

## CONTRIBUTION AGREEMENT

This agreement (the “**Agreement**”) made this \_\_\_\_ day of \_\_\_\_\_, 2016,

**BETWEEN:**

**ONTARIO PROSPECTORS ASSOCIATION,**

a non-share corporation incorporated under the laws of Ontario

(the “**OPA**”)

- and -

\_\_\_\_\_,  
a corporation incorporated under the laws of \_\_\_\_\_

(the “**Company**”)

**WHEREAS** under it’s Junior Exploration Assistance Program (the “**Program**”) the OPA provides financial assistance to junior mining corporations in an effort to bolster mineral exploration activity in Northern Ontario;

**AND WHEREAS** the Company applied to the OPA in writing on \_\_\_\_\_ (the “**JEAP Application**”) for financial assistance under the Program towards the Company’s costs in carrying out the “**Project**” (as defined in section 1 below);

**AND WHEREAS** the OPA has determined that the Company qualifies for financial assistance under the Program, subject to the Company and the OPA entering into a written Agreement for this purpose;

**NOW THEREFORE** in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are expressly acknowledged, the OPA and the Company agree as follows:

**1. PURPOSE AND PROJECT**

- (a) The purpose of this Agreement is to set out the terms and conditions under which the OPA will provide financial assistance to the Company for the Eligible Project Costs (as defined in section 4 of this Agreement) the Company incurs to carry out the exploration activities (the “**Project**”) described in the JEAP Application (attached as Schedule “A” to this Agreement).

- (b) This Agreement shall expire three months after the Project Completion Date (as defined in section 2 below).

## 2. PROJECT COMPLETION DATE

- (a) The Company shall complete the Project by no later than \_\_\_\_\_ (the “**Project Completion Date**”).
- (b) Unless the OPA otherwise agrees in writing, if the Company fails or neglects to complete the Project by the Project Completion Date, the OPA shall have the right, upon giving written notice thereof to the Company at the address indicated in the JEAP Application, to withdraw and cancel the OPA’s commitment to provide any financial assistance under this Agreement.

## 3. PAYMENT

- (a) Subject to section 3(b) below, the OPA will provide the Company with the lesser of (i) \$\_\_\_\_\_CAD and (ii) \_\_\_\_% of the Company’s total Eligible Project Costs (the “**Funds**”) provided that all such Eligible Project Costs are actually incurred and paid by the Company on or after the Project Approval Date of \_\_\_\_\_.
- (b) The Funds shall in no event exceed \$\_\_\_\_\_ CAD. The OPA is not responsible for any cost overruns related to the Project.
- (c) The Company shall use the Funds only for the purpose of carrying out the Project and in accordance with the project budget (the “**Project Budget**”) set out in Schedule “B”.
- (d) The Company shall submit the Interim Report and the Final Report as defined in section 5 of this Agreement to the OPA by no later than the due dates set out in section 5. The Company acknowledges that any failure to submit the Interim Report or the Final Report by their respective due dates may result in the OPA terminating its commitment to provide any financial assistance under this Agreement.
- (e) If the Final Report, including all proofs of payment, is entirely satisfactory to the OPA, the OPA will approve payment to the Company of the Funds as determined in accordance with this section.
- (f) Any amount of financial assistance paid by the OPA in excess of the maximum amount set out herein or in respect of any ineligible expenditure shall be deemed an overpayment and shall be repaid by the Company to the OPA on demand and until repaid in full is a debt due and owing by the Company to the OPA.
- (g) If the total Eligible Project Costs paid by the Company are less than the estimated Eligible Project Costs set out in the Project Budget in Schedule “B”, the OPA may, in its sole discretion, vary the amount of Eligible Project

Costs that it reimburses and where applicable, demand the repayment of the excess amount, whereupon the amount demanded by the OPA shall immediately become due and payable.

- (h) The Company acknowledges that the amount of Funds available to it pursuant to this Agreement is based on the net costs to the Company, net of any costs (including taxes) for which the Company has received, will receive, or is eligible to receive, a rebate, credit or refund.

#### 4. **ELIGIBLE PROJECT COSTS**

- (a) Subject to section 4(b) below, the OPA will only provide financial assistance towards the expenditures ("**Eligible Project Costs**") as set out in Schedule "B" of this Agreement.
- (b) Any Eligible Project Cost incurred by or on behalf of the Company prior to the date of this Agreement or after the Project Completion Date is strictly ineligible for any financial assistance under this Agreement and the Program.
- (c) The OPA may, at its sole discretion, on written notice to the Company, immediately terminate or reduce the scope of this Agreement or suspend payment of any financial assistance under this Agreement if the OPA determines that the Company has failed, refused or neglected to:
  - (i) pay any of the Company's contractors and suppliers for the Project; or
  - (ii) comply with any of the Company's obligations under this Agreement or any requirement imposed on the Company in any of the documents listed in section 8(a) of this Agreement.
- (d) The Company acknowledges that the Northern Ontario Heritage Fund Corporation has provided funding for the Program. As a result, the Company acknowledges that, to the extent that Eligible Project Costs claimed by the Company include travel, meal and accommodation costs incurred by the Company (but excluding amounts paid to the Company's subcontractors for which the Company seeks reimbursement), the OPA will only reimburse such Eligible Project Costs up to the allowable limits set out in the Ontario Public Service *Travel, Meal and Hospitality Expenses Directive*, a copy of which may be found online at: <https://www.ontario.ca/document/travel-meal-and-hospitality-expenses-directive>.
- (e) If the Company hires Aboriginal persons or Aboriginal businesses to work on its Project, a senior officer of the Company will sign an attestation certifying that the Company was provided with evidence (i) in the form of a status card to verify that such persons are in fact Aboriginal persons, or (ii) that 51% or more of each of said businesses are owned and controlled by an Aboriginal person(s), as applicable, and the Company shall provide the original executed certificate to the OPA together with its Final Report.

## 5. REPORTS

- (a) The Company shall provide the OPA, at the address specified in section 5(c) herein, with the following:
- (i) an interim report in writing (the “**Interim Report**”), no later than September 30, 2016, which Interim Report shall contain:
    - A. a brief description of the status of the Project including Project activities completed as of the reporting date and if the Project is delayed or cannot be completed, the Company’s detailed explanation of the reasons for the delay or why the Project cannot be completed,
    - B. the remaining activities to be conducted by the Project Completion Date,
    - C. the Company’s expenditures incurred to date for the Project, if applicable,
    - D. whether the Company is expecting the Project to come in at, below or above the forecasted budget, and
    - E. whether the Company has hired or intends to hire Aboriginal persons and/or Aboriginal businesses to carry out work on the Project;
  - (ii) a final report in writing (the “**Final Report**”), no later than February 28, 2017, together with the completed Final Submission for Grant 2016-2017 form (attached as Schedule “C”), proof of payment satisfactory to the OPA, in its sole discretion, of costs incurred relating to the Eligible Project Costs claimed in the submitted Final Submission for Grant 2016-2017 and the attestation set out in subsection 4(e), if applicable. The Final Report shall contain:
    - A. a brief description of all exploration activities (including size, scale and type) carried out in respect of the Project and the dates on which such exploration activities were carried out,
    - B. the results of the exploration activities and the recommendations in respect of any future mineral development on the land where the exploration activities were carried out,
    - C. a detailed list of the Company’s actual total final project expenditures incurred for the Project,
    - D. whether the Company hired Aboriginal persons and/or Aboriginal businesses to carry out work on the Project and if so, the type of work and the total value of the work carried out by Aboriginal persons and/or Aboriginal businesses,
    - E. the number of Jobs created as a result of the Project and of that total number of Jobs, include the number of Jobs undertaken by Aboriginal persons;

- F. the area of Northern Ontario where the Project is located, and
  - G. whether the Company intends to continue to carry out the Project in the following 12-month period and if so, the amount of new funding the Company intends to commit to continue such exploration work.
- (b) The Interim Report and the Final Report shall be signed on behalf of the Company by an authorized signing officer.
  - (c) Unless otherwise specified by the OPA, all reports, documents and other materials required to be provided by the Company to the OPA under this Agreement shall be submitted to:
    - Ontario Prospectors Association
    - 1000 Alloy Drive
    - Thunder Bay, Ontario P7B 6A5
    - Attention: JEAP Co-ordinator

## 6. EVENTS OF DEFAULT

- (a) Each of the following events shall constitute an “**Event of Default**”:
  - (i) if in the opinion of the OPA, the Company has knowingly provided false or misleading information regarding its request for financial assistance or in any communication with the OPA;
  - (ii) if any representation or warranty provided to the OPA by the Company is incorrect in any material respect on the date on which such representation or warranty was made;
  - (iii) if in the opinion of the OPA, the Company breaches any term or condition of the Agreement;
  - (iv) the nature of the Company’s operations or its corporate status changes so that it no longer meets one or more of the applicable eligibility requirements of the Program;
  - (v) the Company makes an assignment, proposal, compromise, or arrangement for the benefit of creditors, or is petitioned into bankruptcy, or files for the appointment of a receiver or if any bankruptcy, reorganization, arrangement or insolvency proceedings for relief under any bankruptcy or similar laws for the relief of debtors are instituted against the Company or is consented to by the Company, or, if contested by the Company, is not dismissed within 30 days; or
  - (vi) the Company ceases to operate.
- (b) If an Event of Default occurs, the OPA may, at any time, take one or more of the following actions:
  - (i) suspend the payment of Funds for such period as the OPA determines appropriate;
  - (ii) reduce the amount of the Funds;

- (iii) cancel the payment of Funds;
  - (iv) demand the repayment of any Funds remaining in the possession or under the control of the Company, whereupon the amount demanded by the OPA shall immediately become due and payable;
  - (v) demand the repayment of an amount equal to any Funds the OPA used for purposes not agreed upon by the OPA, whereupon the amount demanded by the OPA shall immediately become due and payable;
  - (vi) demand the repayment of an amount equal to any Funds the OPA provided to the Company, whereupon the amount demanded by the OPA shall immediately become due and payable;
  - (vii) terminate this Agreement immediately upon giving notice to the Company; and/or
  - (viii) exercise any other rights or remedies available to the OPA under this Agreement or applicable law.
- (c) In addition to its rights provided for above, the OPA may provide the Company an opportunity to remedy the Event of Default by providing notice to the Company of the particulars of the Event of Default and of the period of time within which the Company is required to remedy the Event of Default. If the Company does not remedy the Event of Default within the time period specified in the notice, then the OPA may initiate any one or more of the actions provided for in section 6(b) above.

## **7. REPRESENTATIONS, WARRANTIES AND COVENANTS**

The Company represents, warrants and covenants to the OPA that:

- (a) the Company is a validly existing legal entity with full power to fulfill its obligations under this Agreement;
- (b) the Company has all legal rights and powers to carry out the Project;
- (c) the Company will carry out the Project in accordance with all federal and provincial laws and regulations, all municipal by-laws, any other orders, rules and by-laws;
- (d) nothing has changed in respect of the nature and scope of the Project activities since the date that the Company submitted the JEAP Application and the date this Agreement is signed by the Company;
- (e) the Company has funds or has obtained funds from other sources necessary to complete the Project as described in the Project Budget set out in Schedule "B";
- (f) the Company will not make any changes to the Project and/or the Project Budget without the prior written consent of the OPA;

- (g) the Company acknowledges that the Northern Ontario Heritage Fund Corporation has provided funding for the Program; therefore, at the OPA's request, the Company shall obtain from one or more of its employees and contractors a consent to the collection, use and disclosure of personal information, which consent shall be in favour of the OPA and the Northern Ontario Heritage Fund Corporation; and
- (h) if the Company acquires supplies, equipment or services with the Funds, it shall use reasonable best efforts to do so through a process that promotes the best value for money.

## 8. **RECITALS, SCHEDULES, CONFLICTS**

- (a) The recitals to this Agreement and each of the following documents form part of this Agreement, whether or not any such document is attached or appended as a schedule to this Agreement:
  - (i) Schedule "A" – JEAP Application;
  - (ii) Schedule "B" – Eligible Project Costs and Project Budget;
  - (iii) Schedule "C" – Final Submission for Grant 2016-2017 form; and
  - (iv) Schedule "D" – General Conditions.
- (b) If there is any conflict between:
  - (i) the terms and conditions of this Agreement and any of the documents identified in section 8(a), the terms and conditions of this Agreement shall govern; or
  - (ii) the General Conditions set out in Schedule "D" and any of the other documents identified in section 8(a), the General Conditions shall govern.

## 9. **GENERAL PROVISIONS**

In addition to the provisions of General Conditions, the following provisions shall apply:

- (a) Nothing in this Agreement creates any undertaking, commitment or obligation on the part of the OPA respecting additional or future funding for the Project or any development or activities related to or arising out of the Project.
- (b) This Agreement and the documents identified in section 8(a) of this Agreement contain the entire Agreement between the OPA and the Company. There are no undertakings, representations, or promises, expressed or implied, other than those contained in this Agreement.
- (c) This Agreement shall be interpreted and performed in accordance with the laws of the Province of Ontario and enforced in the courts of the Province of Ontario.

**THIS AGREEMENT** has been executed by the OPA and by the Company as of the date first above written.

**ONTARIO PROSPECTORS ASSOCIATION**

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Name:

Position:

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Name:

Position:

I/We have authority to bind the OPA.

**CORPORATION:**

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Name:

Position:

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Name:

Position:

I/We have authority to bind the Company.