO DECEMBER 31ST  
**Priority Date:** 05/03/2005

\*\*\*\*\*

#### 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 to change the point of diversion, place and manner of use of the waters of an underground source as heretofore granted under Permit 72695 is issued subject to the terms and conditions imposed in said Permit 72695 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 and 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 or before the proof of completion of work is filed. 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. 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 79913, 79915, 79917, 79920, 79921, 79923, 79926, 79927, 79932, 79934, 79935, 79941 and 79942 shall not exceed 5,007.64 acre-feet annually.

The total combined duty of water under Permits 73548, 73549, 73550, 79911, 79912, 79914, 79916, 79918, 79919, 79922, 79924, 79925, 79928, 79929, 79930, 79931, 79933, 79936, 79937, 79938, 79939 and 79940 shall not exceed 6,292.36 acre-feet annually.

The total combined duty 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 3.0 cubic feet per second or 2,000.00 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

December 13 2013

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

December 13 2016

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 13th day of **December**, A.D. **2011**

  
\_\_\_\_\_  
State Engineer

Completion of work filed \_\_\_\_\_

Proof of beneficial use filed \_\_\_\_\_

Cultural map filed \_\_\_\_\_

Certificate No. \_\_\_\_\_ Issued \_\_\_\_\_

**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 JUN 15 2010

Returned to applicant for correction \_\_\_\_\_

Corrected application filed \_\_\_\_\_ Map filed JUN 15 2010 under 79911

The applicant Kobeh Valley Ranch LLC (c/o General Moly, Inc.)  
1726 Cole Blvd., Suite 115 of Lakewood  
Street Address or PO Box City or Town  
Colorado 80401 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.)

Application No. 72695

1. The source of water is underground  
Name of stream, lake, underground, spring or other sources.
2. The amount of water to be changed 3.0 cfs or 2,000 afa  
Second feet, acre-feet. One second foot equals 448.83 gallons per minute.
3. The water to be used for Mining & milling  
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, and dewatering  
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 SW 1/4 of the SW 1/4 of Section 31, T.21N., R.51E., M.D.M., or at a point from which the northeast corner of Section 24, T.21N., R.50E., M.D.M. bears North 3°21' West a distance of 15,260 feet. Well 226 as shown on the map accompanying this Application.
6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)  
within the SE 1/4 of the SE 1/4 of Section 35, T.21N., R.51E., M.D.M., or at a point from which the southeast corner of said Section 35, T.21N., R.51E., M.D.M. bears South 45°00' East a distance of 933 feet. See the map supporting Application No. 72695.

139-EU

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

See attached EXHIBIT "A" and as shown on the map accompanying this Application.

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.)

See attached EXHIBIT "B" and as shown on the map supporting Application No. 72695.

9. Proposed use will be from January 1 to December 31 of each year.  
Month and Day Month and Day

10. Existing use permitted from January 1 to December 31 of each year.  
Month and Day Month and Day

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, pump and pipelines or truck to mine and mill site.

12. Estimated cost of works \$3,000,000

13. Estimated time required to construct works 3 years

If well completed, describe well.

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

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.)

See attached remarks.

16. Miscellaneous remarks:

RdeLipkau@parsonsbehle.com

E-mail Address

(775) 323-1601

Phone No.

Ext.

APPLICATION MUST BE SIGNED  
BY THE APPLICANT OR AGENT

Ross E. de Lipkau

Type or print name clearly

Signature, applicant or agent

Parsons Behle & Latimer

Company Name

50 West Liberty Street, Suite 750

Street Address or PO Box

Reno, NV 89501

City, State, ZIP Code

Revised 07/09

\$200 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION

Protested: August 12, 2010, by Eureka County, August 20, 2010, by Tim Halpin, August 20, 2010, by D. Lloyd Morrison, August 23, 2010, by Baxter Glenn Tackett w/d 9/30/10  
PRO OVERRULED 7-15-11 RULING 6127

## EXHIBIT "A", PROPOSED PLACE OF USE, KOBEH VALLEY RANCH LLC

| Division | Section              | Township | Range    | Meridian |
|----------|----------------------|----------|----------|----------|
| W 1/2    | 2                    | 20N      | 50E      | M.D.M.   |
| All      | 3-5                  | 20N      | 50E      | M.D.M.   |
| 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.   |
| S 1/2    | 32 & 33              | 21N      | 50E      | M.D.M.   |
| All      | 1-36                 | 21N      | 51E      | M.D.M.   |
| All      | 5-8                  | 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      | 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- <del>30</del> 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.   |
| All      | 31                   | 21 1/2 N | 53E      | M.D.M.   |

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## EXHIBIT "B", EXISTING PLACE OF USE, KOBEH VALLEY RANCH LLC

| 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      | 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.   |
| All      | 31      | 21 1/2 N | 53E      | M.D.M.   |

Remarks

This application is being filed, together with a series of additional applications, to set forth the new or amended points of diversion, as more fully set forth in the Hydrogeology and Numerical Flow Modeling Report dated April, 2010, prepared by Eureka Moly, and submitted to the Bureau of Land Management.

Groundwater will be developed from the Kobeh Valley Groundwater Basin, through a series of production wells. Water will be conveyed to a storage reservoir via a booster pumping station. Water from the storage reservoir will be conveyed to the reduction plant or mill, located within the Diamond Valley drainage basin. After the water is placed to a beneficial use within the reduction plant, a portion of the water will be diverted to a recycling pond, with such water returned to the storage reservoir. The vast majority of water will be carried via the tailings leaving the reduction plant, and will be placed in a tailings pond, located within Kobeh Valley. Thus, the majority of water consumption will take place in Kobeh Valley, and not Diamond Valley.

The total volume of water to be consumed, being the total combined duty of all applications filed herewith shall not exceed 11,300 acre-feet annually. The contemplated mine life, as currently best determined, is 44 years, commencing upon start up or commencement of the mine and works of reduction.