

J E A P
Junior Exploration
Assistance Program

Guidebook and Forms 2017



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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	\$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 Applicant requires the funds necessary to complete the proposed work up to the maximum amount of the grant stated in the application (Proof of required by December 29, 2017).

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. 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 2017 JEAP PROGRAM

Deadline for applicants to submit their Application for Funding Form(s) and supporting documentation is December 15, 2017.

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 the applicant has the funds (to OPA December 29, 2017) necessary to complete the proposed work up to the maximum amount of the grant stated in the application.
- Provide proof of Commercial General Liability insurance (to OPA December 29, 2017).

The applicant corporation must have a market capitalization of less than \$5 million as of market close October 31, 2017.

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:

- 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;
- Geophysical surveys (airborne or ground) and geochemical (including overburden drilling), when such activities include the preparation of maps and reports by qualified personnel;
- 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	Maximum Assistance
Exploration Expenditures	
Up to 33.3 %	\$100,000
Aboriginal Capacity Expenditures	
100 %	\$6,000
Total Available	\$100,000

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

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 being appropriate to advance the project

HOW TO APPLY

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 on hand to carry out the proposed project
- ✓ Proof of Commercial General Liability coverage
- ✓ 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 attached. Please ensure that all parts of the form 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.
- b) Location map of project area;
- 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, status of claims and relationship of the claim ownership and applicant;
- 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 including 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 December 15, 2017.

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 final approval (**January 5, 2018**), 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 as of December 15, 2017 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 tentative approval of a project, receipt by JEAP from the company of proof of insurance and sufficient funds to complete the project the JEAP administration will submit a Contribution Agreement (see attached) to the Company for signing. The Contribution Agreement is a requirement 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. Failure to do so may jeopardize the funding to the company.

Interim Report

No later than **February 17, 2018**, 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 June 1, 2018.

Final submissions must be accompanied by the detailed summary sheet (provided) of the expenses incurred during the designated project. To facilitate Proof of Payment (POP) copies of all receipts, invoices and cancelled cheques must be submitted by the applicant.

A complete 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)
Ontario Prospectors Association
941 Cobalt Crescent
Thunder Bay, ON P7B 5Z4
jeap@ontarioprospectors.com

Junior Exploration Assistance Program (JEAP) 2016-2017 INSTRUCTIONS

Eligible expenses consist of the following:

1. All expenses for services, personnel, supplies, accommodation, machinery rental and transportation of personnel, supplies and machinery incurred under a designated early-stage exploration project in Ontario with respect to:
 - 1) geotechnical surveys, including ground or airborne geophysical surveys, and geochemical surveys if the surveys include the preparation of maps and reports;
 - 2) the establishment of a grid by linecutting, including picketing and chaining, or by compass line and flagging, where dictated by circumstances, if the grid established is used to carry out a survey;
 - 3) assays and analyses, if they include the preparation of maps and reports and the submission of assay or geochemical certificates; and
 - 4) surface diamond drilling and overburden test drilling, including mobilization, demobilization and core logging and the preparation of plans, sections, drill logs and reports.

2. To the extent that Eligible Project Costs claimed by the corporation includes travel, meal and accommodation costs incurred by the corporation (but excluding amounts paid to the Entities' subcontractors for which Entities seek reimbursement), 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.

3. In calculating eligible expenses, deduct funds obtained from any other type of government assistance

4. An Application for Funding form shall be accompanied by:
 - 1) a detailed list of the expenditures being claimed as eligible exploration expenses;
 - 2) a complete **DIGITAL** set of technical reports eligible for assessment purposes under the Mining Act, accompanied by maps, plans, sections and drill logs showing the date and the author's name;
 - 3) an index map showing the location of the work area with respect to claim boundaries; and
 - 4) one copy of any additional digital data.

5. The following requirements apply to the items referred to in section 1:
 - 1) Plans or maps submitted shall have an astronomic or magnetic north arrow and a scale and shall show claim lines, claim numbers and existing survey or grid lines, roads, stream and other major topographical features.

- 2) Geophysical survey maps shall show the lines surveyed, station and base points, value of readings taken and the units measured and the data shall be presented by contours or profiles or by an equivalent method of presentation with conductor locations shown.
 - 3) Reports on geophysical surveys shall indicate the instrument used, its make, type and model and shall specify the scale constant and sensitivity, the method of survey, the number of stations established, the kilometres of line surveyed, the dates of the surveys and the interpretation of the results.
 - 4) Details regarding analytical results shall include the total number of samples collected, metals determined and concentration units, analytical methods used, the concentration of the reagents and the name of the commercial laboratory used and, if a field analytical method for determining the metal content is used, a description of the method.
 - 5) Results of assays or other related analytical work shall be accompanied by plans or sections, or both, showing the assay results and the sample dimensions and indicating the type of grab, chip, panel, channel, drill core or other type of sample taken, accompanied by laboratory analysis certificates.
 - 6) Results of drilling shall be set out in a written report outlining the objectives, final results and recommendations of the drilling program.
 - 7) The report referred to in paragraph 6 shall be accompanied by complete drill logs showing the name of the drilling contractor, the starting and finishing dates, the size of the core, the direction and initial dip of hole, the location within a claim or grid co-ordinates, the results of dip tests, if taken, the final depth of the hole and the storage location of the core or overburden rejects.
 - 8) Each drill log shall describe overburden and rock types, mineralization, assays or analyses and the results of physical or chemical tests performed.
 - 9) A drilling plan showing the horizontal projection of each drill hole shall be presented either separately or combined with other plans or maps. A drill section of holes shall also be presented.
6.
 - 1) Any applicant who is unable to start a designated project must notify the Ontario Prospectors Association in writing within thirty days after deciding to abandon the project.
 - 2) If the work on a designated project is discontinued before the project is completed, the applicant must notify the Ontario Prospectors Association in writing within thirty days of discontinuing the work.
 7. No corporation is eligible to receive grants in excess of:
 - 1) \$100,000 per designated project for eligible expenses as outlined in Section 1, incurred within the current funding period;
 8. To be eligible for Aboriginal Capacity funding an Applicant shall:
 - 1) Specify the request on the JEAP Application for Funding form,
 - 2) Provide proof of expenditures to an Aboriginal community member or Aboriginal business,

- 3) The Applicant must have been provided with evidence in the form of a status card to verify an Aboriginal community member'
- 4) Provide copies of the letter of incorporation of the Aboriginal business showing the ownership of the business.

Schedule A
Junior Exploration Assistance Program (JEAP) 2017
Application for Funding 2017

PLEASE READ THE GUIDEBOOK BEFORE COMPLETING THIS FORM.

Submit completed form and supporting documentation to
Junior Exploration Assistance Program (JEAP)
Ontario Prospectors Association
941 Cobalt Crescent
Thunder Bay, ON P7B 5Z4
jeap@ontarioprospectors.com

Applicant's Identification and Location

Name _____

Address _____

City _____ Province _____ Postal Code _____

Person to Contact _____ Telephone _____

Fax _____ Email _____

Project Proposal (All materials MUST be submitted digitally in PDF format)

Document your project proposal for the current application by providing the following information in addition to this Application Form:

- a) Identify project location by: area, township, mining division, claim map sheet, NTS map sheet and UTM coordinates.
- b) Location map of project area.
- c) Access – a written description of how to get to the mining lands if an inspection is to be made by JEAP.
- d) A list of mining lands and a claim map with claims outlined.
- e) Targets, i.e. commodities, and/or minerals and deposit type.
- f) Geology: regional and local.
- g) A summary of **all** previous work done on the property giving owner, year and volume and type of work.
- h) Proposed work to be included in this application.
 - **All project information must be illustrated on maps at a suitable scale such that all required information is readily visible.**
 - **Proposed diamond drilling should be accompanied by plan maps and sections showing known geology, targets and previous drillhole traces.**

The Ontario Prospectors Association may verify all statements related to and made in this application.

Schedule B

Proposed Budget (THIS FORM MUST BE COMPLETED)

Line cutting, Chaining, Picketing, Grid Layout
and Associated Costs _____ km @\$_____ /km \$_____

Geophysical Surveys:

Ground Magnetic _____ km @\$_____ /km \$_____

Electromagnetic _____ km @\$_____ /km \$_____

Other (e.g. Airborne, IP) _____ km @\$_____ /km \$_____

Map and Report Preparation and Associated Costs \$_____

Surface Drilling Type _____

Mobilization/Demobilization \$_____

Drilling _____ metres @\$_____ /metre \$_____

Logging, supervision _____ days @\$_____ /day \$_____

Assays/Analyses _____ samples @\$_____ \$_____

Map and Report Preparation and Associated Costs \$_____

Estimated Eligible Expenses \$_____

Grant (up to 33.3%) \$_____

Maximum Refund - \$100,000 per project

Supplemental Estimates

Number or persons to be employed: Employees _____

Number of persons employed: Aboriginal _____

Number of persons to be employed: Contractors _____

Number of person days labour estimated: Employees _____

Number of person days labour estimated: Aboriginal Persons _____

Number of person days labour estimated: Contractors _____

Will Aboriginal business's be utilized for the project? Yes No

I certify that the applicant:

- (a) is qualified to carry out mineral exploration activities in Ontario;
- (b) is registered to conduct business in Ontario;
- (c) is and its business is in compliance with all Ontario laws and applicable federal laws;
- (d) has an active exploration plan and/or has been issued an exploration permit for the project and proposed work program described in this application;
- (e) has an exploration project located in Northern Ontario with a proposed exploration program;
- (f) is not engaged in mineral production anywhere in the world; and
- (g) has a market capitalization of less than five million dollars;

Authorized Signature

Date

Name (print)

Position or Title

NOTE: APPLICANT MUST PROVIDE PROOF OF SUFFICIENT FUNDS TO EXECUTE THE PROGRAM AND COMMERCIAL GENERAL LIABILITY INSURANCE (\$2.0 Million) TO OPA BY DECEMBER 29, 2017

Personal information collected on this form will be held in confidence by the Ontario Prospectors Association.

CONTRIBUTION AGREEMENT

This agreement (the “**Agreement**”) made this ____ day of _____, 2017,

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 its 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.
- (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 April 17, 2018, 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 June 1, 2018, together with the completed Final Submission for Grant 2017 form (attached as Schedule "C"), proof of payment (POP) 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 2017 and the attestation set out in subsection 4(e), if applicable. The Final Report, Maps and Drawings shall be composed to Ministry of Northern Development and Mines standards containing:
- 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:

JEAP Co-ordinator
jeap@ontarioprospectors.com

OR

Ontario Prospectors Association
941 Cobalt Crescent
Thunder Bay, Ontario P7B 5Z4
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 **has 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.**

- (g) the Company will not make any changes to the Project and/or the Project Budget without the prior written consent of the OPA;
- (h) 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
- (i) 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 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

Name:

Position:

Name:

Position:

I/We have authority to bind the OPA.

CORPORATION NAME

Name:

Position:

Name:

Position:

I/We have authority to bind the Company.

JEAP File #:

**Schedule C
Junior Exploration Assistance Program (JEAP) 2017
Final Submission for Grant 2017**

INSTRUCTIONS:

PLEASE READ THE GUIDEBOOK BEFORE COMPLETING THIS FORM.

Please type or print and submit completed form and supporting documentation to
Junior Exploration Assistance Program (JEAP)
Ontario Prospectors Association
941 Cobalt Crescent
Thunder Bay, ON P7B 5Z4
jeap@ontarioprospectors.com

Corporation's Identification and Location

Name _____

Address _____

City _____ Province _____ Postal Code _____

Person to Contact _____ Position _____

Telephone _____ Email _____

Project Name _____

Project Location _____

Mining Division _____ **Area/Township** _____

Latitude/Longitude _____ **UTM** _____

Results of Project

Please describe significant results or outcome of the Project

Final Submission Must Include Digital Reports, Maps and Data (including Analysis Certificates). Please include Digital Financial Materials and Proof of Payment (POP) separately. See guidebook for specifications.

Project Expenditure Detail (Use provided EXCEL spreadsheet for Summary)

NOTE: COSTS WITHOUT HST

Line-cutting

Chaining, Picketing, Grid Layout _____ km @\$_____/km \$_____

Geophysical Surveys,

Ground Magnetic _____ km @\$_____/km \$_____

Electromagnetic _____ km @\$_____/km \$_____

Other (e.g. Airborne, IP) _____ km @\$_____/km \$_____

Map and Report Preparation and Associated Costs \$_____

Assays and Analysis Type_____

Analysis #_____ samples @\$_____/sample \$_____

Map and Report Preparation and Associated Costs \$_____

Drilling Type_____

Mobilization/Demobilization \$_____

Drilling _____ metres @\$_____/metre \$_____

Core Logging, Sampling, Drill supervision
_____ days @\$_____ \$_____

Assays/Analyses _____ samples @\$_____ \$_____

Map and Report Preparation and Associated Costs \$_____

Total Expenditures \$_____

GRANT CALCULATION
Eligible Project Costs Exclude HST

Expenditures to the hire of Aboriginal persons or Aboriginal businesses (Maximum of \$6000.00 eligible)	\$ _____ (A)
Grant (Aboriginal) [A x 100%]	\$ _____ (B)
Total Expenditures (excl. HST)	\$ _____ (C)
Eligible Expenditures (C-B)	\$(C-B) _____ (D)

GRANT CALCULATION

([D x _____% (up to 33.33%)] + B) \$ _____ (E)

TOTAL GRANT E: \$ _____

Maximum Grant - \$100,000 per project

Supplemental Information

Number or persons employed: employees _____

Number of Aboriginal persons employed _____

Number of persons employed: contractors _____

Number of person days labour: employees _____

Number of person days labour: Aboriginal persons _____

Number of person days labour: contractors _____

Were Aboriginal business's utilized for the project? Yes No

Total wages paid to employees \$ _____

Total contractors payments \$ _____

Total technical suppliers payments (assays, drillers etc.) \$ _____

Total suppliers payments (fuel, food, accommodations, etc.) \$ _____

Number of diamond drill targets tested _____

Number of diamond drill holes completed _____

Total metres of diamond drilling _____

Is a follow-up diamond drill project proposed by yourself? Yes No

If yes, proposed budget? \$ _____

Is a follow-up exploration project (other than diamond drilling) recommended in the immediate future? Yes No

If yes, proposed budget? \$ _____

The Ontario Prospectors Association may verify all statements related to and made herein this application.

I certify that:

1. the corporation has complied with all the requirements of the JEAP program;
2. the costs for which reimbursement is requested in this form have been incurred and actually paid by the corporation;
3. costs being claimed in this form are Eligible Project Costs only;
4. the corporation is operating its business in compliance with all applicable Ontario laws and federal laws;
5. the corporation has paid all employees and contractors for work associated with this JEAP application;
6. the representations and warranties set forth in the JEAP agreement are true and correct in all material respects on the date set out below;
7. no Event of Default (as defined in the JEAP agreement) has occurred as of the date set out below; and
8. the corporation is in compliance with all of its obligations under the JEAP agreement (which, for greater certainty, includes the General Conditions in Schedule "D").

Signature of Applicant

Date

Name (print)

Position or Title

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,
941 Cobalt Crescent, Thunder Bay, Ontario, P7B 5Z4
Fax: 807.622.4156
Email: jeap@ontarioprospectors.com

Company: _____

Fax: _____

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 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 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 1/12th 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.