



MINING INCENTIVE PROGRAM – PROSPECTOR APPLICATION GUIDELINES

Purpose:

Mineral exploration is vital to a healthy, sustained and productive mining industry. The Prospector module of the Northwest Territories (NWT) Mining Incentive Program (MIP) provides funding to individual prospectors who propose new exploration projects or are already carrying out NWT mineral exploration work. The MIP is intended to stimulate and sustain mineral exploration activities throughout the NWT and reduce the risk associated with grassroots mineral exploration.

Maximum Funding Per Applicant:

Eligible applicants may apply for exploration grants of up to \$25,000 in the prospector module of the program.

Eligibility:

- Individual prospectors with a valid NWT prospecting license may apply for exploration grants in the prospector module of the MIP.
- All applicants must possess a registered Canadian bank account for the transfer of grant money.
- Applicants are strongly encouraged to discuss their exploration activities with local communities.
- Applicants may only submit proposals for areas in which they have the legal right to conduct exploration.
- Applications will be evaluated by expert staff of the Northwest Territories Geological Survey (NTGS) and other Divisions of the Department of Industry, Tourism and Investment. Only well-conceived and technically-sound applications will be considered for funding.
- Applications that maximise the use of NWT goods and services will be ranked higher than comparable applications that do not provide this benefit to the NWT.
- Eligible expenses must be incurred during the period April 1, 2017 to March 31, 2018.
- It is the applicant's responsibility to ensure that proper permitting is in place and that work programs comply with existing laws and regulations. Applicants that fail to do so will forfeit any MIP grants and may be deemed ineligible for future MIP funding.

How to Apply:

Deadline: April 29, 2017 (11:59 MDT)

To apply for an MIP exploration grant, applicants must submit a completed application form to:

Northwest Territories Geological Survey

Industry, Tourism and Investment

4601-B 52 Avenue

P.O. Box 1320

Yellowknife, NT X1A 2L9

Email: NTGS@gov.nt.ca

Fax: 867-873-2652

Application forms can be downloaded from <http://www.nwtgeoscience.ca/services/mining-incentive-program/mip-forms>. Applications must be dropped off at the NTGS office, mailed or submitted via email or fax before the deadline on April 29, 2017.

Please review the **Prospector MIP Evaluation Guidelines** in this document before filling out your application form. Be sure to include all necessary attachments with your completed application, form including:

- NTS maps clearly outlining work location, access, claims, proposed sampling grids, and any other relevant information, using an appropriate scale and UTM NAD 83 projection coordinates
- Any other relevant maps or supporting evidence (geology, geophysics, cross-sections, etc.)
- List of specialised equipment required
- Proof of any necessary permit and/or license approval

Application Process:

MIP funding is limited and it is expected that it will not be possible to fund all applications. In keeping with the program's mandate to facilitate effective exploration, all proposals will undergo a rigorous and transparent evaluation process in which a grading system will be applied to determine the most worthy candidates.

Prospector applications will be comparatively scored based on the following criteria: Past Performance, Exploration Approach, and Use of NWT Goods and Services. Consult the **Prospector MIP Evaluation Guidelines** (below) for a detailed account of how each evaluation criteria is assessed and scored.

Once applications have been scored and ranked, final funding decisions will be made. MIP staff will determine the best combination of corporate and prospector applications that can be funded.

After program evaluations are complete, applicants will be notified regarding the status of their application. High-ranked proposals that are not funded initially may be offered funding later in the year, should it become available, as the exploration season progresses. Once a signed contribution agreement has been received, successful applicants will be awarded their grant.

Exploration programs must be completed as described in the application. Any significant changes must be approved in advance by the MIP staff. Unapproved costs will be rejected; other unapproved changes may result in grant forfeiture and may affect the applicant's eligibility for future MIP funding.

Once MIP programs are completed, each applicant will be assigned a performance score, for future evaluation.

Any unspent MIP funding must be returned by the final reporting deadline.

Prospector MIP Evaluation Guidelines:

Prospector applications will be comparatively scored based on the following criteria:

- I) Applicant's Past Performance in the MIP**
- II) Proposed Exploration Approach**
- III) Use of NWT Goods and Services**

Each category will be assigned a score from 0-10 for a final score out of 30.

Detailed Criteria with Assessment Guidelines:

I) Applicant's Past Performance in the MIP

Criteria:

- Past performance of applicant's reporting
 - Clarity, accuracy, and timeliness of MIP reports from previous years
- Past performance of applicant's work
 - Quality and quantity of geological data or mineral discoveries, including assays, geophysical surveys, soil sampling, etc.

Assessment:

- 0-1) The program was substantially incomplete or did not proceed.
 - 2-3) The program was completed late, without prior MIP approval; or reporting practices were unacceptable (i.e.: late reporting; or substantially unclear, missing, or inaccurate information/data/receipts/or invoices).
 - 4-5) The program was satisfactorily completed with standard reporting practices (e.g.: limited information/data/receipts/or invoices were missing, unclear, or inaccurate).
 - 6-7) The program was satisfactorily completed with clear, accurate, and timely reporting practices.
 - 8-10) The program produced results that directly enhanced the value of the property/area with clear, accurate, and timely reporting practices.
- If applicant has no performance history in the MIP, the average performance score of all applicants will be used.
 - Upon program completion, each applicant will be assigned a performance score to be used for future evaluation.

II) Proposed Exploration Approach

Criteria:

- Exploration plan reflects an organized and systematic approach to constrain or develop exploration targets using technically sound methods of exploration.
- Demonstrates knowledge of geology and past exploration in area of application, if available.
- The Program Rationale adequately explains why the given methods of exploration are to be employed in the project area.

Assessment:

- 0-1) The exploration plan is poorly organized and uses technically unsound exploration methods; the program rationale is poorly explained.
- 2-3) The exploration plan is poorly organized or uses technically unsound exploration methods; or the program rationale is poorly explained.
- 4-5) The exploration plan is organized and uses technically sound exploration methods; the program rationale adequately explains the methods of exploration using relevant knowledge of geology or past exploration (if available).
- 6-7) The exploration plan is well organized and uses technically sound exploration methods; the program rationale clearly explains the methods of exploration using relevant knowledge of geology or past exploration (if available).
- 8-10) The exploration plan is very well organized and uses technically sound exploration methods; the program rationale very clearly explains the methods of exploration using relevant knowledge of geology or past exploration (if available).

III) Use of NWT Goods and Services

Criteria:

- NWT goods and services are used as much as possible to maximise benefits to NWT businesses and residents.

Assessment:

- The percent of each project's eligible NWT spending will be calculated then converted to a score out of ten (rounded to the nearest integer).
- Eligible NWT spending will be provided by successful applicants in their final reporting to track this economic impact. If a project does not meet its proposed NWT spending goals, this will be noted and reflected in the applicant's past performance score.
- All eligible expenses, including spending by subcontractors, must be clearly indicated as either NWT or non-NWT expenses.
- To be considered as an NWT expense the provider must maintain a permanent physical presence in the NWT, such as an office, laboratory, or store.
- Specialized analyses, necessary for certain types of exploration, which are not available in the NWT will not be counted against a project's NWT spending (e.g.: caustic fusion analysis for diamond exploration).

Deadlines:

Application Deadline:	April 29, 2017
Interim Reporting Deadline:	October 1, 2017
Project Completion Deadline:	March 31, 2018
Final Reporting Deadline:	April 1, 2018
Annual Spending Update Deadline:	April 1, each year until the program is completed

- Applications received after the April 29, 2017 application deadline will not be considered.
- All funded applicants must submit a completed interim report form prior to the October 1 interim reporting deadline.
- Project work must be completed by March 31, 2018.
- A final report is due by April 1, 2018. This deadline allows for assessment of an applicant's past performance prior to considering new MIP funding requests. Early reporting is appreciated.
- Annual spending updates are due on April 1 of each year until the program is completed.
- Late reporting may result in grant forfeiture and may affect future eligibility for MIP funding.
- Eligible expenses must be incurred during the period April 1, 2017 to March 31, 2018.

Reporting Guidelines:

Successful applicants must submit a final report and a statement of eligible MIP expenses (**Expense Form A and B**) accompanied by receipts and invoices. The final report may be used for both MIP purposes and as an assessment report for any related claims.

As per the NWT Mining Regulations, prospectors who report spending of less than \$10,000 per claim may submit a simplified assessment report. Those spending over \$10,000 per claim must submit a regular assessment report signed by a professional geologist (P. Geo.).

The final report will match the format and requirements of an assessment report (or simplified report), as per the NWT Mining Regulations; however in the final report applicants must disclose all activities, data, and expenditures associated with MIP funding. In addition, MIP final reporting will require the submission of:

- (i) a work summary outlining the dates and map location of pertinent exploration work (see the **Prospector MIP Work Summary Form**); and
- (ii) a statement of eligible MIP expenses (see the **Prospector MIP Expense Forms**), accompanied by appropriate receipts and invoices.

All final reporting maps, whether for a simplified or regular report, should outline clearly, using an appropriate scale and UTM NAD 83 projection coordinates, the location of all activities in the exploration program, including sampling grids, sample locations, trench locations, drill hole locations, and geophysical grid locations.

In addition to the final report, projects that have received MIP funding will disclose their total spending on an annual basis until the program is completed. This information must be given regardless of whether or not the program is currently funded by the MIP, and may be provided in the form of an email or letter. Annual spending updates will be due on April 1 each year until the program is completed. Information provided in annual spending updates will be used for internal MIP benchmarking and will not be made public.

Eligible Expenses:

Successful applicants in the Prospector MIP may claim expenses related to: food/consumables, field gear, wages, fuel, travel, analysis, equipment rental, contracting, and exploration.

- All expenses require receipts or invoices, with the exception of wages and food/consumables, which will be reimbursed as per a daily rate.
- Expenses not listed below will be considered on an individual basis.
- MIP staff reserve the right to refuse expenses they deem extraneous or ineligible.
- Programs that do not make efficient use of MIP funding will not be approved.
- Eligible expenses must be incurred during the period April 1, 2017 to March 31, 2018.

Food and Consumables:

A maximum of \$100 per person per field day may be claimed for food and consumables, such as: bug spray, spray paint, toilet paper, etc.

Field Gear:

Field gear will be reimbursed as per receipts.

Wages:

Applicants may claim a maximum of \$100 per person per field day for themselves and one assistant. Wages must not exceed 25% of the total grant.

Fuel:

Fuel will be reimbursed as per receipts. Fuel may account for a maximum of 35% of the total grant.

Travel:

Air travel expenses incurred within the NWT to and within the field area may be claimed as eligible expenses. Travel may account for a maximum of 35% of the expenses claimed.

Analysis:

Analysis costs will be reimbursed as per receipts. Sample analysis and shipping may be claimed.

Equipment Rental:

Equipment rental will be reimbursed as per receipts. Self-owned equipment may be charged at 75% of the going commercial rate.

Professional Consultation:

Consultation with a professional geologist or professional engineer will be reimbursed as per receipts.

Other:

Other types of exploration expenses, which are essential to your proposed exploration program, will be considered on a case by case basis.

Ineligible Expenses:

- Capital expenses
- Staking costs
- Recording, renewing, grouping, transferring, or otherwise acquiring or maintaining an interest in a mineral property
- Management, administration, legal, or accounting fees
- Travel to the NWT
- Activities directly resulting in net income from mineral production
- Expenses related to reclamation
- Expenses related to community consultation
- Personal expenses

Confidentiality:

Applications and proposals are always confidential and can be returned upon request.

Final reports can be kept confidential for up to two years upon request.

Applicant name, project name, project location (NTS map sheet 1:50,000 if on claims, 1:250,000 if not), and the amount of MIP funding given will be made public.

Information provided in annual spending updates will be used for internal MIP benchmarking and will not be made public.