



State of Montana
Department of Revenue

Application and Affidavit for Certification and Approval of Mineral
Exploration Incentive Credits
Authorized Under 15-32-504, MCA
(Instructions Attached)

Application for the year ended December 31, _____

Due Date: This application form must be submitted no later than 60 days after the close of the calendar year.

Name of Applicant: _____

Address of Applicant: _____

Project Name (if any): _____

Project Area (for general reference purposes): _____

Total Amount of Exploration Incentive Credit Costs from Line 9, Part D, of this Application: \$ _____

Part A

Specific Activities for which Costs may be Taken: An exploration incentive credit may be requested for the eligible costs for each of the following mineral exploration activities that are performed for the purpose of determining the existence, location, extent or quality of a locatable or leasable mineral or coal deposit regardless of whether the land is state-owned land:

- surveying by geophysical or geochemical methods;
- drilling exploration holes;
- conducting underground exploration;
- surface trenching and bulk sampling;
- performing other exploratory work, including aerial photographs, geological and geophysical logging, sample analysis and metallurgical testing.

Part B

If a deposit has been established to exist, what is the location of the prospect/mineral property for which credit will be applied? (List all Meridians, Townships, Ranges and Sections)

List Claim Names and/or ADU/Serial #s for above prospect or mineral property and when the mineral rights to these locations were acquired:

Part C

1. To your knowledge, has mining ever occurred on the above property? (Check One)
 Yes No Maybe

2. Please describe all existing improvements 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/Year)

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

5. Date of initial production as indicated on affidavit: (Indicate Month and Year) _____

6. Indicate final date (Month and Year) that title and mineral rights to prospect/mineral property were acquired:

Check each of the following that apply:

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

7a. Do you as applicant have all permits that a reasonable and prudent person would consider necessary to commence construction of a mine. Yes No (Please indicate) _____

7b. List all Permit Numbers, Issuing Agencies, Type of Permit, Date of any Permits, and Status of Permits Issued as of date of this application below: (Add supplemental sheets if necessary) (Include such permits as APMA Plan of Operation Approval, Reclamation Plan Approval, NPDES 401, Solid Waste, Air Quality, Wetlands 404 etc.)

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

8. Please provide description of minerals being sought by the exploration work claimed:

9. Legal description of all areas for which this credit application is made: (Include all Meridians, Townships, Ranges and Sections.)

Part D

Methodology for Breakdown of Exploration Costs Incurred (Cost Data) for Work Described Above and to Bring Mine into Production:

Important Note: This application requires providing a detailed list or ledger of the expense/cost breakdown as indicated below. Eligible costs mean the costs incurred for those five activities listed on Page 1 of this application. In calculating and listing the expenses below, you must indicate whether each expense listed was partially or fully attributable to one of the five categories of exploration activities listed above. These statements are subject to audit, so all receipts and/or canceled checks must be saved.

1. Personnel Costs

Combined costs of salaries and benefits for personnel employed directly by applicant for one or more of the 5 activities listed in Part A relating to the area of legal description defined in question 9 part c. Direct labor costs must be supported by documentation of the employer's costs, date and time of performance, number of employees and duties performed by each employee whose cost is attributed to the exploration activity being claimed. Cost information must be attached and include the following:

These costs must be listed separately if they are being claimed.

Total Personnel Costs Claimed: \$ _____

2. Transportation Costs

Transportation costs must be directly attributable to activities listed in Part A. Transportation costs must also include name and address of business providing services, legal description or geographic location of where services were provided, as well as dates services were provided. If business or person submitting this application provided some of their own transportation and these costs are being claimed, the same information as requested above must be provided.

Categories of Transportation are: a.) fixed-wing aircraft (charter), b.) helicopters, c.) commercial air service (scheduled), d.) boats/barges, e.) tracked, wheeled and snow machine vehicles, f.) surface and air freight.

Each of these transportation costs must be itemized and submitted in ledger format.

Total Transportation Costs Claimed: \$ _____

3. Fuel Costs

Fuel costs, not included elsewhere, must include name and address of business providing services, legal description or geographic location of where services were provided, as well as dates services were provided. Costs must be itemized and submitted in ledger format.

Total Fuel Costs Claimed: \$ _____

4. Field Camp Costs

Camp costs and living expenses must include name and address of business providing services, legal description or geographic location of where services were provided, as well as dates services were provided. Costs must be itemized and submitted in ledger format.

Total Field Camp Costs Claimed: \$ _____

5. Communication Costs

Communications Costs must include name and address of business providing services, legal description or geographic location of where services were provided, as well as dates services were provided. Costs must be itemized and submitted in ledger format.

Total Communication Costs Claimed: \$ _____

6. **Geochemical and Geophysical Costs**

Costs of geochemistry/geophysical programs including, but not limited to: a.) sample collection costs which are not included elsewhere (personnel/transportation - see above), b.) lease/purchase of geophysical/geochemical equipment.

Costs must also include name and address of business providing services, legal description or geographic location of where services were provided, as well as dates services were provided. Costs must be itemized and submitted in ledger format.

Total Geochemical and Geophysical Costs Claimed: \$ _____

7. **Contractual Costs**

Contractual services, including but not limited to: a.) geochemical sample prep and analysis by commercial lab, b.) geophysical surveys by consultant, c.) drilling contracts, d.) heavy equipment contracts.

Contracts to provide for the permitting of exploration activities allowed.

Costs must include name and address of business providing services, legal description or geographic location of where services were provided, as well as dates services were provided. Costs must be itemized and submitted in ledger format.

Total Contractual Costs Claimed: \$ _____

8. **Miscellaneous/General Business Operating Costs**

Miscellaneous costs, including but not limited to: a.) aerial photography, b.) consultant fees, c.) costs of developing access or additional access, d.) general business operating costs (not including personnel) that are directly attributable to activities listed in Part A.

Above costs must also include name and address of business providing services, names of all consultants used, legal description or geographic location of where services were provided, as well as dates services were provided. Costs must be itemized and submitted in ledger format. For general business expenses, a detailed expense ledger or breakdown fully documenting that the expense is directly attributable to the activities in Part A must be submitted, otherwise the expenses will not be allowed.

Total Miscellaneous Costs Claimed: \$ _____

9. **Total Amount of Exploration Incentive Credit Costs:** (Items 1-8 above)

Total Costs: \$ _____

Part F

I am, or am the representative for: (Check the one that applies)

- 1 – a partnership qualified to do business in the state;
- 2 – a corporation qualified to do business in the state;
- 3 – a limited liability company qualified to do business in the state;
- 4 – other; please explain _____

Part G

Affiant's (Applicant's) Signature: I, _____, swear under penalty of perjury that the foregoing and all attachments are true.

X _____ (Signature of Affiant)

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

Signature of Notary _____

My Commission Expires _____

Part H

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 I

Date of Delivery of Data Above, and Request for Approval of Taking Credit: _____
(Month/Year)

Approval or Disapproval of Taking Credit:

I Approve: _____
(Name and Title)

I Disapprove: _____ (See separate letter for reasons of denial and remedy)
(Name and Title)

State of Montana
Department of Revenue
Application and Affidavit for Certification and Approval of Mineral
Exploration Incentives Credits
Authorized Under 15-32-501, MCA
General Instructions

Part A

This part of the application form lists 5 categories of exploration activities for which exploration incentive credits may be granted. All exploration cost data which you must provide under Part D of this application will be examined to see if the cost is directly attributable to the allowed activities and therefore eligible as a credit.

Part B

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

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? Indicate by answering yes or no, and 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

Costs, which are eligible under this section, must be directly attributable to those exploration activities allowed in Part

A. Generally, the cost of exploration activities performed for you under contract is the price specified in the contract. However, where the applicant and the contractor are related parties, eligible costs under the contract are limited to the costs that would represent eligible costs if performed and incurred directly by the applicant.

1. Personnel Costs - Only direct labor costs (including benefits) are eligible. Costs of employees not performing duties for exploration activities are not allowable. Example: Hourly wages and allocated benefits of a survey crew doing surveying at an exploration site and performing off-site compilation and analysis of survey data, are direct expenses, Personnel costs included in or allocated as overhead are not directly attributable costs and are not eligible costs unless it can be shown that the personnel were directly associated with eligible activities listed in Part A. Employee travel (other than that travel to and from the exploration area), entertainment and training are not considered exploration cost.
2. through 8. Transportation Costs, Fuel Costs, Field Camp Costs Communication Costs, Geochemistry and Geophysical Costs, Contractual Costs, and Miscellaneous / General Business Operating Costs. Only those costs (not including personnel) directly attributable to activities under Part A are allowed.
9. Total Amount of Exploration Incentive Credit Costs include total of all eligible costs identified in 1 through 8. Please include this amount also at beginning of form before Part A on Page 1.

Part E

This exploration data list is to include, but is not limited to: representative skeleton drill core or rotary cuttings for each hole drilled, chemical analytical data, and non-interpretive geophysical data, as well as photo interpretive maps and geologic maps and maps showing the location of drill holes, sample locations and other exploration activities.

Part F

Please indicate your eligibility under one of the four categories listed as being qualified to receive exploration incentive credits.

Part G

Please sign and have a Notary Public certify your signature.

Part H

This part will be signed by a representative of the department certifying or not certifying the expenditures requested by this application.

Part I

This part will be signed by a representative of the department at such time as the applicant applies to actually take (utilize) the credits approved.

Please return this application to:

Montana Department of Revenue
Compliance, Valuation and Resolution
PO Box 5805
Helena, MT 59604-5805

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