



## MINING INCENTIVE PROGRAM – CORPORATE APPLICATION GUIDELINES

### Purpose:

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

### Maximum Funding per Applicant:

Eligible corporate applicants may apply for exploration grants of up to 50% of eligible expenses to a maximum of \$200,000. Eligible expenses refer to the part of a program for which the MIP money is designated, not the 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:

- Companies with the legal right to conduct mineral exploration in the NWT may apply for exploration grants.
- Applicants must possess a registered Canadian bank account for the transfer of grant money.
- Applicants may only submit proposals for areas in which they have the legal right to conduct exploration (information on staking is available at the [Mining Recorder's Office](#)).
- Applications must propose a well-conceived and technically-sound exploration program to be considered for MIP funding. Applications will be evaluated by the expert staff of the Northwest Territories Geological Survey (NTGS) and other divisions of the Department of Industry, Tourism and Investment (ITI).
- 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, 2019 to March 31, 2020.
- It is the applicant's responsibility to ensure that the proper permitting is in place and that work programs comply with existing laws and regulations (information on the Mining Regulations is available at the [Mining Recorder's Office](#)).
- No project may receive over \$500,000 in MIP assistance over the lifespan of the project.
- Applicants are strongly encouraged to discuss their exploration activities with local communities.

## How to Apply:

**Deadline: April 26, 2019 (11:59 Mountain Daylight Time)**

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](mailto:NTGS@gov.nt.ca)  
Fax: 867-873-2652

Application forms can be downloaded at [www.nwtgeoscience.ca/mip](http://www.nwtgeoscience.ca/mip). Applications must be either dropped off, mailed, or submitted via email or fax to the NTGS office before the application deadline on April 26, 2019.

Please review the **Corporate MIP Evaluation Guidelines** in this document before filling out the application form and program proposal. Vague or incomplete applications will not be considered for funding; projects will only be evaluated based on the information provided in the project application; ensure that your application provides enough information to properly evaluate your project.

The program proposal will include the following elements:

- Title page
- Table of contents
- National Topographic System (NTS) map(s) of work location, access, and claims, proposed sampling grids, and any other relevant information, using an appropriate scale and Universal Transverse Mercator (UTM) North American Datum (NAD) 83 projection coordinates.
- Other maps (geology, previous exploration, etc.)
- Summary and location of previous work on the property
- Detailed work plan
- An in-depth schedule covering the logistics of your field program in as much detail as possible. The work plan should give accurate estimates as to when each item of your field program will be accomplished. The work plan can include additional budget information, if necessary.
- List of employees (job titles) and contractors
- For contractors give the 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

- Proof of necessary permits and/or licenses
- Signature and date

## **Application Process:**

The MIP budget is limited and a competitive evaluation process is used to determine the most worthy applicants. It is expected that not all applications will be funded.

Corporate applications to the MIP will be comparatively scored based on the following criteria: innovation, past performance in the MIP, proposed 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.

Successful applicants will be issued a contribution agreement to review and sign. Once a signed contribution agreement has been returned to the NTGS, successful applicants will be awarded 85% of their grant. Proposals that are not funded initially may be offered funding later in the year, should funding become available.

Exploration programs must be completed as described in the application. Any significant changes to the exploration program, including budget changes, must be approved in advance by the MIP staff. Unapproved costs will be rejected; other unapproved changes, including scope and budget reductions, may result in grant reduction or forfeiture and may affect the applicant's eligibility for future MIP funding.

A final grant payment of the remaining 15% will be issued upon approval of the applicant's final report and expenses.

## Corporate MIP Evaluation Guidelines:

Corporate MIP applications will be scored relative to one another based on the following categories:

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

Categories I-IV will be assigned a score from 0-10, and Category V 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, depth to geophysical targets, new mineral commodity/showing in the area of application, etc.
- Program effectively tests previously under-explored areas

#### Assessment:

- (0-1) The program is not innovative or is somewhat innovative.
- (2-4) The program is moderately innovative.
- (5-6) The program is innovative.
- (7-8) The program is very innovative.
- (9-10) The program is highly innovative.

## II) Past Performance in the MIP

### Criteria:

- The project is completed as described in the application
- The project is not under-budget
- The NWT spending obligations for the project are met
- The work specified in the application is carried out as planned
- The quality of the work and reporting
- Clarity, accuracy, and timeliness of the MIP reports from the previous years
- Quality and quantity of the geological data or mineral discoveries

### Assessment:

- (0-1) The program was substantially incomplete, under-budget or did not proceed.
- (2-4) The program was not fully completed, or the project was under-budget, or the quality of the work/reporting were unacceptable, *i.e.*, late reporting; or substantial unclear, missing, or inaccurate information/ data/receipts/or invoices.
- (5-6) The program was satisfactorily completed with standard reporting practices.
- (7-8) The program was satisfactorily completed with a very high quality of work and reporting.
- (9-10) The program produced results that directly enhanced the value of the property/area with clear, accurate, and timely reporting.

**Once the MIP programs are completed, each funding recipient will be assigned a performance score that will be included in the evaluation of future MIP applications. First-time MIP applicants lacking an MIP performance history will be assigned the average performance score of all the applicants.**

### III) Proposed Exploration Approach

#### Criteria:

- The exploration plan reflects an organized and systematic approach to constrain or develop exploration targets using technically sound methods of exploration.
- The exploration plan demonstrates knowledge of geology and past exploration in the area of the application, if available.
- The exploration plan has supporting evidence for target generation (including geological plans, cross-sections, etc.)

#### Assessment:

- (0-1) The exploration plan is poorly organized 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.
- (2-4) The exploration plan is poorly organized 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.
- (5-6) The exploration plan is organized and uses technically sound exploration methods; it incorporates relevant knowledge of geology and past exploration, if available; supporting evidence is of good quality.
- (7-8) The exploration plan is well organized and uses technically sound exploration methods; it incorporates relevant knowledge of geology and past exploration, if available; supporting evidence is of very good quality.
- (9-10) The exploration plan is very well organized 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 eligible NWT spending, excluding wages and report preparation, for a project will be calculated then converted to a score out of ten (rounded to the nearest integer).
- A record of eligible NWT spending will be provided by funding recipients in their final reporting to track this economic impact. If the proposed NWT spending goals for the project are not met, this will be 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 of either goods or services 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 the NWT spending for a project, *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.
- (2) The program if successful will likely have little to no economic impact.
- (3) The program if successful will likely have a small economic impact.
- (4) The program if successful will likely have a large economic impact.
- (5) The program if successful will likely have a very large economic impact.



## **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 will match the format and requirements of an assessment report, as per the 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 clearly outline the location of all activities in the exploration program using an appropriate scale and UTM NAD 83 projection coordinates. The maps must include the locations of sampling grids, sample collection, trenches, drill holes, and geophysical grids.

Total annual spending will be reported on April 1<sup>st</sup> every year following MIP funding until the project is complete regardless of whether or not the program received MIP funding that year. Reporting of the total annual project spending may be submitted via email or letter to the NTGS and will be used to evaluate the impact of the MIP. This information will not be made public.

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

## **Eligible MIP Expenses:**

MIP funded companies may claim expenses related to: food/consumables, field gear, wages, fuel, travel, analysis, equipment rental, contracting, exploration, and report preparation.

- All claimed expenses, including subcontracted costs, must be supported with submitted receipts or invoices.
- 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.
- 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 the NWT spending (*e.g.*, caustic fusion analysis for diamond exploration) for a project. If your program requires such analyses, 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.
- MIP staff reserve the right to refuse expenses they deem extraneous or ineligible.
- Applicants that do not make efficient use of MIP funding will not be approved, or will become ineligible for future funding.
- Eligible expenses must be incurred during the period April 1, 2019 to March 31, 2020.

## **Food/Consumables:**

A maximum of \$70 per person per field day may be claimed for food and consumables, *e.g.*, 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 submitted receipts.

## **Wages:**

Wages must not exceed 40% of expenses claimed.

## **Fuel:**

Fuel will be reimbursed as per submitted 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.

## **Analyses:**

Analyses costs will be reimbursed as per receipts. Sample analyses 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.

## 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

## Confidentiality:

Applications and proposals are always confidential and can be returned upon request. Final reports will be made public through the NTGS. 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 to evaluate the impact of the MIP and will not be made public.

## Deadlines:

Application Deadline:	<b>April 26, 2019</b>
Interim Reporting Deadline:	<b>August 31, 2019</b>
Project Completion Deadline:	<b>March 31, 2020</b>
Final reporting deadline for summer	<b>November 30, 2019</b>
Final reporting deadline for winter	<b>April 1, 2020</b>
Return of unspent MIP funds	<b>April 1, 2020</b>
Annual Spending Update Deadline:	<b>April 1, each year until the project is completed</b>

- Applications received after the April 26, 2019 application deadline will not be considered.
- All funded applicants must submit a completed interim report form prior to the August 31 interim reporting deadline.
- Project work must be completed by March 31.
- Final reports for projects that consist of spring and summer work must be submitted by November 30; whereas projects with winter components must be submitted by April 1. These deadlines allow for the 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 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, 2019 to March 31, 2020.