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GEOSCIENCE BC
PROJECT FUNDING AGREEMENT
Geoscience BC Reference Number: XXXX-XXX

THIS AGREEMENT dated the ____ day of _____, 20__.

BETWEEN:

GEOSCIENCE BC
(hereinafter called “Geoscience BC”)

AND:

[UNIVERSITY NAME]
(hereinafter called the “Principal Proponent”)

WHEREAS:

- A. The Principal Investigator wishes to carry out the Project on behalf of the Principal Proponent;
- B. The Principal Proponent has requested, and Geoscience BC has agreed to provide, funding for the Project;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the mutual covenants and promises contained herein the Parties agree as follows:

1.0 INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires:

“**Agreement**” means this Project Funding Agreement, including any Schedules.

“**Confidential Information**” means all information, regardless of form:

- (i) disclosed by the Principal Proponent to Geoscience BC and which is clearly identified in writing as “**Confidential**” either at the time of disclosure or within thirty (30) days thereafter; or
- (ii) disclosed by Geoscience BC to the Principal Proponent and which is clearly identified in writing as “**Confidential**” either at the time of disclosure or within thirty (30) days thereafter,

but does not include information:

- (iii) possessed by the recipient of the information (the “**Recipient**”) prior to receipt from the disclosing party (the “**Discloser**”), other than through prior confidential disclosure by the Discloser, as evidenced by the Recipient’s business records;
- (iv) published or available to the general public otherwise than through a breach of this Agreement;
- (v) obtained by the Recipient from a third party with a valid right to disclose it, provided that the third party is not under a confidentiality obligation to the Discloser in respect of the same; or
- (vi) independently developed by employees, agents or consultants of the Recipient who had no knowledge or access to the Discloser’s information as evidenced by the Recipient’s business records.

“**Conflict of Interest**” means:

- (i) any situation where:
 - (a) the Principal Proponent;
 - (b) the Principal Investigator;
 - (c) any close friend, family member or business associate (each, an “**Associate**”) of the Principal Investigator; or
 - (d) any corporation, partnership, or other entity in which the Principal Proponent, the Principal Investigator or any Associate of the Principal Investigator holds a significant interest

may benefit financially from or as a result of the Project; and

- (ii) the provision of services to the Project by:

- (a) any Associate of the Principal Investigator; or
- (b) any corporation, partnership, or other entity in which the Principal Investigator or any Associate of the Principal Investigator holds a significant interest.

“**Overhead Costs**” means the overhead costs in respect of the Project.

“**Party**” means each of Geoscience BC, the Principal Proponent and the Principal Investigator, as the case may be, and “**Parties**” means all of them.

“**Project**” means the research project described in Schedule “A” hereto.

“**Project Data**”

- (i) means all information, data, knowledge, and know-how (in whatever form and however communicated) generated by the Principal Proponent, or any of its officers, directors, partners, members, employees, agents, affiliates, faculty, or students, in relation to the Project; but
- (ii) does not include information, data, knowledge, and know-how, as shown by written records, that:
 - (a) is in the public domain prior to the execution of this Agreement; or
 - (b) lawfully enters the public domain through no violation of this Agreement; but
- (iii) includes all analyses, interpretations, compilations, studies and evaluations of such data, knowledge, and know how generated or prepared by or on behalf of the Principal Proponent or Geoscience BC in relation to the Project.

“**Principal Investigator**” means the individual named as Principal Investigator in Schedule A hereto, being the individual responsible for supervising, overseeing and managing the Project.

“**Project Expense**” means any cost or expense incurred in respect of the Project, by or on behalf of the Principal Proponent, which is, was or will be paid out of the Project Funds.

“**Project Funds**” has the meaning ascribed in Section 2.1 hereof.

2.0 FINANCIAL SPECIFICATIONS AND REQUIREMENTS

2.1 Payment Schedule

For the purpose of assisting the Principal Proponent and the Principal Investigator to complete the Project, Geoscience BC hereby agrees to pay to the Principal Proponent an amount equal to CDN \$X (the “**Project Funds**”), to be advanced as provided in Schedule “A” hereto.

2.2 Payments

Payments will be made to the Principal Proponent by cheque. The Principal Proponent shall be responsible for managing the expenditure of the Project Funds in accordance with the terms of this Agreement.

2.3 Budget

The proposed budget for the Project is attached hereto as Schedule “B” (in the “**Budget Template**”). Geoscience BC must approve significant changes to the budget of the project (greater than 10% of overall budget).

2.4 Overhead Costs

The Principal Proponent shall be responsible for payment of all of the Overhead Costs and agrees that no Project Funds shall be applied toward payment of any of the Overhead Costs.

2.5 Financial Information and Audit

2.5.1 At the times specified in Schedule A hereto, the Principal Proponent shall submit to Geoscience BC a statement of expenditures (each an “**Interim Statement of Expenditures**”) prepared in a form similar to the Budget Template describing all of the Project Expenses incurred up to the date of the Interim Statement of Expenditures.

2.5.2 Upon completion of the Project and prior to the final advance, if any, of the Project Funds, the Principal Proponent shall submit to Geoscience BC a statement of expenditures (the “**Final Statement of Expenditures**”) prepared in a form similar to the Budget Template describing all of the Project Expenses.

2.5.3 Geoscience BC reserves the right to audit the Project Expenses. Upon demand, the Principal Proponent shall provide to Geoscience BC copies of all invoices received by or on behalf of the Principal Proponent for Project Expenses, including those of any non-arm’s length parties that incur expenses on behalf of the Principal Proponent. The Principal Proponent shall keep a record of all payments made from the Project Funds and shall maintain such record during the term of the Project and for a period of 6 years after the Project has been completed.

2.6 Tax Remittances and GST

2.6.1 The Principal Proponent alone, and not Geoscience BC, is responsible for honouring and paying all contracts it enters into for the purpose of carrying out the Project and for remitting as and when required all applicable income tax source deductions, Employment Insurance and Canada Pension Plan premiums to Canada Revenue Agency for salaried

Sample Geoscience BC – University Project Agreement (drafted 20 July 2009, subject to minor revisions). Any questions should be directed towards Christa Sluggett, Project Geologist & Communications Coordinator (sluggett@geosciencebc.com or 604-662-4147 ext 21).

employees hired to perform work on the Project, as well as any premiums due to the Workers Compensation Board in relation to such employees.

2.6.2 The Project Funds do not include Goods and Services Tax (“**GST**”), as Geoscience BC does not consider the Project Funds to be a ‘Taxable Supply’ under the Excise Tax Act. Geoscience BC considers the Project Funds to be exclusive of GST to the extent that the Principal Proponent is entitled to claim input tax credits or rebates in respect to their expenditure of these monies. If GST paid is claimed as a Project Expense pursuant to this Agreement, the Principal Proponent will provide Geoscience BC with: (a) a detailed breakdown of these amounts; (b) an explanation as to why these amounts were not claimed as input tax credits or GST rebates; and (c) copies of all invoices on which GST was paid and is being claimed as a Project Expense (each of which shall include the GST number of the relevant supplier).

2.7 **Completion Under Budget**

If the Project is completed under budget, any Project Funds unused and not committed must be returned to Geoscience BC within 2 weeks of the completion of the Project.

3.0 **TECHNICAL REQUIREMENTS AND DELIVERABLES**

3.1 **Standard of Project Execution and Delivery**

The Principal Proponent shall ensure that the Project is performed, completed and reported on in accordance with the highest technical standards established for projects of a similar nature by the British Columbia Association of Professional Engineers and Geoscientists and the Canadian Institute of Mining. If applicable, the Project must adhere to the “Exploration Best Practices” guidelines as established by the Canadian Institute of Mining and recommended in Nation Instrument 43-101 including properly designed and executed QA-QC procedures (please see: <http://www.cim.org/definitions/explorationBESTPRACTICE.pdf>). Notwithstanding the foregoing, neither the Principal Investigator nor any other individual doing work on or assisting with the Project is required to hold a PEng. or PGeo qualification.

3.2 **Deliverables**

3.2.1 The Principal Proponent shall deliver to Geoscience BC all of the items listed on Schedule “A” hereto (the “**Deliverables**”) at the times and in the formats specified therein.

3.2.2 Geoscience BC reserves the right to circulate and distribute the Deliverables by way of the internet and other mediums.

4.0 **CONFIDENTIALITY, CONFLICT OF INTEREST & CLAIM STAKING**

4.1 **Confidential Information**

4.1.1 Each Party shall keep and use the other Party’s Confidential Information in confidence and shall not, without the other Party’s prior written consent, disclose the other Party’s Confidential Information to any person or entity, except to the Party’s directors, officers,

employees, faculty, students and professional advisors who require the Confidential Information to assist such Party in performing its obligations and exercising its rights under this Agreement.

4.1.2 Notwithstanding any termination or expiration of this Agreement, the obligations set out in paragraph 4.1.1 survive and continue to bind the Parties, and their successors and assigns, until three (3) years after such termination or expiration.

4.2 **Disclosure of Conflicts**

The Principal Proponent shall complete, and shall cause the Principal Investigator complete, Schedule “C” attached hereto, disclosing all existing or potential Conflicts of Interest.

4.3 **Staking of properties**

Both the Principal Proponent shall refrain from, and shall cause the Principal Investigator to refrain from:

- (a) staking, or acquiring an interest, directly or indirectly, in any mineral property located within an area where the Project is being conducted (a “**Project Area**”); and
- (b) acquiring shares or securities, or options to acquire shares, either directly or indirectly, in any corporation, partnership, syndicate, or other organization or body which owns mineral properties within a Project Area

until the Project has been completed and the Project Data has been released into the public domain for six (6) months in accordance with this Agreement.

4.4 **First Nations**

The Principle Investigator will, where applicable, contact local First Nations to provide information on field investigations related to this project. Geoscience BC will help the Principle Investigator identify the appropriate First Nations contacts.

5.0 **PUBLICATION AND INTELLECTUAL PROPERTY**

5.1 **Publication Numbers**

All publications arising out of the Project, with the exception of abstracts, talks and posters at conferences, must contain a Geoscience BC publication number (a “**Publication Number**”). Prior to publishing or permitting to be published any publication arising out of the Project, other than an abstract, talk or poster at a conference, the Principal Proponent shall contact Geoscience BC to obtain a Publication Number for the publication.

5.2 **Recognition of Geoscience BC**

All publications and presentations arising out of the Project (including talks, abstracts and posters) must acknowledge Geoscience BC as a sponsor of the project. Posters and visual presentations must include Geoscience BC’s logo.

5.3 **Disclosure of Project Data**

5.3.1 The Principal Proponent shall disclose and make available to Geoscience BC, for Geoscience BC's use, the Project Data.

5.3.2 Geoscience BC recognizes and acknowledges that the Principal Proponent is required to release the Project Data into the public domain within one year after completion of the Project.

5.3.3 Geoscience BC agrees that the Principal Proponent, its faculty or its students shall be permitted, subject to the provisions of this Section 5.3, to present Project Data at symposia and national or regional professional meetings, and to publish Project Data in journals, theses, dissertations or otherwise of their own choosing, provided that:

- a) such presentation or publication shall not include any Confidential Information of Geoscience BC;
- b) Geoscience BC shall have been furnished copies of any proposed presentation or publication at least 60 days in advance of the submission of such proposed presentation or publication to a journal, editor, or other third party

5.3.4 Geoscience BC shall have 30 days after receipt of the said copies, to object to such proposed presentation or publication on the grounds that:

- (a) it contains Confidential Information that was disclosed to the Principal Proponent by Geoscience BC; or
- (b) it discloses patentable subject matter which requires protection.

5.3.5 If Geoscience BC objects to a proposed presentation or publication on the grounds that it contains Confidential Information, the Principal Proponent, its faculty member or its student, as the case may be, may proceed with the publication or presentation after the Confidential Information has been removed from the publication or presentation.

5.3.6 If Geoscience BC objects to a proposed presentation or publication on the grounds that it discloses patentable subject matter:

- (a) it will be deemed to be a direction to the Principal Proponent and the Principal Investigator to file a patent application; and
- (b) the Principal Proponent will delay the proposed presentation or publication until it has filed one or more patent applications with one or more patent offices with respect to the relevant patentable subject matter. A provisional patent application will be considered a patent application in the United States of America for the purposes of this Agreement.

5.4 Intellectual Property

The Parties hereby agree to be bound by the terms and conditions with respect to intellectual property rights contained in Schedule “D” hereto.

6.0 GENERAL

6.1 Insurance coverage

The Principal Proponent shall at all times ensure that adequate insurance coverage is maintained, or indemnities received, on all individuals and contractors assisting in the completion of the Project, including without limitation general comprehensive liability, unemployment and workers’ compensation coverage.

6.2 Limitation of Liability

6.2.1 The Principal Proponent hereby releases Geoscience BC, its partners, employees and agents, and their respective successors and assigns, from and against any and all claims, losses, monetary damages, liabilities, taxes, fines, fees, penalties, expenses or costs, plus reasonable attorneys’ fees and expenses, including court costs and expert witness fees and costs, that Geoscience BC, its partners, employees and agents, and their respective successors and assigns, may have for any past, present or future loss or damage arising, directly or indirectly, from the funding of the Project under this Agreement, other than those liabilities which a court of competent jurisdiction, in a final judgment, has determined arise solely by reason of the gross negligence or willful misconduct of Geoscience BC.

6.2.2 The Principal Proponent shall indemnify and hold harmless Geoscience BC, its partners, employees and agents, and their respective successors and assigns, from and against any and all claims, losses, monetary damages, liabilities, taxes, fines, fees, penalties, expenses or costs, plus reasonable attorneys’ fees and expenses, including court costs and expert witness fees and costs, that Geoscience BC, its partners, employees and agents, and their respective successors and assigns, may incur, suffer or pay in relation to the Project, other than those liabilities which a court of competent jurisdiction, in a final judgment, has determined arise solely by reason of the gross negligence or willful misconduct of Geoscience BC.

6.3 Lack of Performance

6.3.1 If the failure by the Principal Proponent to perform any of its obligations under this Agreement is caused by the occurrence of an event of Force Majeure, such failure shall not be construed as a breach by that Party of this Agreement, provided that the Principal Proponent diligently takes all reasonable steps to overcome and remedy the effect of the event of Force Majeure. For the purposes of this Agreement, “Force **Majeure**” includes any act of God, strikes, lockouts, acts of sabotage or war, blockades and insurrections, riots, landslides, earthquakes, storms, floods, fires, explosions or any other event or occurrence which is not reasonably within the control of the Party claiming suspension and which by the exercise of reasonable diligence the Principal Proponent is not able to overcome and if any of the foregoing events or occurrences has the effect of preventing the Principal Proponent from performing its obligations under this Agreement, provided that in no event will lack of finances or the direct or indirect result thereof be considered as an event or occurrence of Force Majeure.

6.3.2 The Principal Proponent shall immediately notify Geoscience BC upon the occurrence of an event of Force Majeure, and shall, within four weeks of the notification, provide Geoscience BC with a written report outlining its reasons for failure to perform any of its obligations under this Agreement.

6.3.3 If, due to the occurrence of an event of Force Majeure, the Principal Proponent is unable to complete the Project on or before the Completion Date, the Parties may reschedule the Completion Date by mutual agreement, failing which Geoscience BC may require the return of all Project Funds advanced to the Principal Proponent that are unused and not committed.

6.4 **Governing Law**

Any dispute arising from this Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia, and the Parties consent to the exclusive jurisdiction and venue in any court of competent jurisdiction in British Columbia, and to service of process under the statutes of British Columbia.

6.5 **Amendments to the Agreement**

No waiver of any term, provision or condition of this Agreement, whether express or implied, whether by conduct or otherwise, shall be valid unless the waiver is given in writing by Geoscience BC and any valid written notice shall not be construed as a further or continuing waiver upon its expressed terms.

6.6 **Assignment of Rights and Obligations**

The Principal Proponent shall not assign, pledge or otherwise transfer its rights and obligations under this Agreement without the prior written consent of Geoscience BC.

6.7 **Severability**

6.7.1 If any provision of this Agreement is invalid or unenforceable in any jurisdiction, such provision will be fully severable from this Agreement and the other provisions hereof will remain in full force and effect in such jurisdiction and the remaining provisions hereof will be liberally construed to carry out the provisions and intent hereof.

6.7.2 The invalidity or unenforceability of any provision of this Agreement in any jurisdiction will not affect the validity or enforceability of such provision in any other jurisdiction, nor will the invalidity or unenforceability of any provision of this Agreement with respect to any person or entity affect the validity or enforceability of such provision with respect to any other person or entity.

6.8 **Entire Agreement**

The provisions herein constitute the entire agreement between the parties and supersede all previous communications, representations and agreements, whether verbal or written, between the parties with respect to the subject matter hereof.

6.9 **Enurement**

This Agreement shall enure to the benefit of and be binding upon the Parties and, except as otherwise provided herein or as would be inconsistent with the provisions hereof, their respective heirs, executors, administrators, successors and assigns.

6.10 **Counterparts**

This Agreement may be executed by facsimile and in two or more counterparts, all of which together shall constitute one and the same document.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above

[UNIVERSITY NAME]

Per: _____

Date: _____

Name:

Title:

GEOSCIENCE BC

Per: _____

Date: _____

Please indicate the name and address of the payee below:

Name:

Address:

SCHEDULE A – PROJECT DESCRIPTION

Principal Investigator:

[Name of Principal Investigator]

[Department of ...]

[University of ...]

Project Description:

The purpose and scope of the Project are outlined in the proposal document: “[title of proposal]”; a research proposal submitted to Geoscience BC on [submission date], by [Principal Investigator], and attached to this Agreement as Schedule E.

Project Funds Advances:

Geoscience BC will advance the Project Funds to the Principal Proponent as follows:

- a) **75 %** upon execution of this agreement;
- b) **15 %** upon receipt by Geoscience BC of (i) a statement of expenditures to date, using the budget template provided in Schedule B; and (ii) completion of a report on field activities paper and/or a one page technical progress report; and
- c) **10 %** upon receipt by Geoscience BC of all project deliverables, as defined below, and a final statement of expenditures using the budget template provided in Schedule B.

A digital version of the budget template in Schedule B is available from Geoscience BC.

Deliverables:

All project deliverables, unless otherwise indicated, must be received in electronic format, and Geoscience BC reserves the right to circulate and distribute the project deliverables by way of the internet and other media. The Principle Investigator will deliver the following items to Geoscience BC at the times specified:

- a) ***Abstract and Location Map*** – A 200-400 word abstract on the project and information on the geographical location that outlines the area where the work will be performed must be submitted in digital form along with your acceptance of this agreement. The abstract and map will be used to promote the projects supported by Geoscience BC including publication on Geoscience BC’s website.

Ideally, project location information should be submitted in ArcGIS file formats and should be represented by area outline(s) or point feature(s) in the ArcGIS file, along with a brief description on the location in relation to local towns or cities, mines or major Sample Geoscience BC – University Project Agreement (drafted 20 July 2009, subject to minor revisions). Any questions should be directed towards Christa Sluggett, Project Geologist & Communications Coordinator (sluggett@geosciencebc.com or 604-662-4147 ext 21).

geological features. Alternately, Geoscience BC will accept location information given in geographical coordinates (lat/long), or the NTS mapsheets the project covers (1:250,000 or 1:50,000 depending on the size of the project).

- b) **Summary of Activities** – Each year, all active projects (projects which have not submitted final deliverables to Geoscience BC) are required to produce a technical report that will be published in Geoscience BC’s annual Summary of Activities. Projects are expected to publish either full results of their programs or a shorter report of activities and the status of the project work annually for the duration of the project. Manuscripts are to be a maximum of 10 published pages in length including all text, photos and illustrations, and are required to conform to established publication standards of Geoscience BC. Details on specifications of this report will be provided closer to the submission deadline, which is generally around the middle of October of each year. For reference, Geoscience BC’s Summary of Activities 2008 is available from Geoscience BC’s website: www.geosciencebc.com/s/Summary.asp.
- c) **Digital Data** – Where applicable, all data produced from this project must be provided in a format that allows it to be integrated into Geoscience BC’s digital databases. Details of data formats are available on request. Geoscience BC will also, where applicable, help facilitate the transfer of project data into the BC Ministry of Energy and Mines’ Map Place website.
- d) **Progress Report** – A statement of expenditures to-date using the budget template provided, along with a one page technical progress report OR Geoscience BC Summary of Activities article is required to receive the second payment (see above).
- e) **Annual Poster Presentations**– All active projects (projects which have not submitted final deliverables to Geoscience BC) are required to prepare an annual poster presentation for display at the Mineral Exploration Roundup in Vancouver and/or the Canadian Society of Petroleum Geologists Convention in Calgary.
- f) **Final Project Deliverables** – In addition to the items listed above, this project shall deliver:

Project End Date

This project should be completed by March 31, 2011. Any extension to the project deadline must be approved by Geoscience BC.

SCHEDULE B – BUDGET TEMPLATE

[Taken from project proposal]

SCHEDULE C – CONFLICT OF INTEREST

Please outline any conflicts of interest that may exist in relation to the funded project.

The term “conflict of interest” as used in this agreement is any situation where

- i. the Principal Investigator’s personal interests, or,
- ii. those of a close friend, family member, business associate, corporation, partnership, or other entity in which the Principal Investigator holds a significant interest, or a person to whom the Principal Investigator owes an obligation

in properties, companies or contractors, could benefit from the project or could provide services to the project.

Each person or company listed as a proponent in the proposal (see Schedule E) must complete a Schedule C.

Project Reference:

Name:

Conflict of Interest Details:

SCHEDULE D– INTELLECTUAL PROPERTY

All Intellectual Property Rights resulting from the work done at [University Name] on this project shall immediately, as soon as they come into existence, vest in, and remain the property of the Principal Proponent. In consideration of Geoscience BC's contribution to the cost of development of the Intellectual Property, the Principal Proponent hereby grants Geoscience BC a non-exclusive, irrevocable, world-wide, fully paid and royalty-free license to use, reproduce, modify and distribute all said Intellectual Property that vests in the Principal Proponent for any public purpose.