

## **SCHEDULE "D"**

### **GENERAL CONDITIONS**

#### **1. AMENDMENTS**

This Agreement may be amended by the mutual written consent of the parties hereto.

#### **2. GOVERNING LAW**

This Agreement and the rights, obligations and relations of the parties hereto shall be governed by and construed in accordance with the laws of the Province of Ontario and the applicable federal laws of Canada. Any actions or proceedings arising in connection with this Agreement shall be conducted in Ontario.

#### **3. TRANSFER/SALE/ASSIGNMENT**

- (a) The Company shall not sell, transfer or in any way dispose of its right to carry out the Project under the Program or its associated mineral rights until this Agreement has expired.
- (b) The Company shall not assign this Agreement or any part hereof or any payments to be made hereunder without the written consent of the OPA.

#### **4. INSURANCE**

The Company represents and warrants that it has, and shall maintain for the term of the Agreement, at its own cost and expense, with insurers having a secure A.M. Best rating of B+ or greater, or the equivalent, all the necessary and appropriate insurance that a prudent person carrying out a project similar to the Project would maintain, including commercial general liability insurance on an occurrence basis for third party bodily injury, personal injury and property damage, to an inclusive limit of not less than two million dollars (\$2,000,000.00) per occurrence. The policy shall include the following:

- (i) the OPA and the Northern Ontario Heritage Fund Corporation and each of their respective directors, officers, agents, advisors and representatives as additional insureds with respect to liability arising in the course of performance of the Company's obligations under, or otherwise in connection with, the Agreement;
- (ii) a cross-liability clause;
- (iii) contractual liability coverage; and
- (iv) a thirty (30) day written notice of cancellation.

#### **5. LIABILITY/INDEMNITY**

The Company hereby agrees to indemnify and hold harmless the OPA and the Northern Ontario Heritage Fund Corporation and each of their respective directors, officers, agents, advisors and representatives from and against any and all liability, losses, costs, damages and expenses (including legal, expert and consultant fees), causes of action, actions, claims, demands, lawsuits or other proceedings, by whomever made, sustained, incurred,

brought or prosecuted, in any way arising out of or in connection with the Project or otherwise in connection with this Agreement.

## 6. NOTICE

Any notice or other communication to either party shall be in writing and shall be effectively given if delivered personally, or sent by registered mail, postage pre-paid, or by way of facsimile machine, addressed to the other party at the address shown below. Any notice or communications sent by registered mail shall be deemed to be received on the seventh business day following the date of mailing. If mail service is disrupted by labour controversy, notice shall be delivered personally, electronically or by other means as deemed necessary.

OPA: Ontario Prospectors Association, 1000 Alloy Drive, Thunder Bay, Ontario, P7B 6A5  
Fax: (807) 622-4156

Company: \_\_\_\_\_

Address: \_\_\_\_\_

Fax: \_\_\_\_\_ Contact Email: \_\_\_\_\_

## 7. ACCOUNTS AND FINANCIAL STATEMENTS

- (a) The Company agrees to keep proper accounts and records of the revenues and expenditures relating to the subject matter of this Agreement, including all invoices and receipts relating thereto. The Company will provide financial information, statements and forecasts as stipulated in this Agreement and as required from time to time by the OPA and shall conduct its financial affairs according to generally accepted accounting principles and practices. For the purposes of this Agreement, the Company will keep all financial accounts and records relating to this Agreement and the Project for a period of at least seven years after the expiry of this Agreement.
- (b) The Company will keep all non-financial records relating to this Agreement and the Project for a period of at least seven years after the expiry of this Agreement.
- (c) The Final Submission for Grant 2016-2017 form attached as Schedule "C" to this Agreement must accompany the Final Report. Appropriate receipts, invoices and time logs, and any other form of proof of payment, must be submitted with the Final Submission for Grant 2016-2017 (the OPA reserves the right to request any other supporting documentation it deems necessary, in its sole discretion.)

## 8. AUDIT

The OPA reserves the right to audit or cause to have audited the accounts and records of the Company to ensure compliance with the terms and obligations of this Agreement, and

the Company shall make available to such auditors any records, documents and information that the auditors may require. The scope, coverage and timing of such audit shall be as determined by the OPA and if conducted may be carried out by employees of the OPA or its designated agent(s). The Company agrees to pay to the OPA, on being informed of the results of such audit, any monies which the audit may show to be then due and owing to the OPA.

#### **9. NON-COMPLIANCE**

Should the Company fail to comply with any of the terms and conditions contained in this Agreement, the OPA may, by giving written notice to the Company, terminate, suspend or reduce the scope of this Agreement.

The OPA reserves the right upon termination, suspension or reduction of the scope of this Agreement to demand repayment of all or part of the Funds already paid and to seek any other appropriate legal or equitable remedy.

In the event that this Agreement is the subject of dispute and the OPA chooses not to exercise its right to terminate or suspend this Agreement, this Agreement will be considered in force until a competent legal authority has resolved the dispute.

#### **10. OVERPAYMENT**

In the event that payments made to the Company under this Agreement exceed the amount thereof required or expended by the Company in accordance with this Agreement, any such surplus is payable forthwith to the OPA. Where any surplus payable has not been repaid, an amount equal to the surplus may be retained by way of deduction from or set-off against any sum of money that may be due or payable to the Company under this Agreement or any other agreement between the OPA and the Company.

#### **11. REVIEW**

The OPA in its discretion may carry out a review of the effectiveness or efficiency of the Program. The Company agrees to cooperate with the OPA if it decides to conduct a review. This cooperation may include, but is not limited to, providing the OPA with:

- (a) access to staff and records; and
- (b) such information as the OPA may request during or after the term of this Agreement within a reasonable period of time.

#### **12. TIME OF ESSENCE**

Time shall be of the essence of this Agreement.

#### **13. SEVERANCE**

If any provision of this Agreement is for any reason invalid, that provision shall be considered separate and severable from this Agreement, and the other provisions of this Agreement shall remain in force and continue to be binding upon the parties as though the invalid provision had never been included in this Agreement.

#### **14. WAIVER**

The failure by the OPA to insist on one or more instances upon the performance by the Company of any of the terms or conditions of this Agreement shall not be construed as a waiver of the OPA's right to require future performance of any such terms or conditions, and the obligations of the Company with respect to such future performance shall continue in full force and effect.

#### **15. ENUREMENT**

The Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

#### **16. CONTRIBUTION ONLY**

This Agreement is a contract for a contribution only and nothing in it or done pursuant to it, is to be construed as constituting the Company as the OPA's agent, employee, partner or joint venture; and the Project shall be the sole responsibility of the Company.

#### **17. DEFINITION OF ABORIGINAL BUSINESS**

“**Aboriginal business**” means a business that is 51% or more owned and controlled by an Aboriginal person(s).

#### **18. DEFINITION OF ABORIGINAL PERSON**

“**Aboriginal person**” includes First Nations, Métis and Inuit.

#### **19. DEFINITION OF JOB**

“Job” means:

*For hourly employees:* the number of Jobs for hourly paid employees on the Company's payroll, in respect of any Job-Year, is an amount equal to “X”, where X is calculated in accordance with the formula:

$$X = a/2000$$

Where “a” = the total number of hours worked on the Company's mineral exploration project during such Job-Year by all hourly employees employed by the Company, including hours worked in overtime or taken as paid vacation, sick leave, and for other similar reasons, and hours for which pay is provided in lieu of notice.

*For salaried employees:* a full-time job (at least 37.5 hours per week) of a salaried employee who is employed by the Company on the Company's mineral exploration project during an entire Job-Year. If such employee is employed for fewer than 12 months in such Job-Year, each full month that such employee is actually employed shall be considered to be 1/12<sup>th</sup> of a Job.

#### **20. DEFINITION OF JOB-YEAR**

“Job-Year” means the 12-month period ending on the anniversary of the start date of a Company's mineral exploration project.

#### **21. DEFINITION OF NORTHERN ONTARIO**

“Northern Ontario” means the territorial districts of Algoma, Cochrane, Kenora, Manitoulin, Nipissing, Parry Sound, Rainy River, Sudbury, Thunder Bay and Timiskaming.

**22. DEFINITION OF PROJECT APPROVAL DATE**

“Project Approval Date’ means the date the project was approved by the JEAP Administrator(s) following review of the Application for Funding form and stated in the Contribution Agreement.”

**THIS SCHEDULE is agreed upon** 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.