

2021-22 Nova Scotia Mineral Resources Development Fund (MRDF) Shared-Funding Exploration Grant

Shared-Funding Exploration Grants

- A Shared-Funding Exploration Grant is available to applicants who commit to investing more than \$30,000 in a mineral exploration program in Nova Scotia. The Grant will match or partially match the applicant's exploration investments and will provide awards between \$30,000 and \$100,000 for eligible expenses.

Eligibility

- Applicants must be holders, or in a registered agreement with the holder, of valid licenses 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, which clearly indicates the applicant has a valid exploration agreement(s) with the respective license holder(s).
- 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.
- 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).
- 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.

- 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 Shared-Funding Exploration Grants should contact the Association of Professional Geoscientists of Nova Scotia regarding professional registration if they are not already registered.

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 grant application.
- Applicants must include a list of necessary permitting requirements before work commences. 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 must have valid, signed insurance and/or liability waiver agreements with all contractors and private landowners.
- Applicants 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.
- 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.
- Grantees must work within all applicable federal and provincial acts and regulations.
- 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. 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.
- 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 *environmental* liabilities relating

to any lands and watercourses, which liabilities may reasonably be inferred to be 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 the 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:

- 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 that are not pre-approved by the department, by email, will not be reimbursed.

- 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 by **no later than 4:00 pm, Monday May 10, 2021.**

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 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,
- whether the applicant demonstrates that the proposed work will advance the property closer to NI 43-101 compliance and/or development,
- the planned 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.
- Failure to include key information at the time of submission may result in an application not meeting the scoring requirements to be eligible for funding.
- 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, 2021, will be eligible for reimbursement under the MRDF.

Fund Disbursement

- Forty percent (40%) of the MRDF grant will be awarded when the application is approved, twenty percent (20%) will be paid on the approval of the Interim Report, and the remaining forty percent (40%) will be awarded 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 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.
- Upon completion of a project, unspent funds 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 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 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

- 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 coordinator providing an update on the status and progress of the project.
- Grantees must inform the MRDF Administrator if they will not be proceeding with a project on or before the Interim Report deadline. Failure to do so may result in the grantee being ineligible for future MRDF grants.

Final Report

- A Final Report must be digitally submitted 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 (i.e., 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. The department requires 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, 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 (e.g., 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 . 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.
- Final payment will not be issued until the department has approved the Final Report. Final 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 fund manager, who will acknowledge receipt of the request.
- Please ensure the Final Report and media releases acknowledge that the project was supported by the MRDF.
- 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. 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.
- Grantees 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

- 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 will not qualify for reimbursement.
- An on-site inspection of projects may be conducted by the department to verify project completion and compliance.