

2021-22 Nova Scotia Mineral Resources Development Fund (MRDF) Prospecting Grant

Prospecting Grants

- Prospecting Grants are intended to help explorers carry out grass-roots exploration activities and find economical mineral resources in Nova Scotia. Funded activities can include, but are not limited to, prospecting, geoscientific/geophysical surveys, trenching, drilling, sampling, and testing.
- Prospecting Grants provide up to \$30,000 of support.

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 license, and apply for more than one grant on an exploration license in a fiscal year. Work proposed for a subsequent grant, however, 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 license 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 may 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

- Applicants must be the rights holder of the mineral license, or the registered agent that is recorded in the online registry system, NovaROC, or in a registered agreement with the holder, of active licenses 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 license, 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 license holder(s). **ANY AND ALL AGREEMENTS MUST BE INCLUDED WITH THE APPLICATION.**

- Applicants for active license(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 license holder(s), the applicant is required to submit written authorization(s) from the license holder(s).
- Applicants 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.
- Applications for the reprocessing or extraction of metals from historic, abandoned mine tailings will not be considered.
- 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. Geoscientists and companies receiving Prospecting Grants should contact the Association of Professional Geoscientists of Nova Scotia regarding professional registration if they are not already registered. Professional registration of prospectors is not required.

Responsibilities

- All correspondence with respect to MRDF grants must be communicated through the MRDF Administrator at mrdf@novascotia.ca.
- A signed and dated application checklist MUST be included with the application.

- Applicants must list all the necessary permitting required when applying. Types of permits required may include, but are not limited to, excavation permit for trenching, land access for Crown land, wetland alteration and water withdrawal approvals, etc. Provide copies of existing Crown land access permits. If Crown land access permits have not been obtained at the date of application, the applicant must provide copies prior to the commencement of approved work program.
- Applicants applying under a registered HST name, please note this in the 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.
- Grantees are 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 mrdf@novascotia.ca, and the manager's approval returned by e-mail. Failure to do so will mean work related to those changes may not qualify for reimbursement.
- Grantees 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 of Energy and Mines for a period of not less than two years after receipt of funding. Grantees must comply with all applicable provincial and federal laws and regulations, including those respecting mineral resources, surface rights, health, environment, safety, and conditions of labour.
- Grantees 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.
- Grantees will acknowledge MRDF funding in media releases or publications.

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 contractors 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 Prospecting Grant Expense Form. Please ensure that you have reviewed the form 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 list the approved expenditures. Expenses that are not pre-approved by the department, by e-mail, will not be reimbursed.

Eligible Expenses

- Expenses approved in the grant contribution agreement, retroactive to April 1, 2021.
- University-based geoscience, engineering, or other 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).

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, Monday, May 10 2021.**

Please study the description of the grant carefully before you apply. Omission of critical information may lead to an unsuccessful application.

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 department 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 MRDF grants.
- 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 which will be covered by the MRDF. Only approved expenses incurred starting April 1, 2021, will be eligible for reimbursement under the MRDF.

Fund Disbursement

- Seventy five percent (75%) of the awarded funds will be issued to the grantee 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, 2021.

Withdrawal of Funding

If it appears to the department that the grantee's project is not going to proceed, the MRDF grant 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

- Grantees are required to e-mail a Preliminary Report to the department at mrdf@novascotia.ca no later than 4:00 pm, Friday July 23, 2021. The purpose of this report is to confirm that project 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

- Grantees are required to submit an Interim Report to the department at mrdf@novascotia.ca no later than 4:00 pm, Friday September 10, 2021. 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, Friday February 18, 2022.
- 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, 2021. 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, 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, 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 by the department after two years. Grantees may request an early release of their reports by sending an e-mail request to the department, which 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 acknowledge that the project was partially funded by the MRDF.

Notes

- 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 by the department to verify project work and compliance.

- Grantees 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.
- Grantees 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.