

**The OEC has been established to invest in Mining Lands with high economic potential. The financial assistance is given in exchange for a Royalty in the Mining Lands. The aim of OEC is to build equity from the mineral prospect in the form of royalties.**

**O E C**

**Ontario Exploration Corporation**

**NEW THREE PHASE FUNDING  
UP TO \$85,000: \$10,000 to start**

**Guidebook and Application Forms**

**Please read the Guidebook and Funding and Royalty Agreement prior to filling out the enclosed application forms**

**How much funding can you receive?**

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**updated October 2008**

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## What is an OEC investment?

The Ontario Exploration Corporation investment is a purchase of a Royalty in Mining Lands within Ontario.

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## SUMMARY of PROSPECTORS ASSISTANCE

### ELIGIBLE ACTIVITIES/EXPENSES

All expenses eligible for Assessment on Mining Lands as defined in the Ontario Mining Act.

**There is no per diem for work performed by the applicant.**

### PAYMENT

50% of the funding on approval and signing of Funding and Royalty Agreement. The balance on submission and approval of the Final Submission Form including Technical Report and Assessment Credit Approval letter. **ASSESSMENT CREDIT APPROVAL LETTERS CAN TAKE 100 DAYS, THEREFORE ASSESSMENT SHOULD BE FILED IN SUFFICIENT TIME TO ENSURE RECEIPT IN TIME FOR YOUR FOR FINAL SUBMISSION.**

### MAXIMUM ASSISTANCE

Maximum Financial Support is \$10,000 per applicant for a 1.0% Royalty per property. Second funding of \$25,000 for an additional 0.25% royalty and third project funding of \$50,000 for an additional 0.25% royalty for continuing exploration projects. **The Royalty has a buyback clause defined in the accompanying funding and royalty agreement.**

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## How much funding can you receive?

The maximum financial support is \$10,000 per applicant per project. A second funding of \$25,000 for an additional 0.25% royalty and a third project funding of \$50,000 for an additional 0.25% royalty for continuing exploration projects

If your application and exploration proposal is accepted, the Funding and Royalty Agreement must be signed between the applicant and OEC. The Funding and Royalty agreement, specifies the Royalty (NSR) and the buy back clause of the Royalty. On acceptance and receipt of the Funding and Royalty

Agreement, OEC will issue 50 per cent of the financial support.

The balance of the funds will be paid after review and approval of your final submission on the project and proof of all the work being applied and approved as Assessment work to the claims listed in the Funding and Royalty Agreement. Incomplete reporting of your prospecting project may result in reduction of your funding. Financial assistance is not automatic.

The OEC reserves the right to refuse any request for assistance, in whole or in part.

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## Is the OEC Funding Taxable?

OEC recommends that you contact your tax advisor as to the tax implications of your funding.

## Deadlines for the OEC Applications and Final Submissions

Deadline for OEC Final Submissions is **is the 1<sup>st</sup> Anniversary Date of your agreement with the OEC.** Final payments of funding will be forfeited and initial fundings will be recalled if forms and supporting documentation are not received by this date.

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## Do you qualify?

To qualify you must:

- **have the right to surrender a Royalty in the Mining Lands where work is to be performed.**
- have the mining lands registered in your name and are free and clear of any liens, hypothecs, charges encumbrances or royalties
- be the legal and beneficial owner of the Claims
- hold a valid Ontario Prospector's Licence
- have a prospecting project within Ontario on ground that you have the legal right to prospect i.e. staked, leased or patented claims in which you hold an interest
- have a prospecting target that may include rocks containing metallic or non-metallic minerals but excluding sand and gravel
- provide satisfactory evidence of having a sound knowledge of mineral prospecting techniques through experience and / or training
- clearly identify your proposed prospecting area on a current claim map submitted with your application

**Only one application per property at one time is permitted. No new application can be made prior to the approval of a previous Final Submission.**

## How will your application be assessed?

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

**\*Please note that applications that are incomplete will not be approved nor will applicants receive an opportunity to update their application. Previous applications submitted by the applicant will not be referred to.**

- A) Experience and training of applicant (provide names, dates, places and methods).
- B) Past performance of applicant (provide list of financial support and option agreements including name of person(s), source of funds or company optioned to, dates, location of claims, etc.).
- C) Past performance of applicant confirmed by Industry and Ministry references that can comment on your prospecting ability.
- D) Economics, quality and documentation of proposal. Quality refers to quality of information, not appearance.
- E) Work programs that produce assays or analytical results are preferred as they enhance grassroots properties.

**Note that most of the emphasis in the review of the applications will be placed on Economics of the property (Especially in Phase II and III applications).**

## How to Apply

Application for OEC Financial Assistance **must include:**

1. A fully completed Application Form.
2. Two signed and dated Funding and Royalty Agreements.
3. A Prospecting Proposal including a current claim map(s) outlining the location of your mining lands and current claim abstracts or title document.
4. A photocopy of your Ontario Prospector's Licence.

**ALL APPLICATIONS WILL BE HELD CONFIDENTIAL FOR TWO YEARS. NO APPLICATIONS OR PARTS OF APPLICATIONS CAN BE RETURNED.**

### 1. Application for Funding Form

Please be sure to fill out all parts of the form and include:

- a) Ministry and industry references.
- b) Contact 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 and the type of relevant education obtained.

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

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## 2. Prospecting Proposal

Document your prospecting proposal for the current application by providing the following information in addition to the 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 OEC.
- d) A list of mining lands and a **recent** claim map with claims outlined must be supplied.
- e) Prospecting targets, i.e. commodities, and/or minerals and deposit type.
- f) Geology: regional and local.
- g) A summary of **all** previous work done on property giving year, type of work and by whom.

**If you have worked on this property in the past, a compilation map showing all your previous work must be included.**

- h) Reason for rationale-economics of your OEC project.
- i) Description of type and amount of proposed work, i.e. miles/km of prospecting, number of samples to be assayed or analysed, geological, geophysical and geochemical surveys, area of

stripping and trenching; number and depth of drill holes.

**Note: Projects that enhance the property's marketability will receive more consideration.**

- j) An accurate estimate of the number of working days to be spent in the field by the applicant.
- k) An accurate estimate of the project budget.

**Applicants should discuss their completed applications with the local Resident Geologist's staff prior to submission.**

Make a photocopy of your proposal for your records. The work that you will actually complete will be compared with your proposal before final payment of the financial assistance is approved.

### Proceeding with your Prospecting Project

Review the requirements for OEC Final Submission before proceeding with your OEC funded prospecting project. This will assist you when submitting your final documentation. **Applicants are responsible for all permits, licenses and insurance required to complete the proposed program.**

### Daily Allowance

**There is no daily allowance to the applicant.**

**A detailed Daily Activity Log must accompany the Final Submission.**

**Assessment Work filed must include applicant's time.**

### Eligible Expenditures

Time spent and expenses incurred prior to the Application Date cannot be used to satisfy Financial Assistance requirements.

Eligible expenditures are defined as all expenses eligible as assessment work under the Ontario Mining Act and Regulations.

A detailed list of expenditures must be submitted with your final submission, so keep all receipts and a record of your expenses on your prospecting project. Copies may be requested. Receipts must be submitted for all helpers or contractors employed during the OEC project.

**Applicants may claim rental costs when using their own equipment during the designated project. Rates of rental will be at commercially recognized rates as acceptable for Assessment credit.**

Travelling expenses in Ontario by road can be charged at a rate of 50¢/km for the use of your own vehicle **OR** expenses (fuel, oil, etc.), not both. Other forms of travel (air, etc.) within Ontario may also be claimed at cost.

Expenses for purchase of non-consumable items are not eligible. Examples of non-consumable items: camping equipment, prospecting equipment, clothing, chainsaws, waterpumps, etc.

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In cases where any change of project is required, it should be approved by OEC prior to completion. Failure to do so may lead to cancellation of the assistance.

**Note that if work on a designated project is discontinued before the proposed project is completed, you must notify the OEC in writing within 30 days of discontinuing the work.**

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## OEC Final Submission Instructions

After completion of the proposed project, an OEC Final Submission Form (provided within this package) and supporting documentation should be submitted as soon as possible. Supporting documentation **must** include a copy of the Assessment Credit Approval letter. Deadline for this submission is **the Anniversary Date of your Agreement**. If it is not received by this date, you will have to return the initial funding payment.

**Please read the following instructions carefully.**

Final submission for the OEC Financial assistance program must include:

- **A fully completed Final Submission Form.**

- **One technical report including all results for your prospecting project including recent claim map(s) with area(s) of work outlined.**
- **A copy of the Assessment Credit Approval letter.**

**NOTE: The Final Submission Form and attached receipts are to be submitted separately from your technical reports.**

1. A completed OEC Final Submission Form with supporting documentation must be submitted **no later than the Anniversary Date of your Agreement** for final payment of the assistance. Final payments of assistance will be forfeited if forms and supporting documentation are not received by this date and the initial funding monies must be returned. **No extension of time will be allowed for submitting Final Submission forms.** Supporting data must include financial and technical data as described below.
2. A detailed list of expenditures, tabulated by date (s), recipient of payment, nature of the expense and the amount must be provided (see Final Submission Form). These must conform to “eligible exploration expenditures” as described above. Expenses must have been incurred within the designated project period. Receipts must be submitted for all helpers and contractors employed during the OEC project. You are advised to

retain your other receipts as your project may be audited.

3. A daily activity log outlining the work activity for each day must be submitted. Clearly indicate the dates worked and the description of work accomplished.
4. One complete set of all results of your prospecting project is required. Technical data should consist of but not limited to **(Mining Act Regulations specify required format of each)**:
  - sections describing the following topics: Location and Access, Geology, Work Done, Results and Recommendations;
  - maps and plans (including recent claim map with area of work outlined);
  - drill logs and sections;
  - assay and analytical results
  - all other results that were produced and describe the work done.

**Please review the Mining Act Assessment Regulations for details.**

**For Further Assistance Please Contact:**

**OEC  
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Thunder Bay, ON  
P7B 4A3  
Toll Free: 866-259-3818**