

# **YUKON MINING INCENTIVE PROGRAM (YMIP)**

## **GUIDEBOOK- 2011**

*This guidebook is based on a 2011-12 funding level of \$570,000.00.*

### **Purpose**

The Yukon Mining Incentive Program (YMIP) is a funding program designed to support individuals and companies in their search of mineral deposits by shouldering a portion of the risk capital required to explore for mineral occurrences. The program supports both hard rock and placer exploration work, and is subdivided in three different modules.

### **Modules**

<b>Module</b>	<b>Reimbursement Rate</b>	<b>Maximum funding for 2011</b>	<b>Scope of program</b>
<b>Grassroots</b>	100% of eligible expenses	\$15,000	For individual prospectors; on or off claims; to generate new targets and advance existing ones. On or off claims.
<b>Focused Regional</b>	75% of eligible expenses	\$15,000	For individuals, partnerships and companies; on or off claims; regional focus in order to define targets. On or off claims.
<b>Target Evaluation</b>	50% of eligible expenses	\$25,000	For individuals, partnerships and companies; on claims; focused work aimed at evaluating and advancing pre-existing target. On claims.

The grassroots module is restricted to the independent prospector; companies or employees working on behalf of their company are not eligible for this program. Funding of this module is a priority of this program.

Individual prospectors, private and public companies can all apply to the Focused Regional and Target Evaluation modules. Funding levels for the 2011-12 season will determine the maximum available under each module for the next funding year.

### **Eligibility**

#### ***Programs/Property***

- Where exploration expenditures for the entire property/project are budgeted to be less than \$200,000 for that funding year.
- That have received less than \$200,000 to date of cumulative YMIP funding over the life of the project, regardless of ownership.

Programs which exceed these limits will not be eligible for funding.

## Applicants

- Individuals must be nineteen years of age or over, and/or
- a company or partnership registered to do business in Yukon and/or be the party funding the work program for an exploration proposal on claims that have been optioned from another party or are the subject of a joint venture agreement, and
- are a legal entity in good standing with the power to contract.
- have a Canadian mailing address,
- are eligible to stake mineral claims or leases in the Yukon as governed by one or more of the following: Yukon Placer Mining Act; Yukon Quartz Mining Act; Territorial Coal Regulations; Territorial Quarrying Regulations; and/or Territorial Dredging Regulations,
- have a prospecting or exploration target that includes any of the mineral commodities defined in the above legislation,
- have submitted a completed Application for Funding Form and an Exploration Proposal, to work in the Yukon on ground that they have the legal right to prospect or conduct exploration on, i.e. Crown land, staked or leased ground, etc.,

The Department will refuse an application if the individual or company:

- has shown poor performance and/or reporting on previous YMIP programs,
- has failed to pay contractors for invoices on any Yukon projects,
- is in default of any YTG grant, loan, permit, etc.,
- is in non-compliance of a water license anywhere in Yukon,
- failed to be available for a property inspection without reasonable cause,
- Proposed a project within an area identified by the Yukon Government or the Federal Government as a Study Area for: National or Territorial Parks, or Special Management Areas as outlined by the Umbrella Final Agreement.

## Program requirements

Copies of any necessary approvals and permits typically required to carry out exploration programs in Yukon must be submitted prior to final approval of funding.

**It is the applicant's responsibility to ensure that proper permitting is in place and that work programs comply with the laws of general application, particularly those related to mining, water, land use and environmental regulations.**

**The executed work must conform to the proposed and approved workplan; any significant changes must be approved by the Mineral Development Geologist in order to be considered eligible. By significantly changing your YMIP work program without approval, you may be refused reimbursement of the unapproved expenses.**

## Module-specific requirements/ allowances

Grassroots	Focused Regional	Target Evaluation
Applicant cannot draw wages but <b>may pay wages to one assistant.</b>	Regional-scope exploration work	Heavy equipment work allowed
Minimum of 30 person-days	No minimums	No minimums

to be spent in the field, with the applicant conducting the majority of the work.		
Daily diary and final summary report and maps	Final technical report and maps	Final technical report and maps
Submit project status form, financial reports, final submission forms according to deadlines		

## Financial info

The goal of YMIP is to support exploration activity by reimbursing expenditures directly related to exploration work. In light of this, the following expenses are or are not considered eligible.

### ***Eligible expenses (see rate guidelines for details)***

The following activities will be reimbursed as eligible **expenses if they have been approved in the workplan:**

conventional exploration work according to industry best-practice standards (geological, geophysical, geochemical surveys, prospecting, trenching, sampling (wages and equipment costs capped at limits set in rates guidelines)); travel within Yukon (truck, helicopter, etc), (truck costs reimbursed according to daily rate OR mileage rate (not both), for approved in-field travel plus up to two long distance round trips to field area per 30 days of field work); assays and analyses; shipping; wages (applicant not eligible in grassroots module); and WCB for employees/contractors; equipment rental and mob/demob charges; daily field expenses (\$100/day /person); fuel; claim staking (up to 20% of eligible claim); reclamation; limited physical work (excavation, blasting, roadwork as approved); preparations of report (reasonable cost, up to 10% of eligible expenses).

Wage rates are set in relation to job description (not to qualifications of worker): up to maximum listed in guidelines.

Commercial rentals are defined as rentals from commercial rental agencies that are in the business of renting equipment and that produce an invoice that includes GST. Private rentals are defined as rental from self, acquaintances, companies whose main business is not to rent equipment (e.g. exploration and mining companies owning their own equipment). Private rental of heavy machinery is reimbursed at 75% of commercial rates; private rental of small equipment is reimbursed according to YMIP rate guidelines. For equipment not listed in the rate guidelines, contact the Mineral Deposit Geologist with equipment specifications in order to get the appropriate rate.

Mob/demob and camp construction costs may be limited. These should be clearly outlined in the budget proposal.

In addition:

### **Module-specific eligible expenses**

Grassroots	Focused Regional	Target Evaluation
Light machinery <5t		Drilling, light and heavy machinery.
		Limited road building if approved in workplan (< 25% of eligible expenses)

## ***Non-eligible expenses***

Expenses not approved in workplan; project planning and compilation; GST; costs related to acquiring, recording, grouping, renewing, transferring or maintaining an interest in a mineral property; management, disbursement, accounting or legal fees; costs of applying for permits or licenses; target generation; promotional expenses; office costs; contingency; transportation and staking costs in excess of amounts listed above; transportation outside Yukon; underground work; preparation for mining; mining; acquisitions or construction of fixed assets; repairs and time allocated for repairs; property evaluations.

**The Department of Energy, Mines and Resources reserves the right to reject costs not included in the original application, unless those costs have been authorized in advance by the Mineral Development Geologist. If you are considering an expense not listed above, contact the Mineral Development Geologist for approval.**

## ***Expense claims/ Reimbursement***

- Advances: Grassroots module only: first time applicants can apply for \$1,000 advance payment, successful return applicants can apply for up to \$2500.
- Expenses can be submitted once every 30-day period by filling out an expense claim form and submitting photocopies of receipts. The expense claim form is e-mailed to all successful applicants; it is also available on the YMIP webpage.
- Expenses are to be listed in detail on the provided expense claim form. Photocopies of receipts are required for all claimed expenses that involved a payment, including wages paid out. No receipts are required for those expenses related to daily field expenses, mileage rate (if used), and private rental of equipment.
- Expenses will be reimbursed up to approved YTG rates. For rates not included on the expense claim guideline, contact the Mineral Development Geologist.
- For rates for heavy machinery, provide make, model, year and weight category of machinery and any other relevant information.
- GST is not reimbursed.
- 15% of each eligible claim will be held back until final submissions.

## **Reporting/ Deadlines**

**By accepting a YMIP grant, you agree to:**

- Sign a contribution agreement with the Government of Yukon and abide by its content.
- Notify the Mineral Development Geologist of schedule of work in order to arrange a field visit.
- Submit a project status report form by September 30<sup>th</sup>.
- **Have your funding withdrawn if you haven't contacted the Mineral Development Geologist by September 30<sup>th</sup>.**
- Submit final submission form and summary/ technical reports (plus daily logs for grassroots program) by January 31<sup>st</sup>. These reports will include detailed technical information (such as location, description of work, results, relevant maps, etc) as outlined in appendix A of this document and schedule B of the contribution agreement.

- Submit such final reports in hard copy, as well as in .pdf format. In addition, station and sample location data and values will also be submitted in a digital spreadsheet format.
- Submit final financial reporting by January 31<sup>st</sup>.
- Provide statistical information requested in the various forms (e.g. total expenditures, total person-days of employment, number of claims staked, etc).
- Have your name and basic location information on your project released to the public (see Release of information section below).

With prior approval, special deadlines can be pre-arranged for placer winter work projects. The technical report deadline will be January 31<sup>st</sup>, however with the approval of the Mineral Development Geologist this deadline can be extended. All final financial reporting must be completed prior to this approved deadline.

Final payments may be forfeited and interim payments and advances may be recalled if required reporting and documentation of work performed are not submitted by the above dates. Future eligibility for funding may also be affected.

## Release of information- Confidentiality

**Applications and project proposals are always kept confidential** and can be returned to the applicant upon request.

Final reports are kept confidential for 5 years for Grassroots projects and 2 years for Focused Regional and Target Evaluation projects, after which they will be made publicly available through the EMR library. When accepting public funding, you agree to have your reports released as described above.

You also agree that your name and/or company name, project name and location (NTS map sheet, 1:50,000 if on claims, 1:250,000 if not), and the amount of funding are released to the public.

## Limits

- There are no limits to the number of application that one applicant (or applying entity) can submit, and there are no limits to the number of applications that one applicant (or applying entity) can get funded. However, one applicant (or applying entity) cannot receive more than \$75,000 of YMIP funding per season. ***These limits are subject to change.***
- For the 2011-12 season, each of the grassroots, focused regional, and target evaluation projects were funded to a maximum of \$15,000, \$15,000 and \$25,000 respectively. ***Funding limits for each module are subject to change.***
- A maximum of \$200,000 of cumulative funding can be assigned to one project over its lifetime, no matter who the applicant is.
- Non-arm's length relationships (spouses, relatives, coworkers, employees applying on behalf of a company, etc.) will not be considered as separate applicants.
- Staking costs are reimbursed up to 20% of eligible claim; approved roadwork can be reimbursed up to 25% of eligible expenses.
- Transportation costs are capped at 25% of eligible expenses (as approved in workplan), except where approved for focused regional programs.

## Application procedure

Fill out an application form along with an exploration project proposal (see application package for details). **Deadline for applications is March 31.**

Applications should include information and maps outlining and synthesizing all relevant geology, geophysics, RGS (regional stream geochemistry), Minfile information, historical work including relevant assessment reports, target model, exploration rationale, detailed workplan and budget, as well as statements of qualifications of the applicants/participants. Simply giving reference to other documents will not be adequate; please make your case as strongly as possible within the body of your application, and provide excerpts of whatever external documentation you need to support your point. **Projects proposals should be stand-alone documents that include all the pertinent information needed to accurately evaluate the potential of your project.** This information should be synthesized to show your clear understanding of the state of knowledge of the area and identification of data gaps; from there, a clear and detailed workplan will demonstrate your understanding of what work needs to be done to advance your target/property and your ability to carry it out.

**Funding is not automatic and is not on first come-first serve basis and only qualified proposals will be funded.** Projects will be selected on the basis of the following categories: quality of the target, completeness of proposal, pertinent budget, suitability of workplan, favorable development potential and experience/demonstrated ability of participant(s) to carry out the workplan. The scoring grid will be available to applicants and will be posted on the YMIP webpage. Past performance of previous YMIP participants is also an important factor. First time applicants are not penalized for being new to the program.

**Early applicants may benefit from feedback from the YMIP staff on their proposal. You are strongly encouraged to discuss the details of your proposal and workplan with YGS staff prior to the March 31 deadline, and to also submit a draft of your proposal allowing enough time for feedback. No new information will be considered after the March 31 deadline.**

## Evaluation process

Applications are grouped according to project type (placer or hard rock) and project module and then scored according to the criteria outlined above (details of the selection criteria will be posted on the YMIP webpage and appended to the application package). The proposals are then ranked within each module according their score. The highest ranking applications in each module are offered funding until available funds run out. Funding amounts vary from year to year and the allocation of funds between modules is not fixed. In general, the proportion of funds allocated to the placer vs hard rock projects is relative to the proportion of placer applications vs hard rock ones. The grassroots applications are allocated funding separately from the Focused Regional and Target Evaluation modules, as the Grassroots module is restricted to individuals, a priority for this funding program.

## Ranking results

All applicants will be notified of the result of their evaluations. Successful applicants will be offered funding and to accept, will enter into a contribution agreement with the Yukon Government.

## Appeal process

Unsuccessful applicants who wish to appeal the decision will have up to one month after the decision has been delivered to them to initiate the process. Two government geologists not involved in the initial assessment will review the application using the same rating system that was used in the original assessment and using the same information. They will make recommendations as to whether the scoring should be modified. **No new information can be considered during this re-evaluation.**

## Performance scoring

When a project is finalized, it will be evaluated as to quality of field performance and quality of report. The applicant's respect of deadlines and of program guidelines will also be evaluated. This scoring can be forwarded to the applicant upon request. It will be considered in future applications.

## Contact Info

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Mineral Development Geologist  
Yukon Geological Survey  
ph: (867) **456-3828**  
TOLL FREE 1-800-661-0408  
fax: (867) 667-3198  
email: [ymip@gov.yk.ca](mailto:ymip@gov.yk.ca)

Mail: P.O. Box 2703 (K-102)  
Whitehorse, Yukon Y1A 2B5  
Office: 102-300 Main Street

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## Appendix A - Application

Applications for YMIP contributions must include:

### Application for Funding Form

- a) Government or industry reference - an employee of the Yukon Government - Department of Energy, Mines and Resources, the Yukon Geological Survey (YGS), or a geologist with Yukon work experience,
- b) Contact address, email and telephone number(s) - which can be used to locate you before, during or after your project,
- c) Number of years of prospecting or exploration experience, type of experience and, if applicable, the type of training or relevant education obtained. Also provide a statement of qualification for project participants.
- d) Workplan and budget
- e) project location: NTS map sheet and UTM coordinates
- f) The current application form is to be used, all sections of the application must be filled out.

Please attach additional pages to include information you feel is important to your application.

### 2. Exploration Proposal

Document your prospecting or exploration proposal by providing information on all of the following categories;

Project Location:

- Name of project area or property;
- Identify project location(s) by: area, mining division, claim map sheet/NTS map sheet, and latitude and longitude and claim names (if applicable). A Grassroots Prospecting proposal may include more than one geographic area (maximum of six);
- Location map(s) of project area(s). Proposed prospecting or exploration areas must be clearly identified on a current claim or property map; for regional programs not on claims, an outline of the study area is required.
- If work is to be done on claims or leases, a list of claims/leases and a recent claim map with the claims/leases outlined is also required.
- If claims are to be staked at the onset of the program, their location should be clearly outlined.

Access - Route and method of transportation to the project area. Camp location details and frequency and length of trips.

- a) Project or target areas must be described by:

- Commodities, and/or minerals; and
  - Project type (placer or hard rock)
  - Deposit type and geology.
- b) Historical work, regional data and significance to current model. Provide the data that we need to evaluate your application. This may include relevant: regional and property-scale geological, surficial and geophysical maps, regional RGS data, historical prospecting, geological, geophysical and geochemical work, etc.
- d) Reason/rationale for your YMIP project. This is probably the most significant portion of your application.
- e) Detailed workplan: Description of type, location and amount of proposed work, i.e. prospecting; geological, geophysical and geochemical surveys; grids; line cutting; trenching; drilling; amount of samples and type; reclamation or other actions proposed to reduce environmental/resource concerns.
- f) Description of the type of supporting data or results which will be included in the Summary or Technical Report, i.e. rock descriptions, assays, trench maps, drill logs, geophysical data, etc.
- g) An accurate estimate of the project budget. Highlight amounts budgeted for staking.
- h) List any partners that are applying with you for YMIP assistance or will be working with you on this project, or that are providing funding.
- h) Proposed timeline: planned dates of field work, outline of timing of different stages of exploration work.

Note: Applications that are not complete will not be considered for funding.

## Appendix B- Final reports

After completion of the proposed project, a YMIP Final Submission Form and Summary or Technical Report (one full hard copy, one electronic copy in Portable Document Format (.pdf) version 5 or higher and survey data in spreadsheet format, preferably Excel (.xls) should be submitted as soon as possible.

Deadline for these submissions is January 31<sup>st</sup> for all modules.

Final submissions for the YMIP program must include:

- a fully completed Final Submission Form,
- a Summary or Technical Report, as detailed below and in Schedule B of the contribution agreement,
- For Grassroots Prospecting programs, a daily log (diary) outlining the work activity for each day must be submitted in order to be paid the Daily Living Allowance. It must indicate the dates worked, the description of work accomplished and show on a map, traverses made and the locations of any work performed, observations made, etc.

The Summary or Technical Report is a report documenting work performed, complete with supporting maps and data. The quality and content of the report and maps may influence your future eligibility for assistance. This report must contain the following information for each activity that was completed during your prospecting/exploration program.

- a) For evaluation and prospecting surveys: a summary of all previous relevant investigation; details of surface evaluation; a description of the methods of sampling employed and the methods of analyzing and assaying; tabulated results of all analyses and assays; and conclusions and recommendations shall be submitted.
- b) For geological mapping: a table of formations; detailed geological information concerning rock types, structures, veins or mineralized zones or coal seams occurring on the claims or leases; an interpretation of the geological observations made; and conclusions and recommendations shall be submitted.
- c) For geophysical surveys: a description of the methods of survey and equipment used; dates of survey; number of stations established; kilometers of line surveyed; copies of geophysical readings or profiles; pertinent calculations; maps showing the data in graphic form; station (GPS) location and survey data in spreadsheet format; an interpretation of the data collected which would include references to the available geology; and conclusions and recommendations shall be submitted.
- d) For geochemical surveys: type and amounts of samples collected; survey dates; particular soil horizon sampled; a description of the methods and equipment used; the method of analyzing the samples, copies of all analyses, maps showing the data in graphic form; GPS location data and analytical data in spreadsheet format; an interpretation of the data collected which would include references to the available geology; and conclusions and recommendations shall be submitted.
- e) For analytical results: the total number of samples collected; sample location; description; analytical methods used and if a field analytical method is used for determining the metal content, a description of the method; metals determined and concentration units and the name of the commercial lab. Assay results shall be accompanied by assay or analytical certificates (hard copies and electronic copies in spreadsheet format) and plans or sections or both showing sample locations, assay results and the sample dimensions, and indicating the type of grab, chip, panel, channel, drill core or other type of samples taken will be submitted.
- f) For trenching: dates of the work carried out; names of all persons who performed the work; the equipment used; an accurate plan showing the locations of trenches or other surface workings relative to the local topography and claim or lease boundaries; the dimensions of the workings and the volume of material excavated; descriptions of the materials excavated; assays or other analytical results obtained from samples or specimens taken from the workings; and photographs of the trenches prior to backfilling; will be submitted.
- g) For diamond drilling: an accurate map showing the location of drill holes relative to the local topography and claim boundaries and their bearing and dip; complete drill logs including rock types and mineralization; the results of physical or chemical tests performed; assays or analysis of core or sections of core and if no assays are provided, the reason for

their absence; and a summary which outlines the objectives, results and recommendations of the drilling program shall be submitted.

- h) For rotary (percussion) and auger drilling: an accurate map showing the location of drill holes relative to the local topography and claim boundaries and their bearing and dip; complete drill logs including rock types and mineralization; the results of physical or chemical tests performed; assays or analysis of cuttings which have been sampled and if no assays are provided, the reason for their absence; and a summary which outlines the objectives, results and recommendations of the drilling program shall be submitted.
- i) In general, relevant photographs of work done including reclamation work.

Incomplete and/or late reporting of your prospecting or exploration project may result in reduction of your contribution and/or may render you ineligible for future YMIP funding. Failure to meet the final reporting requirements will result in forfeiture of your contribution and affect your future eligibility for funding.

<b>YMIP summary table -2011 levels</b>			
	<b>Grassroots</b>	<b>Focused Regional</b>	<b>Target Evaluation</b>
<i>funding</i>	max \$15,000	max \$15,000	max \$25,000
<i>reimbursement rate</i>	up to 100% of eligible expenses	up to 75% of eligible expenses	up to 50% of eligible expenses
<i>scope of work</i>	to generate new targets and advance existing ones	to generate new targets	to evaluate and advance already known targets
<i>who is it for</i>	Individual prospectors only (no companies nor anyone working on behalf of a company)	prospectors, companies, partnerships	prospectors, companies, partnerships; projects with total exploration expenditures <\$200,000
<i>work to proceed on</i>	on claims, leases or crown land	on claims, leases or crown land	on claims, leases, coal exploration licenses or quarry leases, not crown land
<i>advance of funds</i>	advance \$2500 (\$1000 for first time applicants)	no advance	no advance
<i>field time requirements</i>	minimum 30 person-days in field, daily log	no constraints on time in field, final technical report	no constraints on time in field, final technical report
<i>holdback/ reports</i>	15% holdback until submission of final reporting requirements		
<i>reporting deadlines</i>	Project proposal: March 31, Status Report: September 30, Final Financial Report and Final Summary/ Technical report and release of funds: January 31 of following calendar year. 15% of funds will be held back until submission of final reporting requirements.		
<i>confidentiality</i>	reports will be kept confidential for 5 years	reports will be kept confidential for 2 years	
<i>module-specific eligible expenses</i>	Applicant can not draw wages but wages for one assistant are eligible.		road building costs up to < 25% of YMIP contribution if pre-approved, drilling.
<i>eligible expenses</i>	Conventional exploration work, travel within Yukon (truck, helicopter, etc), assays, shipping, wages (applicant not eligible in grassroots module), WCB, contracts, equipment rental, daily field expenses, fuel, claim staking (up to 20% of eligible claim), reclamation, limited physical work.		
<i>reimbursement rate guidelines</i>	Expenses reimbursed according to YTG guidelines. Private and commercial rates are provided. Private rates for heavy equipment are 75% of commercial rate as approved by YTG.		
<i>eligible use of machinery</i>	Use of light equipment (< 5 tons)		use of light or heavy equipment

<i>non-eligible expenses</i>	GST, recording fees, management fees, costs of applying for permits or licenses, project planning and compilation, legal fees, promotional expenses, transportation outside Yukon, underground work, preparation for mining, mining, acquisitions, repairs
<i>Compliance</i>	Applicants must ensure that proper permitting is in place and that their work programs satisfy existing laws and regulations.