

## 2019-20 Nova Scotia Mineral Resources Development Fund (MRDF) Shared Funding Exploration Grant Terms and Conditions

Please study these Terms and Conditions carefully before you apply. Omission of critical information may lead to an application being unsuccessful.

### Shared Funding Exploration Grant

- A Shared Funding Grant provides matching funds to applicants for mineral exploration in Nova Scotia.
  - **Tier 1:** provides up to 50% of eligible costs, >\$20,000 to a maximum of \$100,000, for approved mineral exploration activities.
  - **Tier 2:** provides up to 50% of eligible costs, >\$20,000 to a maximum of \$200,000, for NI 43-101 compliant mineral resource definition, preliminary economic assessment, pre-feasibility or feasibility studies.
- The total award may be increased by \$5000 if the applicant applies to hire a geoscience or engineering student(s), enrolled in a post-secondary institution, to assist with the exploration program.

### Eligibility

- Eligible applicants must be holders, or in a registered agreement with the holder, of active licences under the *Mineral Resources Act*. Where the applicant is not the licensee the applicant must demonstrate that a Summary of Agreement(s) has been registered with the Registry of Mineral and Petroleum Titles, that clearly indicates the applicant has a valid exploration agreement(s) with the respective licence holder(s).
- Applicants for active licence(s) held by a company (non-living individual) must be the registered signing officer or registered agent that is recorded in the online registry system NovaROC. Registered agents may be required to be authorized in NovaROC for reporting of assessment work and filing of required permits (drilling notification, excavation registration, etc.). Companies must be registered to do business in Nova Scotia or be funding the work program on claims that have been optioned or joint-ventured.

- Where the applicant is not a registered agent (as defined above) but is a living individual who is signing on behalf of the licence holder(s), the applicant is required to submit written authorization(s) from the licence holder(s).
- The applicant must have fulfilled all commitments for any previous grants from the MRDF or the Nova Scotia Mineral Incentive Program. The applicant and/or the rights holder(s) is/are required to adhere to the *Mineral Resources Act* and *Regulations*, and all other applicable government Acts and Regulations. Failure to comply may render an applicant ineligible for future applications.
- Companies applying shall be registered and in good standing with the Registry of Joint Stock Companies, as per the *Companies Act*, to, carry on business in Nova Scotia. Companies shall have an agent in the province if the company does not have a presence in the province upon which legal services can be made.
- Grant applications for the reprocessing or extraction of metals from existing tailings will not be considered.

## Responsibilities

- All correspondence with respect to MRDF grants must be communicated through the MRDF Administrator at [mrdf@novascotia.ca](mailto:mrdf@novascotia.ca) or 902-424-8157.
- Grant recipients will be required to track expenses related to MRDF-funded components of their exploration programs, to ensure that MRDF-funded activities are completed, and to submit expenses and required MRDF reports
- The applicant must have all the necessary permitting approved before work commences, including, but not limited to excavation permit for trenching, land access for Crown land, wetland alteration and water withdrawal approvals, etc.
- A signed and dated application checklist must be included with the grant application.
- The applicant must have valid, signed insurance and/or liability waiver agreements with all contractors and private land owners.
- If you are applying under a registered Harmonized Sales Tax (HST) name, please note this in your application. HST is excluded as an eligible grant expense for applicants eligible for federal government reimbursement of the tax. Please check web page link: <http://novascotia.ca/sns/paal/tax/paal050.asp> for requirements for an HST number.

- The grantee must work within all applicable Federal and Provincial Acts and Regulations.
- The grant recipient shall keep and preserve all books, accounts and records relating to the MRDF grant and keep them available for examination and audit by the Minister for a period of not less than two years after receipt of funding. The recipients shall have complied with all applicable provincial and federal laws and regulations, including those respecting mineral resources, surface rights, health, environment, safety, and conditions of labour.
- The grant recipient shall at all times indemnify and save harmless the Government of Nova Scotia and the Minister of Energy and Mines from and against all claims, demands, losses, costs, damages, actions, suits, and other proceedings howsoever made, sustained, brought, or attributable to performance, part-performance or non-performance by the recipient, its servants, agents, workers, or employees, in carrying out the project or any of the provisions of these guidelines. This includes any and all environmental liabilities relating to any lands and watercourses, which liabilities may reasonably be inferred to be as a result of the conduct of the grant recipient.

## **Eligible Work and Expenses**

All costs over \$5,000 require a reasonable estimate included at the time of application, unless this requirement is waived by the Department. Detailed quotes are not required for approval; however, funds will not be disbursed until three detailed quotes are received. Exceptions may be considered where there is a lack of available contractor for that specific proposed activity, or in the local area where you are working. The request for an exemption for providing three quotes on a cost over \$5,000 must be in the application form. If requesting sole-source contracting, please include the reason for choosing the contractor. Note that three quotes are NOT required for laboratory analyses.

Eligible work includes, but is not limited to:

- Trenching and bulk sampling, core drilling or other drilling, reclamation, and associated mobilization costs.
- Location surveying by a licensed surveyor.
- Site preparation and line cutting.
- GIS analysis, digital cartography, and 3D modelling.
- Sample analyses or mineral processing test costs.

- Contracted geophysical and geochemical surveys.
- The hiring of a subject matter expert required to work on the project. Please include this information in your application under *contractors to be considered and include the curriculum vitae (resumé) of the subject matter expert with your application.*
- Community and/or Aboriginal engagement. This can include professional services to hire a consultant. If the proposed cost of the engagement is over \$1,000, a cost breakdown must be submitted with the application.
- Digital compilation, digitization and re-interpretation of historical or legacy data.
- Other exploration activities that have been pre-approved by the Department before the activities are initiated. Please note that a grant contribution agreement (to be signed and returned by the grantee) will state the approved expenditures. Expenses which are not pre-approved by the Department, by email, will not be reimbursed.
- University-based geology student(s) wages (must provide proof of enrollment). Grantees should give preference to Nova Scotia post-secondary students and students studying at a Nova Scotia post-secondary institution.
- Costs for hiring a consultant to carry out environmental surveys required to carry out the exploration program.

## **Ineligible Expenses**

Ineligible expenses include but are not limited to:

- Transportation costs (excluding heavy equipment mobilization).
- Accommodations and meals.
- Staff wages.
- Vehicle rental(s).
- Field camp rental(s).
- Wage(s) of applicant(s) or anyone with a vested interest in the property.
- Wage(s) of assistant(s) unless previously approved by the Department.

- Company overhead and operating costs. Examples include but not limited to rent costs, utilities, office supplies, asset depreciation, equipment repairs, etc.
- Project planning.
- Costs related to acquiring, recording, grouping, renewing, transferring or maintaining an interest in a mineral property (license and tenure management costs – NovaRoc fees).
- Capital purchases.
- Expenses not approved in the signed grant contribution agreement.
- Harmonized Sales Tax (HST). HST is excluded as an eligible grant expense for applicants eligible for federal government reimbursement of the tax. Please check web page link: <http://novascotia.ca/sns/paal/tax/paal050.asp> for requirements for an HST number.

## Application Procedure

Applications must be submitted using the application form provided to the Department at [mrdf@novascotia.ca](mailto:mrdf@novascotia.ca) by **no later than 4:00 pm, Monday, May 6, 2019.**

Please study the Terms and Conditions carefully before you apply. Omission of critical information may lead to an application being unsuccessful.

***Novascotia.ca e-mail accounts can only receive 30MB of data per e-mail; if the application and data exceed this, please send multiple e-mails. (It is recommended you check with your e-mail provider to inquire about size limits for sending e-mails with large data amounts).***

## Application Review and Evaluation

Applications will be evaluated by the MRDF Review and Evaluation Committee based on:

- the completeness of the application and inclusion of all required documentation with a signed checklist.
- the applicant's access to the expertise required to complete the project.
- the applicant's plan to deal with any known challenging environmental or social issues that could impact the project.

- the organization and clarity of the proposal.
- the geological merit of the proposal, including whether the exploration plan is well conceived and likely to achieve the stated goals of the exploration program.
- whether the applicant demonstrates that the proposed work will advance the property closer to NI 43-101 compliance and/or development.
- the forecast budget for the project.
- past performance of applicant if they have received previous Nova Scotia Mineral Incentive Program (NSMIP) or Mineral Resources Development Fund (MRDF) grants.

## **Response Process**

- Successful applicants will receive a grant contribution agreement (to be signed by the applicant) confirming that their project has been approved and listing the expenses that will be covered under the MRDF. Only approved expenses incurred starting April 1, 2019, will be eligible for re-imbusement under the MRDF.
- Unsuccessful applicants will receive an email from the Department that will include the applicant's score, the passing score for the funding stream, and the areas where the application was deficient. Unsuccessful applications will be considered closed files, and decisions made by the Review and Evaluation Committee may not be appealed. Applicants are welcome to supply a revised application. Resubmissions will be considered new applications and be reviewed on a first-come, first-served basis, if funding remains or becomes available.

## **Fund Disbursement**

- Forty percent (40%) of the MRDF matching funds will be paid on project approval 3 detailed quotes, twenty percent (20%) will be paid on the approval (by the Department) of the Interim Report, and the remaining forty percent (40%) of the MRDF matching funds will be paid upon confirmed completion of the approved work program.
- Completion of the work program means that the Final Report, expense statement, receipts, and digital data obtained using MRDF funds have been received and approved by the Department. All invoices submitted for re-imbusement for work allowed under the terms of the grant contribution agreement must be fully paid for and dated no earlier than April 1, 2019.
- Unspent funds at the completion of a project can be re-allocated at the discretion of the Department in consultation with the MRDF Review and Evaluation Committee.

## Withdrawal of Funding

If it appears to the Department that the project is not going to proceed, then the funding may be withdrawn. The grantee may be required to attend a meeting with the Department to explain delays in the project.

## Reporting Requirements

### Preliminary Report

- Successful applicants are required to e-mail a Preliminary Report to the Department at [mrdf@novascotia.ca](mailto:mrdf@novascotia.ca) no later than 4:00 pm, July 15, 2019. The purpose of this report is to confirm that funding is in hand or has been arranged, that land access has been cleared with property owners, and that contractors have been engaged to complete the work in a timely manner.

### Interim Report

- Successful applicants are required to submit an Interim Report to the Department at [mrdf@novascotia.ca](mailto:mrdf@novascotia.ca) no later than 4:00 pm, September 16, 2019. The report must be an e-mail to the coordinator providing an update on the status and progress of the project.

### Final Report

- A Final Report must be submitted digitally no later than 4:00 pm, February 18, 2019.
- The Final Report must be complete when submitted, complying fully with what is required, as stated in this section, and must follow the format used for Nova Scotia Mineral Assessment Reports (following the Mineral Resources Regulations).
- The Final Report must include a clear statement of all eligible MRDF costs and paid receipts totaling 100% of grant funding. We require official receipts from vendors confirming payment of invoices directly related to the costs incurred. Receipts are only eligible for work on or later than April 1, 2019. The receipts must have a zero balance, or the bill must be signed and dated by the vendor as paid. Please make sure that work submitted to be reimbursed under the MRDF is allowable under the grant contribution agreement. Wire transfers are not acceptable as proof of payment. Proof of payment can include copies of both sides of cancelled (cleared) cheques, bank statements demonstrating payment of invoices, official receipts, vendor signing and dating the bill as paid, or letters from vendors confirming payment of invoices directly related to the costs incurred.

- All data must be conveyed electronically. The Final Report must be a PDF with all components (figures, assay information, etc.) in one file, as all Mineral Resource Development Fund grant reports will be published as Open File Reports after two years.
- If drilling, geochemical or geophysical work was funded as part of the grant, this work must be included in the Final Report and follow the reporting requirements as noted in the Mineral Resources Regulations. If assays or analytical results are reported in the report, a description of the analytical methods, indicated detection limits and clearly legible and signed copies of the certified laboratory reports must be included as appendices.
- Maps must clearly show location of completed work, claim boundaries, and include an index map showing approximate location of the project area in the province. Maps must be submitted at an appropriate scale, clearly showing detailed geology, legends, structural data, relevant geophysical/geochemical data, and previous drill collar locations (including longitudinal sections if applicable).
- The Final Report, Expense Statement, any digital data obtained using MRDF funds, and scanned paid receipts, are to be sent to the Department at [mrdf@novascotia.ca](mailto:mrdf@novascotia.ca) . Receipt of the Final Report and any additional data will be confirmed by the Department by e-mail.
- In the Claims section of the Final Report, please list the claims applied for in the application, not what the current claim holdings are.
- The locations of all samples analyzed, trenches, drill holes, and other exploratory work that pertains to the grant must be provided in an acceptable digital format (e.g. Microsoft Excel) using UTM NAD 83 projection and datum co-ordinates. This information must also be included in the Final Report.
- The results of any surveys (e.g. geochemical, geophysical or lidar) carried out as part of the grant must be included in the report as digital maps, and the data associated with these surveys must be provided in an acceptable digital format, georeferenced to UTM NAD 83 projection and datum.
- Payment will not be issued until the Department has given approval that the Final Report and additional data are satisfactory.
- Final Reports are kept confidential for two years, similar to Assessment Reports. Final Reports will be released as Open File Reports after two years. Grantees may request an early release of their reports by sending an e-mail request to the fund manager, who will acknowledge receipt of the request.



- Please make sure that the Final Report and any media releases note that the project was partially funded by the MRDF.
- The grant recipient shall keep and preserve all books, accounts and records relating to the project and keep them available for examination and audit by the Minister for a period of not less than two years after receipt of funding. The recipients shall have complied with all applicable provincial and federal laws and regulations, including those respecting mineral resources, surface rights, health, environment, safety and conditions of labour.
- The recipients shall be solely responsible for any declaration required under the *Income Tax Act* relative to the contribution made in respect of this program. HST is excluded as eligible grant expense for applicants eligible for federal government reimbursement of the tax. Please check the web page <http://novascotia.ca/sns/paal/tax/paal050.asp> to confirm whether you need to register for an HST number.

## Notes

- Geoscience is a regulated profession in Nova Scotia and the *Geoscience Profession Act* requires that individuals and companies who offer, provide or undertake geoscience in the province must be registered. If you are not registered in Nova Scotia, please enquire about professional registration before starting any work under the Mineral Resources Development Fund. Prospectors are considered exempt from the Act. If you have questions regarding professional registration or if you require assistance, please contact APGNS at 902-420-9928 or by e-mail at [registrar@geoscientistsns.ca](mailto:registrar@geoscientistsns.ca).
- Any changes to the proposed budget or work proposal must be submitted by e-mail to the Department, and the manager's approval returned by e-mail. Failure to do so will mean work related to those changes will not qualify for re-imburement.
- An on-site inspection of projects may be conducted to verify project completion and compliance.