Critical Minerals Innovation Fund Program Guidelines May 2024

Ontario Ministry of Mines

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Critical Minerals Innovation Fund Program Guidelines

About the Program

The Critical Minerals Innovation Fund (CMIF) provides funding to projects that help strengthen Ontario's <u>critical minerals</u> sector.

Rapidly changing technologies are increasing the global demand for critical minerals. These minerals have become important to strategic industries such as:

- national defence
- emerging computer and telecommunications technologies
- clean technologies that will support a low-carbon future

The CMIF supports projects that involve research, development and commercialization of innovative technologies, techniques, processes and solutions for critical minerals and relate to Ontario's key priority areas.

Objectives of the CMIF include:

- increasing <u>critical minerals</u> exploration, mining, development, production and processing
- stimulating investment in Ontario's critical minerals supply chain
- enhancing collaboration between industry, academia, start-ups, and research and development firms to encourage innovation in the critical minerals sector

Key priority areas

The CMIF supports Ontario's critical minerals sector through investments in projects related to one or more of the following key priority areas:

- battery supply chain
- innovative techniques for deep exploration and mining
- · recovery of minerals
- other innovative projects that support the critical minerals sector

Battery supply chain

The battery supply chain involves:

mineral exploration and extraction

- mineral processing
- battery materials production
- recycling and reusing minerals from batteries

A strong critical minerals sector is crucial to supporting our vision of building an end-toend electric vehicle (EV) battery supply chain in Ontario. To establish an integrated battery supply chain, Ontario must enhance its capacity to process chemicals and manufacture battery components.

Innovative techniques for deep exploration and mining

Innovative solutions such as remote mining are helping companies access mineral resources deeper below the earth's surface and in more remote areas than ever before.

Continued investment in deep exploration technologies today will help support the critical minerals industry as it evolves.

Projects could tackle problems such as exploring and mining at depth in existing mines, with the goal of keeping mines in operation longer.

Recovery of minerals

In Ontario, many companies are interested in extracting additional value from mining wastes by recovering residual metals. Projects could explore innovative solutions for rethinking mining wastes.

Other innovative projects that support the critical minerals sector

Ontario is poised to become a global leader in critical minerals with increased investment in innovation. Projects could address areas related to Ontario's Critical
Minerals Strategy that are not covered by the key priority areas on this page. This may include reprocessing and recycling spent batteries and other end-use products to recover residual metals.

Eligibility

To be eligible for funding, you must meet all of the following requirements.

- You are either:
 - a private-sector business
 - a private-sector business collaborating with a public-sector academic or research institution, or a non-profit organization or association. For

projects involving collaboration between two or more entities, one entity must be the lead applicant and the funding recipient

- The project will take place in Ontario.
- The project involves research, development, and/or commercialization of innovative technologies, techniques, processes, or solutions for critical minerals that relate to one or more of the following key priority areas:
 - battery supply chain
 - innovative techniques for deep exploration and mining
 - recovery of minerals
 - other innovative projects that support the critical minerals sector
- The project is not receiving funding from any other Government of Ontario program (for exceptions, read the Project stacking section).

Who is not eligible

Even if you meet the eligibility requirements:

- If the applicant is a listed person under the <u>Special Economic Measures</u>
 <u>Act</u> and/or the <u>Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law)</u>, the applicant is not eligible for funding
- If, in the ministry's sole and absolute discretion, the applicant operates in affiliation, collaboration, or association with any person listed under the Special Economic Measures Act and/or the Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law), the applicant may not be eligible for funding
- If, in the ministry's sole and absolute discretion, the applicant operates in
 affiliation, collaboration, or association with any person listed under the <u>Named</u>
 <u>Research Organizations</u> as part of the federal government's <u>Policy on Sensitive</u>
 <u>Technology Research and Affiliations of Concern</u>, the applicant may not be
 eligible for funding

Eligible costs

Research and development activities

Eligible research and development activities and associated costs can include, but are not limited to:

- prototyping costs (for example, engineering and design services and component purchase, fabrication, materials and installation costs)
- product testing
- intellectual property protection costs
- research and development services provided by external companies

- contracted professional technical services or expertise
- costs related to technology transfer and commercialization
- capital assets and equipment related to testing feasibility of innovative techniques and processes

Commercialization activities

Eligible commercialization activities and associated costs include, but are not limited to:

- building or renovation costs specifically related to the commercialization of the new technology
- prototype demonstration costs (for example, engineering and design services and equipment purchases, fabrication, materials and installation costs)
- costs associated with scaling a technology for a mine site or project
- product certification costs
- research and development services provided by external companies
- capital assets and equipment related to commercialization of innovative techniques and processes

Ineligible costs

Ineligible costs include, but are not limited to:

- costs not directly associated with meeting the project milestones as specified in the funding agreement with the ministry
- any costs incurred before the intake round start date
- salaries and wages of individuals who are already receiving a salary or wage, or any other form of payment, from the applicant
- administration costs associated with regular business activities (for example, office supplies and equipment, staff benefits)
- capital asset costs not specifically related to the research, development, or commercialization of the new technology
- business development costs (for example, marketing and trade show costs)
- technology supplies not directly related to the new technology being developed

Funding

We will contribute a maximum of 50% of eligible project costs up to \$500,000 per project.

Applicants can only receive funding for one project per intake round of the CMIF.

We will provide funding for approved projects in three installments:

- 1. Up to 40% of the funding upon signing the funding agreement and fulfilling all conditions of funding.
- 2. Up to 30% of the funding upon review of the interim project report, which must be completed to the ministry's satisfaction.
- 3. The remaining funding upon review of the final project report, which must be completed to the ministry's satisfaction.

Project stacking

If your project receives funding from any other Government of Ontario program, the project is not eligible for CMIF funding. This means that you may not stack funding for the project with other provincial funding programs.

However, your project may receive support from provincial tax credits and industry-wide programs (for example, industrial electricity support programs).

Your project may receive funding from federal government programs. However, when combined, federal and provincial government funding for your project may not exceed 75% of eligible project costs.

Project evaluation criteria

The factors used to evaluate applications will include, but are not limited to, the following:

- Does the project propose a new or improved technology or process (including development or progress made on technology commercialization and prototyping)?
- Does the project have potential to increase cross-sector investment in critical minerals exploration and development projects?
- Does the project have potential to enhance collaboration among sectors?
- Does the project have potential to enhance resiliency and competitiveness of Ontario's critical minerals sector?
- Does the project have potential to increase research and development relating to critical minerals in Ontario's key priority areas?
- Does the project have potential to increase mineral investment in Ontario?
- Does the applicant have a demonstrated ability to deliver a project of this scale?
- Can the project be scaled-up or expanded upon in the future?

- Does the project result in new intellectual property that you intend to file or protect in Canada?
- Does the project propose to extract additional value from mining wastes?
- Can the applicant demonstrate evidence of its previous research and development experience?

Additional program information

The CMIF is a discretionary, non-entitlement, competitive program. This means funding is not guaranteed to all applicants and funding amounts are not guaranteed.

We reserve the right to fund or not fund any project and to impose whatever conditions we deem advisable when accepting an application.

You should not take any action, or incur any costs, related to the program that depends on receiving funding under the CMIF until your application is approved and a funding agreement is in place.

We are not responsible for paying any costs you may incur if your application is not approved for funding or if you do not enter into a funding agreement with the ministry.

How to apply

The application period will open on May 22, 2024.

We will accept applications until 5:00 p.m. on July 17, 2024.

Apply online through **Transfer Payment Ontario** (TPON).

- 1. Create a My Ontario Account on Transfer Payment Ontario.
- 2. Log in to TPON and register your organization.
- 3. In TPON, find the CMIF in the list of funding opportunities.
- 4. Download, complete and submit the application form and include any necessary attachments.

For detailed instructions on how to apply, visit Transfer Payment Ontario.

If you are approved for project funding

If your application is successful, you will be required to:

- Sign a funding agreement with the ministry outlining the terms and conditions for receiving funding. No funding disbursements will be made until after a funding agreement is executed and all conditions to funding have been satisfied.
 Applicants will be required to demonstrate that all other financing for the project has been committed.
- Carry and provide proof of required insurance (refer to reporting requirements).
- Report back to the ministry by due dates provided in the funding agreement, using the ministry's reporting mechanism.
- Provide an itemized interim and final expense claim and keep all receipts for auditing purposes.

Proof of insurance

We will not provide funding until we receive a copy of a valid Certificate of Insurance. It must include the following:

- commercial general liability insurance for \$2 million per occurrence (third-party bodily injury, personal injury and property damage)
- a cross-liability clause
- contractual liability coverage
- at least 30-days' written notice of cancellation
- His Majesty the King in right of Ontario, and His ministers, agents, appointees and employees listed as additional insureds

Reporting requirements

Interim project reports

If you receive funding, you must submit interim project report(s) in a form specified by the ministry. Reports include project updates and a list of expenditures.

Deadlines for the report(s) are set out in the funding agreement.

Final project report

If you receive funding, you must submit a final project report detailing results of the project and expenditures in a form specified by the ministry.

The deadline for the report is set out in the funding agreement.

Your privacy

The ministry is bound by the *Freedom of Information and Protection of Privacy Act*.

Any information provided to us in connection with the project or your application for funding is subject to disclosure in accordance with the Act.

Approved projects will be the subject of public announcements.

Contact us

For questions related to the program, contact the Ministry of Mines.

For questions or technical issues related to the online application portal, contact <u>Transfer Payment Ontario Client Care</u>.