



NUNAVUT PROSPECTOR'S PROGRAM POLICY

Policy Statement

The Department of Economic Development and Transportation (ED&T) is committed to supporting the development of a sustainable and viable mining industry in Nunavut. ED&T recognizes that the foundation of any mining industry is the information gained through prospecting and geoscience.

ED&T will provide financial and technical assistance to prospectors in order to encourage their work, and in the process broaden the overall information base regarding mineral deposits within Nunavut.

The ***Nunavut Prospector's Program*** establishes the general terms and conditions by which financial assistance will be provided to prospectors.

1.0 PURPOSE

Under the ***Nunavut Prospector's Program***:

1. Financial Assistance will be provided to eligible prospectors to support efforts at prospecting.
2. ED&T will provide technical assistance, to eligible prospectors, to assist with obtaining laboratory tests that will tell the prospector what minerals are in the rock samples that he/she has found through prospecting. ED&T will keep these results confidential for a period of two years.

1.1 DEFINITIONS

1. **Prospecting:** Is the search for new mineral deposits, or the reassessment of previously known mineral deposits or occurrences by means of conventional prospecting techniques, geological, geochemical, and geophysical surveying, sampling, assaying, and diamond drilling.
2. **Prospector:** A person engaged in the activity of prospecting, for the purposes of identifying the potential of a site or area for some type of future mining endeavor.
3. **Assay:** The scientific evaluation of a rock sample in an accredited laboratory for purposes of determining its mineral content. The assessment of carving stone for working and marketing.



4. **Contribution:** A contribution is a transfer of funds under certain terms and conditions to an applicant from whom the Government of Nunavut will not receive any goods or services. The contribution is subject to audit.
5. **Partnership:** Is a co-operative agreement between ED&T and a prospector.
6. **Program Co-Coordinator:** An ED&T official designated with the authority to co-ordinate the day-to-day functions of the ***Nunavut Prospector's Program*** in addition to providing advice and service to all eligible applicants.

2.0 CRITERIA

2.1 MONITORING AND EVALUATION OF CONTRIBUTIONS

ED&T will provide a contribution to eligible applicants in two unequal payments of 75% of the amount approved prior to any prospecting, and 25% after the prospector has provided his/her Prospecting Report to ED&T.

The prospector will provide an application to ED&T that will include the following information:

- i. A detailed project budget.
- ii. A report including maps describing the areas within Nunavut to be prospected.

All Contributions made under this policy will be monitored and evaluated.

The prospector shall provide during the course of his/her work:

- Details on the location of any samples taken. Samples should be submitted to a recognized laboratory for evaluation and analysis of the mineral content of the samples (ED&T may assist the prospector in identifying suitable lab facilities for this work, and in the interpretation of any findings). Copies of all evaluations from labs, and sample locations must be attached to the final Prospecting Report.

The prospector shall provide by December 31st of the calendar year in which the application was approved, a Prospecting Report that will contain the following items:

- *A Summary of Prospecting Activities.*
- *A completed Technical Summary Form***
- *A complete and accurate Financial Summary Form**.*

****Samples of the above mentioned forms can be found in the *Nunavut Prospector's Program Guide*.**



Failure to Fulfill Requirements

Where the prospector fails to comply with the requirements listed above, no final payment will be issued and the prospector may be asked to repay the initial contribution. In addition the prospector may be turned down for future contributions.

2.2 AUTHORITY AND ACCOUNTABILITY

The Financial Management Board approves an annual budget for contributions contained within this policy; as well they must approve any expenditures additional to those appropriated in the Main Estimates, in the event of unplanned contribution needs.

The Executive Council shall approve program provisions and any exceptions to this policy.

The Minister of ED&T may:

- i. Delegate authority to approve contribution agreements to the Deputy Minister of ED&T.
- ii The Deputy Minister may through a letter of instruction delegate authority to the Assistant Deputy Minister, or a lead senior ED&T official to approve and manage these agreements.
- iii The designated lead senior official will have the authority to approve the terms and conditions of the contribution agreement as per the schedule listed in this policy. **(Schedule A)**

2.3 OWNERSHIP OF INFORMATION

Any information provided by the prospector to ED&T in the form of maps, prospecting reports, or preliminary data, shall remain the sole property of the prospector for his/her use in marketing their claims, and ED&T shall ensure that all such data in its possession shall remain confidential for a period of two years. After that period of time has passed, ED&T has the right to provide this information to the general public by any method (including publication) that it deems appropriate.

2.4 PREROGATIVE OF THE EXECUTIVE COUNCIL

Nothing in this policy shall in any way be construed to limit the prerogative of the Executive Council to make decisions, or take actions respecting the development of the Nunavut economy and community economic development, outside the provisions of this policy.



This policy will be reviewed and evaluated by ED&T on an annual basis.

2.5 SUNSET CLAUSE

This policy will be in effect from the date of signature until March 31st 2010.

Approved by:
The Honourable Paul Okalik
Premier



SCHEDULE A

The terms and conditions for contributions made under the *Nunavut Prospector's Program* are as follows:

1.0 PURPOSE:

To provide funding for prospectors and prospecting activity within Nunavut

2.0 ELIGIBILITY*:**

Eligibility for contributions under the *Nunavut Prospector's Program* is restricted to those persons who:

- Are residents of Nunavut.
- Hold a valid Prospector's Licence.
- Demonstrate a working knowledge of prospecting.

***Please note: Simply meeting eligibility criteria and submitting an acceptable application are not guarantees of funding.

3.0 CONTRIBUTION AGREEMENT:

3.1 ED&T agrees to:

1. Fairly evaluate all requests for funding from all applicants that meet this policy's eligibility requirements.
2. Provide a response to every applicant in a timely fashion.
3. Fund those applicants whose proposals are found to be eligible up to the \$8,000 limit.
4. Upon request provide an explanation to any applicant as to the reasons why their proposal was rejected or funded for an amount less than that requested.

3.2 The successful applicant agrees to:

- Provide all of the reports, findings, and results mandated by the *Nunavut Prospector's Program* within the timeframes outlined in this schedule.
- Provide by December 31st, or upon request by an authorized representative of ED&T, all financial statements for the purposes of review and audit.

****Note 1:** If a prospector wishes to deviate from the plans submitted with their original application, or is unable to prospect in the area designated within that application, every



reasonable effort must be made to advise ED&T of his/her proposed changes. ED&T also reserves the right to disallow applications and/or changes to approved plans.

****Note 2:** If a prospector wishes to investigate an area where he/she has previously worked he/she must demonstrate that this area still has mineral potential.

3.3 Failure to Fulfill Requirements

Where the prospector fails to comply with the requirements listed above, no final payment will be issued and the prospector may be asked to repay the initial contribution. Such non-compliance includes, but is not limited to:

- Failing to spend at least \$250 on assaying samples.
- Failing to submit a completed Prospecting Report by December 31st *.
- Failing to prospect in the area outlined in the prospector's original application (unless the prospector can demonstrate that he/she made every reasonable effort to notify ED&T of the change in plans).
- Performing work other than that proposed on the application form.

***Note** Any delays due to late arrival or slow analysis results should be brought to the Program Co-coordinator's attention before this due date passes.

Where a prospector is required to repay an advance, that individual is ineligible for further assistance until repayment is made in full.

4.0 FINANCIAL CONTRIBUTIONS:

ED&T will provide a contribution of **up to****** \$8,000 to any eligible application in two unequal payments of 75% of the approved amount prior to any prospecting, and 25% after the prospector has provided his/her Prospecting Report to ED&T.

Any individual may apply for and receive more than one contribution per year based on positive exploration results. Each contribution must be fully accounted for before a second contribution can be awarded. All contributions are dependant on available budget within the program.

********Being found eligible for funding is not a guarantee that the recipient will receive the maximum amount available.

This funding may be applied to the following eligible expenses:



Eligible Expenses

- A daily living allowance of \$40 per day per person for each day spent prospecting up to a maximum duration of 30 days (or \$1,200 per person or 40% of any assistance, whichever is the lesser amount). This money may be used for normal daily living expenses like groceries, stove oil, etc. This request must be supported by clear evidence of prospecting activity in the *Summary of Prospecting Activities Report*.
- Wages for any assistants, as well as any specialized equipment (rock hammers, and sample bags) needed for conventional prospecting activities i.e. ground searches for mineralization.
- Sampling and analysis. **(A minimum of \$250 from the contribution must be spent by the prospector on assays)**
- Equipment rentals directly related to the proposed prospecting work.
- Equipment purchases and repairs directly related to the proposed prospecting work.
- Wages, **up to \$100 per day**, for up to two assistants other than the applicant.
- Travel within Nunavut related directly to the proposed prospecting work.
- Costs for preparing and writing the required reports **up to a maximum of \$500**.
- Consulting fees for the services of professional engineers and/or geologists. These services should be used to complement the prospecting work, e.g. petrographic description of samples, geophysical consulting etc.
- Basic prospecting equipment such as camping equipment, GPS units, tape recorders, compasses, gold pans etc. However, these items must be specially identified within the initial project application budget.

Ineligible Expenses Include:

- Management, administration, legal, or accounting fees.
- Any permanent re-useable items which have potential uses for activities other than prospecting like: clothing, chainsaws, vehicles, cabins etc
- Travel outside of Nunavut.
- Because this policy is intended to support prospecting work, any engineering studies (like environmental impact work, metallurgical testing and feasibility), transportation studies, as well as all other work relating to the actual development of a property are not considered prospecting and will not be supported.
- Activities that support mining, and/or ore processing and directly result in net income for the applicant will not be supported.



5.0 ACCOUNTABILITY REQUIREMENTS:

By the end of the calendar year (December 31) in which he/she had their application approved, every prospector funded by ED&T will provide for review a Prospecting Report, in order to assure ED&T of his/her compliance with the requirements of the contribution as laid out in the ***Nunavut Prospector's Program***. This report must contain the following information.

A Prospecting Report

The completed Prospecting Report is made up of the following sub-components:

1. A *Summary of Prospecting Activities* showing the number of days spent prospecting. This will be a copy of your field notebook. (An example is available in the ***Nunavut Prospector's Program Guide***, as well as below in ***Section 1 Summary of Prospecting Activities***)
2. The completed *Technical Summary Form*. (A sample form is available in the ***Nunavut Prospector's Program Guide***)
3. The completed *Financial Summary Form*. (A sample form is available in the ***Nunavut Prospector's Program Guide***)

Details on what is required to complete each report are provided below.

1. Summary of Prospecting Activities

This report is a daily log or journal, which is used to record daily activities. For **each day** spent prospecting there should be an entry with the following kinds of information;

- 1) The date or sequential day number in the field: e.g. "June 25 1999" or "Day 5".
- 2) What was done on that day For example "prospecting", "drilling", "trenching", and "staking claim(s)" "(with claim name)".
- 3) A description of outcrops, with sketches if appropriate, and referenced to the NTS (National Topographic System) map of the area. GPSS, (Global Positioning Satellite Systems), Map Co-ordinates, and/or Traditional Knowledge, (Inuit Qaujimanituqangit), can also be used to determine the exact location of samples taken, so long as the prospected sites can be readily identified on any map.
- 4) The details of samples collected with sample number, location and brief description of the sample itself on the provided appropriate form.
- 5) Other information, which might describe the day's work. For example evidence of previous work etc.



The number of days described within the *Summary of Prospecting Activities Log* should be equal to the number of days listed on the *Technical Summary Form*. This will support any claim for daily living expenses for those days.

2. The Technical Summary Form

This form is completed after the prospecting project is finished, and contains information about the project area and the work completed. It also contains a summary of results, and any claims staked as a result of the prospecting activity. The number of days listed on the *Technical Summary Form* should be the same as the number of days documented in the *Summary of Prospecting Activities*.

3. THE FINANCIAL SUMMARY FORM AND RECEIPTS

The *Financial Summary Form* shows how this financial contribution was spent. ED&T uses this summary to ensure that the funds were used for prospecting work. Spending should match the initial project application budget submitted with the application as closely as possible.

ED&T reserves the right to reject claims for expenses not listed in the initial project application budget.