

# The Nova Scotia Mineral Incentive Program 2013

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## Introduction

The second year of the Nova Scotia Mineral Incentive Program (NSMIP) began in the spring of 2013. The Government of Nova Scotia allocated \$700,000 for the 2013-14 NSMIP, matching the previous year's funding. The NSMIP is a three-year funding program designed to increase and promote mineral exploration in the province, leading to further development of mineral properties and new producing mines. There are four components to the program: (1) Prospector Grants, (2) Advanced Project Grants, (3) Prospector Marketing Support and (4) Prospector Training.

To evaluate proposals for Prospector and Advanced Project grants, the Mineral Resources Branch established a three-person Review and Evaluation Committee, and a consistent scoring process was used to evaluate each grant proposal. The scoring system employed several evaluation criteria, including (1) the potential that NSMIP input would advance the property, (2) the geological potential of the property and the commodities of interest, (3) the quality and presentation of the proposal, (4) an assessment of the geological model (i.e. degree of innovation; does the plan present a new perspective or test for new mineralized zones?) and (5) the technical ability of the prospector or company to carry out the proposed activities.

Each of the three members of the review committee scored each proposal, and the three scores were averaged to provide a project score for that proposal. From this process, ranked lists of Prospector Grant proposals and Advanced Project proposals were compiled. Starting with the top ranked project in each list, funds were allocated to each project down the list in turn until the available funds were allotted.

## Prospector Grants

Prospector Grants are direct grants of up to \$15,000 per year for grass-roots exploration activities on mineral licences held by registered prospectors. These grants provide support for on-the-ground exploration activities that include, but are not limited to, trenching, assays, surveys (geophysical, geochemical), diamond drilling, equipment rentals, and landowner access and compensation fees. Charges such as salary, gas, vehicle rentals and accommodation for the grant holder are not applicable toward the grants. In the interest of supporting and promoting safe exploration practices, costs related to obtaining certified first aid training as well as GPS and satellite safety devices are deemed allowable expenses. Other activities not listed here may be considered applicable to the grants if approved by the NSMIP Review and Evaluation Committee of the Department of Natural Resources prior to the expenditure.

## Advanced Project Grants

Advanced Project Grants are for exploration projects beyond a grass-roots level and include activities all the way up to and including determining NI 43-101 compliant resource estimates. These grants are available to mineral rights holders or exploration companies holding an option agreement on a property licenced to another party. With these grants, the NSMIP may contribute up to 50% of the cost of an approved project to a maximum government input of \$100,000. As with the Prospector Grants, the NSMIP will fund on-the-ground exploration activities. These include, but are not limited to, geophysical or geochemical surveys, trenching, diamond drilling, reverse-circulation drilling, assays, metallurgical process testing, bulk samples,

determination of NI 43-101 compliant resource estimates, landowner access and compensation fees, and activities related to community engagement regarding a particular property.

Advanced Project Grant funds are not applicable to paying the salary costs of the mineral-rights holder(s), those deemed as staff of the joint venture partner, or junior employees of either of these parties hired to explore the property, nor the cost of renting and maintaining an office or field camp. Some activities not listed here may be allowable if prior approval is given by the NSMIP Review and Evaluation Committee of the Department of Natural Resources.

## **Prospector Marketing Support**

The Mineral Resources Branch of the Department of Natural Resources has long recognized the importance of promoting the mineral exploration potential of the province to the global mineral exploration community. On an annual basis the department attends major exploration industry conferences and trade shows, such as the Prospectors and Developers Association of Canada Annual Convention and Trade Show in Toronto and the AMC Mineral Exploration Roundup Conference in Vancouver. The branch has also provided support for prospectors to promote and market their mineral properties at these conferences. This support consists of paying for conference registration and display space, aid in preparation of display materials, and reimbursement for some of the travel and accommodation expenses incurred by attendee prospectors. The branch considers this marketing support for prospectors to be of prime importance. In its first year, the NSMIP provided Prospector Marketing Grants of up to \$1,250 per prospector to attend major conferences or trade shows. As well, the NSMIP is allowing the branch to expand the amount of display space rented and increase the number of prospectors funded to go to these events.

## **Prospector Training**

From 1996 to 2004 the Nova Scotia Department of Natural Resources funded successful, and very

popular, classroom-style prospector training courses as part of a Prospector Assistance Program (PAP). These courses trained many of the prospectors that are currently active in the province and also resulted in formation of the very active Nova Scotia Prospectors Association. With the demise of the PAP in 2004, however, these training courses ceased. Nonetheless, it has always been the wish of the department, the Mining Association of Nova Scotia and the Nova Scotia Prospectors Association to re-establish some form of prospector training. The Nova Scotia Mineral Incentive Program has allowed the department to begin production of a new prospector training course.

The course will train entry-level prospectors by way of an online, module-based product that is supplemented by a component of field training for those who have successfully completed the modules. During the first year of the NSMIP, the course format, design and module content was defined and the first few modules were developed. This year and next year of the program will fund development of the remaining modules and running of the field training component. In addition, in subsequent years the NSMIP may fund development of a similar training course for advanced prospectors. As of December 2013 there were 11 training modules developed. These courses will be available in the near future.

## **2013 NSMIP Applications and Grantees**

There were 29 applications for Prospector Grants and 24 Advanced Project applications in 2013. Collectively, the proposed grants totalled in the order of 2.3 million dollars, which is on par with the previous year's applications. Project areas include 12 of the 18 counties of Nova Scotia. Similar to last year's program there is a concentration of projects looking for gold in the Meguma Supergroup, with 29 of the projects located there. Some of the other key minerals to be explored for are tin, lead, zinc, copper, silver and rare earth elements.

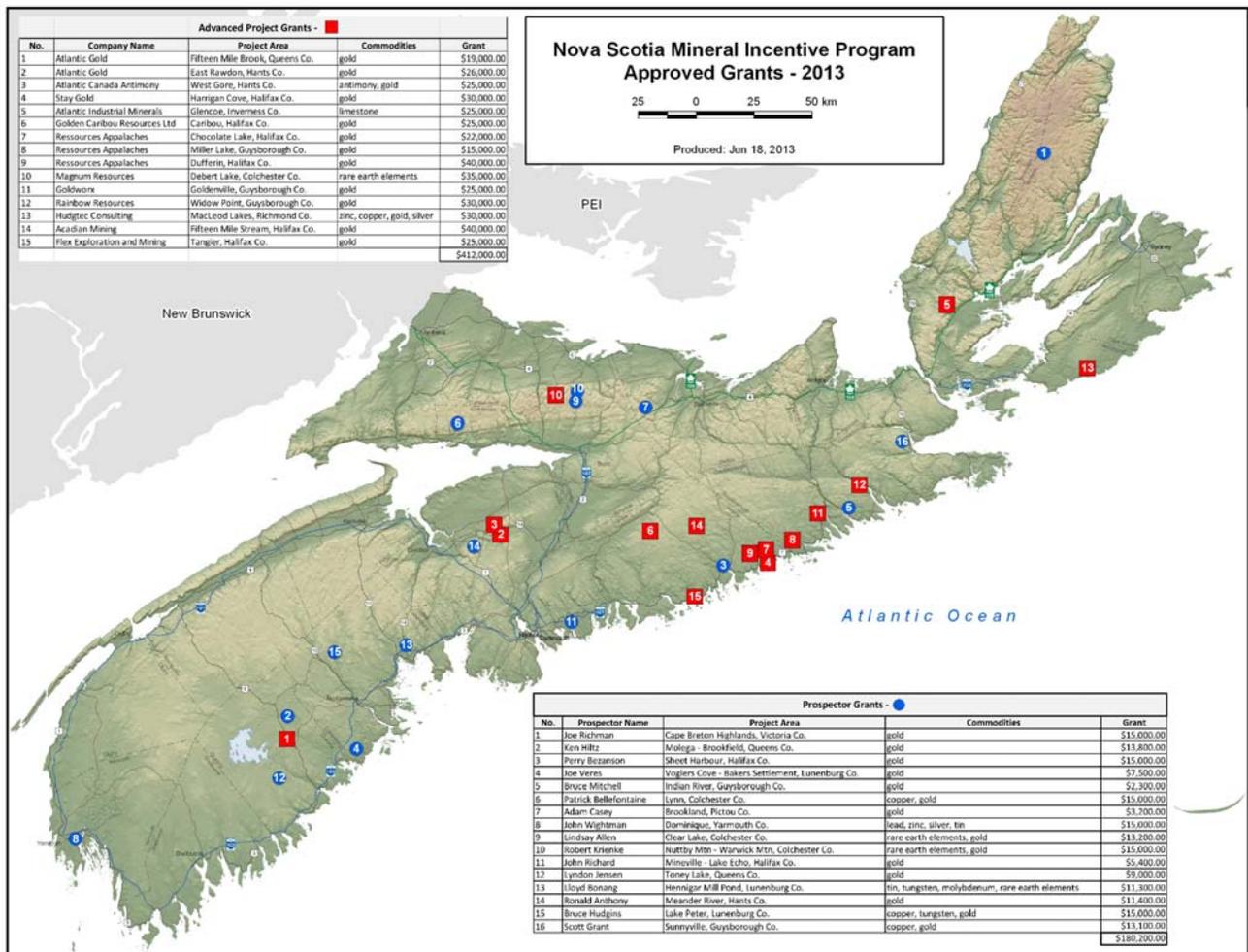
Sixteen Prospector Grants and fifteen Advanced Project Grants were awarded in 2013 (Fig. 1). Twelve of the successful applications

this year represent project areas that received a grant from NSMIP last year. These 12 projects received just over \$200,000 in grants last year, approximately one third of the total grant money awarded. Two exploration projects that received a Prospector Grant last year had a successful proposal submitted in 2013 under the Advanced Project Grant Program after the success of last year's findings.

The final NSMIP report on a project can also serve as the Assessment Report for the mineral property and, therefore, is confidential for up to two years from the date of its submission to the Registry of Mineral and Petroleum Titles. None of the NSMIP-funded project reports over the last two years have been published to date.

## Benefits of the Program

There is no doubt that implementation of the NSMIP is being well received by the exploration industry in Nova Scotia. Introduction of the program is spurring exploration programs that would not otherwise have been carried out and has allowed several planned exploration programs to expand on the activities they originally planned. Early results are showing that at least several of the properties that have received NSMIP funding have greatly enhanced their marketability and attractiveness. It is anticipated that direct and spin-off exploration activity related to the NSMIP-funded projects will continue into next year and following years.



**Figure 1.** Distribution and details of Prospector Grants and Advanced Project Grants funded by the Nova Scotia Mineral Incentive Program in 2013.

The Prospectors and Developers Association of Canada (PDAC) released a report in December 2013 that gives a full inventory of the fiscal supports for mineral exploration, organized by province and territory across Canada. The report can be viewed online at [http://www.pdac.ca/docs/default-source/public-affairs/compilation-of-financial-incentives-for-mineral-exploration-in-canada-v8-dec-13-2013---for-publication-online-\(2\).pdf](http://www.pdac.ca/docs/default-source/public-affairs/compilation-of-financial-incentives-for-mineral-exploration-in-canada-v8-dec-13-2013---for-publication-online-(2).pdf).

Attracting exploration dollars is a competitive business and having a mineral incentive program helps level the playing field for Nova Scotia. Indeed, the PDAC report shows that while many of

Canada's provinces and territories have either mineral incentive programs or mineral exploration tax incentives, or both, Nova Scotia's NSMIP total of \$700,000 compares well considering the relatively smaller size of the province. Nova Scotia has several competitive advantages for mineral exploration: a diverse endowment of natural resources, excellent infrastructure, easy access to important ocean transport routes, and a streamlined and efficient mine approval and regulatory process. Addition of a mineral incentive program to this inventory of competitive advantages further enhances Nova Scotia's attractiveness as a place to conduct mineral exploration.