

Part C

Prospect/Mineral Information

1. To your knowledge, has mining ever occurred on the prospect/mineral property? (Check one box below.)
 Yes No Unknown

2. Please describe all existing improvements made or located on prospect/mineral property such as mine cuts, camps, wash plants, mill facilities, airstrips, roads, etc. Attach additional sheets if necessary.

3. If this application is for a previous mine, please indicate the date that the mine was shut down (month and year).

4. To your knowledge, has an Affidavit of Initial Production ever been filed for this property? (Check one box.)
 Yes No Unknown

If you answered yes to this question, go to questions 5 and 6. Otherwise, go to question 7.

5. Enter the date of initial production as indicated on the affidavit(month and year). _____

6. Enter the final date (month and year) that the title and the mineral rights to prospect/mineral property were acquired.

Check the boxes below for each land description that applies:

- Land where the prospect/mineral property is located is vacant/unappropriated state/federal land.
- Land where the prospect/mineral property is located is claimed, leased or patented by applicant.
- Land where the prospect/mineral property is located is claimed, leased, patented, or private land to which the applicant has acquired the mineral/mining rights.

7a. Do you have all permits that are necessary to commence construction of a mine. Yes No

7b. List all permit numbers, issuing agencies, type of permits, date of any permits, and status of permits issued as of the date of this application below. Include such permits as APMA Plan of Operation Approval, Reclamation Plan Approval, NPDES 401, Solid Waste, Air Quality, Wetlands 404, etc. If you answered "No" to question 7a, please include in the list below those permits that you have not yet obtained. Attach supplemental sheets, if necessary.

Permit Number	Issuing Agency Name	Type of Permit	Date of Permit	Status of Permit
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

8. Please provide a description of the minerals that you are seeking by the exploration work claimed.

9. Enter the legal description of each of the physical areas included in this credit application. Include all meridians, townships, ranges and sections.

Part D

Breakdown of Exploration Costs Incurred to Bring the Mine into Production

The amount of Mineral Exploration Incentive Credit allowed is based on the costs incurred for activities in direct support of exploration activity conducted at a specific exploration site for the purpose of determining the existence, location, extent, or quality of a mineral or coal deposit. We require a breakdown of the eligible costs associated with this credit. Eligible costs are the costs incurred during the year for the five mineral exploration activities listed in Part A on page 1 of this application. The activities must relate to the legal description defined in Part C, line 9. Please see the instructions for details about the eligibility of these costs. Enter the summary of the costs that you have calculated for each category below.

- 1. Personnel Costs\$ _____
- 2. Transportation Costs\$ _____
- 3. Fuel Costs\$ _____
- 4. Field Camp Costs\$ _____
- 5. Communication Costs\$ _____
- 6. Geochemical and Geophysical Costs.....\$ _____
- 7. Contractual Costs\$ _____
- 8. Miscellaneous/General Business Operating Costs\$ _____
- 9. Add the amounts on lines 1 through 8 above and enter the result.
These are your total Exploration Incentive Credit Costs.\$ _____

Enter this amount in Part A on page 1 of this application.

Please attach a detailed ledger supporting your totals. Include in your ledger which of the five mineral exploration activities apply to each detailed cost. You should save all of your receipts and/or cancelled checks because these ledgers are subject to audit.

Part F

Identification of Business type

Please check the box that describes the type of entity applying for the credit.

- a partnership qualified to do business in the state,
- a corporation qualified to do business in the state,
- a limited liability company qualified to do business in the state,
- a sole proprietorship, or
- other, please explain _____

Part G

Applicant's Signature

I, _____, swear under penalty of perjury that the foregoing and all attachments are true.

X _____ (Signature of applicant)

Subscribed and sworn before me this _____ day of _____, 20 _____

Signature of notary _____

My commission expires _____

Part H

Department of Revenue Expenditure Certification/Denial

Amount of certified expenditures..... \$ _____

(Must match the amount shown in Part A)

Date of delivery of above data and request for approval of taking credit _____
Month and year

Signature and date for certifying expenditures

Name and title Date

Signature and date for not certifying expenditures (See separate letter for reasons of denial and remedy)

Name and title Date

Part A Instructions

The total amount of exploration incentive costs are calculated in Part D. Enter these total costs from line 9, Part D, of this application.

This part of the application form lists the five categories of exploration activities that qualify for the mineral exploration credit. All exploration cost data claimed under Part D of this application will be examined to verify that the cost is directly attributable to the five allowed activities, making the cost eligible to be claimed for this credit.

Part B Instructions

Please provide the information requested. The legal description for the prospect/mineral property and the mining claim serial numbers and names are necessary.

Part C Instructions

Exploration incentive credits will only be granted for costs related to exploration activity that occurs before the mine construction commencement date of a new mine and for a mine that previously operated, but ceased to operate and for which all previous mining approvals have expired. Based on the information provided in this section and other information the State of Montana has in its records or obtains, the state will decide if expenditures qualify for credit.

Question 1. Please indicate whether mining has ever occurred on the prospect/mineral property.

Question 2. Please describe in detail all existing improvements made or located on prospect/mineral property. Photographs, maps and diagrams would be helpful.

Question 3. Please indicate to the best of your ability.

Question 4. Please indicate to the best of your ability.

Question 5. Please indicate to the best of your ability.

Question 6. Do you have the mineral rights or right to mine the prospect/mineral property? If yes, indicate date those rights were acquired. If there is more than one date (such as several mining claims with different posting dates), indicate latest date rights were acquired (such as latest posting date in that instance). Also check whether the land where the prospect/mineral property is located is a.) vacant/unappropriated state or federal land open to mineral entry; b.) claims, leases, patents, or other private lands for which you have the mineral rights; or c.) claims, leases, patents or other private lands for which you acquired the mineral rights. Credits can be transferred, but you must either own the property or have the mineral rights before they can be certified.

Question 7. List all permits and the information requested as of the date of this application. Include exploration permits, access permits, mine

permits, etc.

Question 8. Indicate whether placer or lode, precious metal versus base metal, coal, dimensional stone, etc.

Question 9. Include legal description for all areas where exploration activities for costs included in this application are made.

Part D Instructions

1. Personnel Costs

Include combined costs of salaries, wages, and benefits for personnel employed directly by the company to perform duties directly related to an eligible mineral exploration activity. For example, the hourly wages and allocated benefits of a survey crew surveying at an exploration site and performing off-site compilation and analysis of survey data are direct costs. Direct labor costs are eligible if they can be supported by documentation of the amounts, date and time of performance, number of employees, and duties performed.

Costs of employees not performing duties for exploration activities are not included. For example, employee travel (other than travel to and from the exploration area), entertainment, and training are not considered exploration costs. Personnel costs included in or allocated as overhead costs are not directly attributable costs and are not eligible costs unless it can be shown that the personnel were directly associated with eligible mineral exploration activities.

2. Transportation Costs

These costs must be directly attributable to the eligible mineral exploration activities listed in Part A. We require your itemized ledger detail to include the name and address of the business providing the service. If your company provided some of the claimed transportation costs, the same ledger detail must be included. We also require the legal description or geographic location of where the service was performed and the date that the service was performed.

Your transportation costs should be summarized under one of the following categories:

- Fixed-wing aircraft either owned by your company, or chartered by an outside party
- Helicopter
- Commercial air service that was scheduled
- Boats or barges
- Tracked, wheeled and snow machine vehicles

3. Fuel Costs

These costs must be directly attributable to the eligible mineral exploration activities listed in Part A. Your itemized ledger must include the name and address of the business providing fuel, the date the fuel was purchased, and the legal description or geographic location describing where the fuel was purchased.

4. Field Camp Costs

All costs must be directly attributable to the eligible mineral exploration activities listed in Part A. Your itemized ledger must include the name and address of the business providing camp costs and the date that the camp costs were incurred, and the legal description or geographic location describing where the camp was located.

5. Communication Costs

All costs must be directly attributable to the eligible mineral exploration activities listed in Part A. Your itemized ledger must include the name and address of the business providing communication costs and the date that the communication costs were incurred, and the legal description or geographic location describing where the communication costs were incurred.

6. Geochemical and Geophysical Costs

Costs of a geochemistry/geophysical program include: a) sample collection costs that are not included under other costs such as personnel or transportation, and, b) the lease or purchase of geochemical/geophysical equipment. All costs must be directly attributable to the eligible mineral exploration activities listed in Part A. Your itemized ledger must include the name and address of the business providing geochemical and geophysical program costs and the date that the costs were incurred, and the legal description or geographic location describing where the service was provided.

7. Contractual Costs

All costs must be directly attributable to the eligible mineral exploration activities listed in Part A. Contractual services include:

- contracts to obtain exploration permits
- contracts for geochemical sample preparation and analysis by a commercial lab
- contracts for geophysical surveys by a consultant
- drilling contracts
- heavy equipment contracts

Your itemized ledger must include the name and address of the business providing the contracted costs, the date that the costs were incurred, and the legal description or geographic location describing where the contractual service was provided.

8. Miscellaneous/General Business Operating Costs

All costs must be directly attributable to the eligible mineral exploration activities listed in Part A. Miscellaneous costs include:

- aerial photography
- consultant fees
- costs of developing access or additional access
- general business operating costs (not including personnel costs)

Your itemized ledger must include the name and address of the business providing the operating costs along with the names of any consultants used, the date that the costs were incurred, and the legal description or geographic location describing where the operating costs were incurred.

9. Total Amount of Exploration Incentive Credit Costs

Add lines 1 through 8 above and enter the total on line 9, and Part A on page 1 of this application.

Part E Instructions

Provide a list of exploration activity completed during the year, including but not limited to, the following information:

- the number of core or rotary drilling holes completed and the representative skeleton drill core or rotary cuttings for each hole drilled
- chemical analytical data available
- aerial photographs or a topographic or geologic map showing the location of drill holes, sample locations, or other exploration activities undertaken

Part F Instructions

Please indicate the type of business structure of the company requesting the credit.

Part G Instructions

This part must be signed by the person making the official declaration of the validity of the information submitted on this application. We require the signature to be notarized.

Part H Instructions

This part will be filled out by a representative of the Department of Revenue and will indicate whether the expenditures requested by this application have been certified or have not been certified. We will make a determination by September 30.

If your expenses are not certified by us under this section, we will state the reasons for denial of certification and give you an opportunity to correct any deficiencies or to provide additional information.

Once your expenditures have been certified, we will specify the exploration activity data list requirements that will be required at the time you claim the Mineral and Coal Exploration Credit on Form MINE-CRED.

9. Total Amount of Exploration Incentive Credit Costs

Add lines 1 through 8 above and enter the total on line 9, and Part A on page 1 of this application.

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Provide a list of exploration activity completed during the year, including but not limited to, the following information:

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- chemical analytical data available
- aerial photographs or a topographic or geologic map showing the location of drill holes, sample locations, or other exploration activities undertaken

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Questions? Please call us (406) 444-6900 or TDD (406) 444-2830 for hearing impaired. 