



Mining Incentive Program – Corporate Application Guidelines

Purpose:

Mineral exploration is vital to a healthy, sustained and productive mining industry. The Corporate module of the Northwest Territories (NWT) Mining Incentive Program (MIP) provides funding to exploration companies 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 50% of eligible expenses to a maximum of \$200,000 in the corporate module of the program. Eligible expenses refer to the part of a program for which MIP money is designated, not overall program budget. This means a program would need to demonstrate \$400,000 worth of eligible expenses to qualify for a maximum grant of \$200,000.

Eligibility:

- Any company with the legal right to conduct mineral exploration in the NWT may apply for exploration grants in the corporate module of the program.
- 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 (ITI). Only well-conceived, 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 1st, 2017 to March 31st, 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.
- No project may receive over \$300,000 in MIP assistance over its lifespan.

How to Apply:

Deadline extended to April 29th, 2017

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 29th, 2017.

Please review the **Corporate MIP Evaluation Guidelines** in this document before submitting your application form and program proposal.

The program proposal will include the following elements:

- Title page
- Table of contents
- NTS maps of work location, access, and claims
- Other maps (geology, previous exploration, etc.)
- Summary and location of previous work on the property
- Detailed work plan
 - o An in-depth schedule covering the logistics of your field program. It should give accurate estimates as to when each item of your field program will be accomplished
- List of employees and contractors
 - o For employees give job titles
 - Indicate the number of employees who are NWT residents

- For contractors give company names, contact information, and a description of the contracted work
 - Indicate those contractors that are NWT based
- Exploration Plan
 - Methods of exploration (Geochemistry/Geophysics, etc.)
 - Details of program logistics
 - Rationale
 - Supporting evidence
- Include proof of any necessary permit and/or license approval
- Signature and date

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.

Corporate applications will be comparatively scored based on the following criteria: Innovation, Past Performance, Exploration Approach, Use of NWT Goods and Services, and Potential Economic Impact. Consult the **Corporate 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 with the current MIP budget.

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, should it become available, as the exploration season progresses. Once a signed contribution agreement has been received, successful applicants will be awarded an initial payment equal to 85% of their total MIP contribution.

Exploration programs must be completed as described in the application. Any significant changes must be approved in advance by MIP staff. Unapproved costs will be rejected; other unapproved changes may result in grant reduction or 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. A final grant payment of the remaining 15% will be issued upon approval of the applicant's final report and expenses.

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

Corporate MIP Evaluation Guidelines:

Corporate MIP applications will be comparatively scored based on the following criteria:

- I) Innovation**
- I) Past Performance in the MIP**
- II) Proposed Exploration Approach**
- III) Use of NWT Goods and Services**
- IV) Potential Economic Impact**

Categories 1-4 will be assigned a score from 0-10, Category 5 (Potential Economic Impact) will be scored out of 5. Each project will be scored a total out of 45.

Detailed Criteria with Assessment Guidelines:

I) Innovation:

Criteria:

- Tests innovative, soundly based mineral deposit model
- Tests innovative, soundly based exploration methods
- Delivers basic geoscientific information (i.e.: resolves age, stratigraphic relationships, structural setting, untested geochemical or geophysical anomalies, or depth to geophysical targets or basement, new mineral commodity/showing in area of application, etc.)
- Program effectively tests previously under-explored areas

Assessment:

- 0-1) The program is not innovative, or uses unsound exploration methods or deposit models.
- 2-3) The program is moderately innovative.
- 4-5) The program is innovative.
- 6-7) The program is very innovative.
- 8-10) The program is highly innovative.

II) Past Performance in the MIP:

Criteria:

- Past performance of applicant's reporting
 - o Clarity, accuracy, and timeliness of MIP reports from previous years
- Past performance of applicant's work
 - o 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 the 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 consideration

III) Proposed Exploration Approach

Criteria:

- Exploration plan reflects an organised 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
- Has supporting evidence for target generation (including geological plans, cross-sections, etc.)

Assessment:

- 0-1) The exploration plan is poorly organised and uses technically unsound exploration methods; it fails to incorporate relevant knowledge of geology and past exploration if available; it uses poor quality, or lacks, supporting evidence.

- 2-3) The exploration plan is poorly organised or uses technically unsound exploration methods; or it fails to incorporate relevant knowledge of geology and past exploration if available; or it uses poor quality supporting evidence.
- 4-5) The exploration plan is organised and uses technically sound exploration methods; it incorporates relevant knowledge of geology and past exploration if available; supporting evidence is of good quality.
- 6-7) The exploration plan is well organised and uses technically sound exploration methods; it incorporates relevant knowledge of geology and past exploration if available; supporting evidence is of very good quality.
- 8-10) The exploration plan is very well organised and uses technically sound exploration methods; it incorporates relevant knowledge of geology and past exploration if available; it has excellent supporting evidence.

IV) 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 MIP expenses, (excluding wages and report preparation), incurred in the NWT 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.
- Specialised 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.

V) Economic Impact:

Criteria:

- The project has potential to yield a positive economic impact over the medium to long term

Assessment:

- 0-1) Non-MIP funding is unsecured, and/or the information provided is insufficient for evaluation, and/or there is no potential for medium to long-term economic impact.
- 1-2) The program if successful will likely have little to no economic impact.
- 2-3) The program if successful will likely have a small economic impact.
- 3-4) The program if successful will likely have a large economic impact.
- 4-5) The program if successful will likely have a very large economic impact.

Deadlines:

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

Applications received after the April 29th, 2017 application deadline will not be considered.

All applicants must submit a completed interim report form prior to the Oct 1st, 2017 interim reporting deadline.

Project work must be completed by March 31st, 2018.

A final report is due on April 1st, 2018. This deadline allows for assessment of an applicant's past performance prior to considering new MIP funding requests. Early reporting is appreciated and may result in accelerated final payment.

Annual spending updates are due on April 1st 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 1st, 2017 to March 31st, 2018.

Reporting Guidelines:

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

The final report will match the format and requirements of an assessment report, as per NWT Mining Regulations; however in the final report applicants must disclose all activities, data, and expenditures associated with MIP funded projects.

All final reporting maps 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 1st 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 MIP Expenses:

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

- All eligible expenses including subcontracted costs must be accounted for in terms of NWT spending.
 - o If an eligible expense is to be incurred in the NWT, it must be clearly indicated, and the name of the supplier must be provided
 - o Eligible expenses not incurred in the NWT must also be clearly indicated
- Specialized analysis, necessary to 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). If your program requires such analysis, please indicate this in your program proposal and application form.
- All expenses require receipts or invoices. Claims for wages and food/consumable allowances must be supported by time sheets.
- 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/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. Such items may not be claimed as field gear. Food and consumables will be reimbursed as supported by time sheets.

Field Gear:

Field gear will be reimbursed as per receipts.

Wages:

Wages for employees may be claimed as per MIP wages rates. Wages must not exceed 40% of expenses claimed. Wages will be reimbursed as supported by time sheets.

Fuel:

Fuel will be reimbursed as per receipts. Fuel may account for a maximum of 35% of expenses claimed.

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.

Analyses:

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.

Report Preparation:

Report preparation may account for a maximum of 10% of the total grant.

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 consultation with local communities
- Personal expenses

MIP Wage Rates:

Labourer	up to \$275/day
Technician	up to \$350/day
Prospector	up to \$350/day
Geologist	up to \$400/day
Senior Geologist	up to \$500/day
Workers' Safety and Compensation Commission Claims	as per receipts

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, 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.