

J E A P
Junior Exploration
Assistance Program

Guidebook 2016



Table of Contents

INTRODUCTION	3
SUMMARY	3
PROGRAM ASSISTANCE	3
DEADLINES FOR 2016-2017 JEAP PROGRAM	4
ELIBILITY FOR ASSISTANCE.....	4
EARLY-STAGE EXPLORATION ELIGIBLE EXPENDITURES.....	4
ABORIGINAL CAPACITY ELIGIBLE EXPENSES.....	5
FUNDING LIMITS	6
SELECTION CRITERIA.....	6
HOW TO APPLY	6
1. Application for Funding Form.....	7
2. Work Proposal.....	7
PROCEEDING WITH PROJECT	8
Interim Report (for applicants meeting the April 30, 2016 deadline)	8
Final Report and Final Submission for Grant Form	8
FURTHER INFORMATION	9

INTRODUCTION

The Junior Exploration Assistance Program provides incentives to qualified corporations for grassroots mineral exploration in Northern Ontario. This incentive program is designed to stimulate these activities in order to help discover the new mines of tomorrow.

SUMMARY

Eligible Activities	Maximum Assistance	Aboriginal Capacity Assistance	Eligibility	Payment
Early Stage Exploration Activities ¹	\$100,000 per project ² \$200,000 per applicant per funding year	\$6,000 per project ³	Non-producers ⁴ , junior mining companies having a market capitalization of less than \$5M	On submission and approval of the Final Submission for Grant Form, expenditures, reports and maps after completion of work

1 Exploration Plan or Permit. The funding is a discovery based incentive rather than a definition based one.

2 Properties must be non-contiguous to be considered separate Projects for purposes of this program. and be eligible for the maximum assistance of \$100,000.

3 Eligible Aboriginal Capacity Assistance (ACA) expenses are described herein.

4 Companies who have producing mines do not qualify for this program.

Note: for additional details on any of the topics discussed in this Guidebook, please refer to the attached JEAP Instructions (see attached).

PROGRAM ASSISTANCE

The program provides grants to qualified companies and individuals of up to 33.3 per cent of approved eligible expenses. Maximum assistance for the grassroots component is \$100,000 per project, 2 projects per applicant for the current funding period. To qualify, applicants must complete the Application for Funding Form and receive approval prior to the commencement of work. Payment will be made after the completion of the work and upon the submission and approval of the Final Submission for Grant Form, including a detailed list of expenditures, reports and maps. Applications will be assessed for eligibility based on the selection criteria detailed in this booklet. Financial assistance is not automatic; the Ontario

Prospectors Association (OPA) reserves the right to refuse any request for assistance, in whole or in part, based on funding and JEAP budget considerations and regardless of a proposal meeting the stated criteria.

DEADLINES FOR 2016-2017 JEAP PROGRAM

Deadlines for applicants to submit their Application for Funding Form(s) and supporting documentation are April 30, 2016 and August 30, 2016.

ELIBILITY FOR ASSISTANCE

To qualify for assistance the applicant must:

- Be registered to hold claims or able to carry out exploration activities in Ontario;
- Be registered to conduct business in Ontario;
- Be in compliance with Ontario acts and regulations;
- Have an Exploration Plan or Exploration Permit which is valid for the year the application is made (where required);
- Complete the JEAP Application for Funding Form; and
- Provide proof that the applicant has the funds necessary to complete the proposed work up to the maximum amount of the grant stated in the application.

The applicant corporation must have a market capitalization of less than \$5 million as of December 31, 2015

Legal, accounting, property acquisition and title maintenance costs as well administrative overhead costs are not allowable for funding by this grant and should not be included in the calculation described in the Application for Funding.

EARLY-STAGE EXPLORATION ELIGIBLE EXPENDITURES

Exploration expenditures eligible for the JEAP are expenses for personnel salaries and fees, services related to exploration, supplies, accommodation and machinery rental as well as transportation within Ontario of personnel, supplies and machinery incurred as part of the fulfillment of an approved JEAP project.

To the extent that Eligible Project Costs claimed by the Entities include travel, meal and accommodation costs incurred by the Entities (but excluding amounts paid to the Entities' subcontractors for which Entities seek 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>. The Entities will need to provide receipts for these expenses.

The following activities are considered eligible expenses if approved:

- Prospecting on the property: such an activity includes the preparation of a map showing traverses and observations made, sample and outcrop locations (if any);
- The establishment of a grid by line cutting, including picketing and chaining, when such a grid has been approved and is used to carry out an eligible survey;
- Geotechnical surveys, including geophysical (airborne or ground), geological and geochemical (including overburden drilling), when such activities include the preparation of maps and reports by qualified personnel;
- Stripping and rock trenching, when such activities include the preparation of outcrop and sample plans and reports;
- Assaying and analyses for the above activities, when such activities include the preparation of maps and reports;
- Surface overburden and core drilling for exploration purposes only, including mobilization, demobilization and core logging and sampling, supported by the preparation of plans, sections, drill logs and reports.

ABORIGINAL CAPACITY ELIGIBLE EXPENSES

There is a separate grant category for expenses incurred for Aboriginal skills training, employment and/or capacity building. This category is intended to encourage explorationists to actively seek out and employ Aboriginal community members and Aboriginal businesses as much as possible for their projects. The grant amount would be up to a maximum of \$6,000.00.

Aboriginal Capacity Eligible expenses are expenses for personnel salaries and fees, services related to exploration, supplies, accommodation and machinery rental, as well as transportation of personnel, supplies and machinery carried out by Aboriginals or Aboriginal Businesses as part of the fulfillment of an approved JEAP project.

- The eligible Aboriginal Capacity activities are the same as those described above and additionally, include documented training costs. Where possible the proponent will identify whether the business is owned or partially owned by a First Nation or is an aboriginal-owned business and whether the Aboriginal employees were contracted directly or through a First Nation employer.

FUNDING LIMITS

Percentage of Assistance	Max. Assistance (per project)	Max. Assistance (per applicant, per fiscal year)	Max. Number of Projects (per applicant)
Exploration Expenditures			
Up to 33.3 %	\$100,000	\$200,000	2
Aboriginal Capacity Expenditures			
100 %	\$6,000	\$12,000	2
Total Available	\$100,000	\$200,000	

NOTE: The Aboriginal Capacity Expenditure Grant will be included within the maximum assistance amount per project.

SELECTION CRITERIA

Funding is not automatic. The following will be considered in determining the acceptance and designation of your project in relation to other proposals:

- ✓ Quality and documentation of proposal (based on maps provided, synthesis of previous work, description of project)
- ✓ Rationale of project (based on applicant's reasons and conclusions given in the proposal and supporting documentation in the proposal)
- ✓ Type of work proposed to be carried out being appropriate to advance the project

HOW TO APPLY

A separate Application must be completed for each project.

Applications to have a project designated for JEAP must include:

- ✓ A fully completed Application for Funding Form (enclosed)
- ✓ A work proposal including the location of your project area
- ✓ Proof of interest in the property
- ✓ Proof that sufficient funds are on hand to carry out the proposed project
- ✓ A valid exploration Plan or Permit for the project which is sufficient to allow for completion of the proposed project (if required by legislation)

1. Application for Funding Form

See separate Application for Funding Form. Please ensure that all parts of the form are completed.

2. Work Proposal

The work proposal must contain the following information:

- a) Identify project location by: area/township, claim map sheet, and latitude and longitude. **Properties must be non-contiguous to be considered separate projects for purposes of this program.**
- b) Location map(s) of project area(s);
- c) Maps and descriptions showing access to project site (JEAP personnel may visit project sites to verify that proposed work has been carried out);
- d) Description of property including list of claims, recent claim map with property outlined and status of claims (e.g. wholly owned, optioned, etc.);
- e) Description of regional and local geology accompanied by a map illustrating this information;
- f) Description of project target(s) - commodity type and deposit type;
- g) Brief summary of all previous work done on property giving year, type of work, by whom and any significant results, accompanied by a map illustrating this information;
- h) Description of type and amount of proposed work, preferably outlined on a property compilation map;
- i) An accurate estimate of the project cost including a breakdown of estimated costs and unit costs by activity;
- j) Rationale for your project;
- k) Description of project management;
- l) Proof of approved Exploration Plan and/or Permit with sufficient uncompleted work allocation to allow for completion of the proposed project.

Completed Application for Funding Form and Work Proposal must be received by JEAP on or before April 30, 2016 or August 30, 2016.

Applications received will be reviewed on a first come-first served basis. If by the deadline the program is oversubscribed a reduced maximum limit of the grant will be established for the project. Upon approval, programs can commence and will be deemed eligible for the grant, but the applicant must understand that the 33.3% rebate may be reduced if the

program is oversubscribed. Should the percentage of the rebate be reduced, applicants will be notified.

Please note that due to the popularity of the program, applications that are incomplete by either deadline, as specified above, may not be approved.

The rebate is available for exploration activities carried out in Northern Ontario (Territorial Districts of Algoma, Cochrane, Kenora, Manitoulin, Nipissing, Parry Sound, Rainy River, Sudbury, Thunder Bay and Timiskaming).

The applicant is solely responsible for the acquisition of all necessary permits and permissions including surface access permissions required for undertaking work on their project.

Upon approval of a project JEAP will submit a Contribution Agreement (see attached) to the Company for signing within 30 days. The Contribution Agreement is required to receive funding.

A list of successful applicants will be presented to Northern Ontario Heritage Fund (NOHFC), MNDM (Ministry of Northern Development & Mines), and MAA (Ministry of Aboriginal Affairs).

PROCEEDING WITH PROJECT

Successful applicants should review the reporting requirements for the Final Submission for Grant before proceeding with their JEAP supported projects. This will assist with the submission of the final documentation.

If work on a designated project is discontinued before the project is completed or unable to commence, the applicant must notify the OPA within thirty days, giving an estimate of the eligible expenditures incurred.

Interim Report (for applicants meeting the April 30, 2016 deadline)

No later than **September 30, 2016**, the applicant must submit an Interim Report to JEAP.

The Interim Report must include the information specified in Section 5(a)(i) of the Contribution Agreement.

Final Report and Final Submission for Grant Form

Upon completion of the designated project, a Final Submission for Grant form must be completed in full, (including supplemental information) accompanied by the required Final Report and provided to JEAP.

The Final Submission for Grant form and Final Report must be received by JEAP no later than February 28, 2017.

Submissions must be accompanied by a detailed summary sheet of the expenses incurred during the designated project. Copies of all receipts, invoices and cancelled cheques must be submitted by the applicant.

A digital copy of all technical data must be submitted in a format which conforms to Ontario Assessment work reporting standards. Two years after the submittal of the technical data to JEAP all technical data will be donated to the MNDM. Each Company is responsible for filing separate assessment reports to MNDM, if required for lands administration purposes.

Following the evaluation of the technical data submitted and verification of eligible expenses, the grant will be paid out as soon as possible.

FURTHER INFORMATION

Junior Exploration Assistance Program (JEAP)
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