

2020-21 Nova Scotia Mineral Resources Development Fund (MRDF) Prospecting and Exploration Grant Terms and Conditions

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

Prospecting and Exploration Grant

- A Prospecting and Exploration Grant is intended to help explorers carry out grass-roots exploration activities to find economically viable mineral resources in Nova Scotia. These activities can include, but are not limited to prospecting, geoscientific surveying, trenching, drilling, sampling and testing.
- A Prospecting and Exploration Grant provides up to:
 - **Tier 1:** A maximum of \$20,000 for grass-roots mineral exploration.
 - **Tier 2:** A maximum \$30,000 for advanced exploration projects where drilling is required.
 - **Tier 3:** A maximum of \$30,000 for airborne geophysical surveys.

The total award may be increased by \$5,000 if the applicant applies to hire a geoscience or engineering student, enrolled in a post-secondary institution, to assist with the exploration program.

- Applicants are permitted to apply for a grant on more than one exploration licence and apply for more than one grant on an exploration licence in a fiscal year. However, work proposed for a subsequent grant, must build on the results of the initial grant, which has been completed to the satisfaction of the Department.
- A grant may be applied to several exploration properties, provided all properties are under licence to the applicant and that the work to be done on each property is described separately on the application form.
- If multiple individuals wish to collaborate on a project, they are encouraged to submit a single application signed by all applicants rather than each applicant submitting a separate application. A maximum of five individuals may collaborate on the project and may be eligible to receive a grand total of \$150,000 towards the project.

Eligibility

- Eligible applicants must be the rights holder of the mineral licence, or the registered agent that is recorded in the online registry system, NovaROC, or in a registered agreement with the holder, of active licences under the *Mineral Resources Act*. Where the applicant is not the licensee or their registered agent in NovaRoc or does not have sole ownership of the mineral licence, the applicant must demonstrate that a Summary of Agreement(s) has been registered with the Registry of Mineral and Petroleum Titles, which clearly indicates that the applicant has a valid exploration agreement(s) in place with the respective licence holder(s). **ANY AND ALL AGREEMENTS MUST BE INCLUDED WITH THE APPLICATION.**
- 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.
- 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.
- 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 is/are required to adhere to the *Mineral Resources Act* and *Regulations*, and all other applicable Federal and Provincial government Acts and Regulations. Failure to comply may render an applicant ineligible for future applications.
- Grant applications for the reprocessing or extraction of metals from historic, abandoned mine tailings will not be considered.

Responsibilities

- All correspondence with respect to MRDF grants must be communicated through the MRDF Administrator at mrdf@novascotia.ca or 902-424-8157.
- Acknowledgment of MRDF funding must be reported in any related media releases.
- 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. Any changes to the proposed budget or work proposal must be submitted by e-mail to the Department, for approval. Failure to do so will mean work related to those changes may not qualify for reimbursement.
- 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.
- If you are applying under a registered 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 the web page <http://novascotia.ca/sns/paal/tax/paal050.asp> to confirm whether you need to register for an HST number.
- 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

NOTE: 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:

- The work outlined on the MRDF Prospectors Tier 1 and Tier 2 expense forms. Please ensure that you have reviewed the form for both tiers before completing your application.
- The hiring of a student to assist with work on the program
- 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.

Eligible Expenses

- Expenses approved in the grant contribution agreement, retroactive to April 1, 2020.
- University-based geoscience or engineering or student wages up to a limit of \$5000 (must provide proof of enrollment and intent of the student to return to studies for the next eligible semester). Grantees may give preference to Nova Scotian university students and/or students studying at a Nova Scotia university.

Ineligible Expenses

Ineligible expenses include but are not limited to:

- Transportation costs (Excluding heavy equipment mobilization and demobilization)

- Security bond required for Crown land access permitting
- 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
- 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 only the current form provided at <https://novascotia.ca/natr/meb/mrdp.asp> to the Department at mrdf@novascotia.ca by **no later than 4:00 pm, Wednesday April 15, 2020.**

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.
- the forecast budget for the project.
- past performance of applicant if they have received previous NSMIP or 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, 2020, 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

- Seventy five percent (75%) of the awarded funds will be issued to the applicant upon receipt of the signed grant contribution agreement and all appropriate detailed quotes by the Department.
- The remaining twenty five percent (25%) of the awarded grant money will only be issued when the final report, expense statement, paid receipts, proof of salary payments to students and digital data obtained using MRDF funds have been received and approved by the Department. All invoices submitted for reimbursement for work allowed under the terms of the grant contribution agreement must be fully paid for and dated no earlier than April 1, 2020.
- Unspent funds at the completion of a project can be re-allocated at the discretion of the Department.

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 no later than 4:00 pm, July 8, 2020. The purpose of this report is to confirm that funding is in hand or has been arranged, that the applicant has working with landowners and the Crown regarding land access, 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 no later than 4:00 pm, September 1, 2020. The report must be an e-mail to the Department 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 16, 2021.
- 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 only 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, 2020. 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 re-imbursed 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, or for personal bank accounts a copy of the scanned cheque with a bank stamp showing that the cheque has been processed, bank statements demonstrating payment of invoices, confirmed and accepted e-transfers, official receipts, vendor signing and dating the bill as paid, or letters from vendors confirming payment of invoices directly related to the costs incurred and the pay stub for payment of wages to a student
- All data must be conveyed electronically. The Final Report must be a PDF with all components (figures, assay information, etc.) in **ONE** single file, as all Mineral Resource Development Fund grants 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. 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, drillholes, 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.
- The Department must give an approval in writing that the Final Report and additional data are satisfactory.
- Final MRDF Reports are kept confidential for two years. 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 Department, who will acknowledge receipt of the request.
- If a student has been funded by the grant, the report must include proof that they are registered to return to school in the next academic year.
- Please make sure that the Final Report and any media releases from the funding date onwards note that the project was partially funded by the MRDF.

Notes

- Please note that 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.
- Any changes to the proposed budget or work proposal must be submitted by e-mail to the Department, and the Administrator's approval returned by e-mail. Failure to do so will mean work related to those changes will not qualify for reimbursement.
- An on-site inspection of projects may be conducted to verify project work and compliance.
- 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 of Energy and Mines 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.