

2024-25 Nova Scotia Mineral Resources Development Fund (MRDF) Prospecting Grant

Prospecting Grants

- Prospecting Grants are intended to help explorers carry out grassroots exploration activities and find economical mineral resources in Nova Scotia. Funded activities can include but are not limited to, prospecting, geological/geophysical surveys, trenching, drilling, sampling, and testing.
- Maximum funding available is \$40,000.

The total award may be increased by \$2,500 if the applicant hires a Professional Geoscientist (P.Geo) to assist with the exploration program.

- Applicants are permitted to apply for a grant on more than one exploration licence.
- 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.

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). Any agreement(s) in place must accompany 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.
- 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).

- 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.
- 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. Upon notice of receiving an MRDF grant, grantees must contact the Association of Professional Geoscientists of Nova Scotia if they do not know their contractor's registration status in the province. All contractors must be registered to work in the province.

Responsibilities

- All correspondence with respect to MRDF grants must be communicated through mrdf@novascotia.ca.
- A signed and dated Application Form and Application Checklist MUST be included with the application.
- Applicants must list all the necessary permitting required in the application.

Applicants must provide copies of existing Crown land access permits. Copies of Crown land access permits must be provided prior to the commencement of the approved work program and received by the department no later than the preliminary report deadline (TBD).

- Grantees are required to track expenses related to MRDF-funded components of their exploration programs, 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 MRDF administrator's approval returned by e-mail. Failure to do so will mean work related to those changes may not qualify for reimbursement.
- Grantees must work within all applicable federal and provincial laws 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 Natural Resources and Renewables 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 Natural Resources and Renewables from and against all claims, demands, losses, costs, damages, actions, suits, and other proceedings, howsoever made, sustained, brought, or attributable to performance, past-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 Grantee.

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 contractors for that specific proposed activity, or in the local area where the work is being carried out. 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 review this form before completing the application.
- The hiring of a student to assist with work on the program. Geoscience, engineering, or other student wages up to a limit of \$9000.
- OPTIONAL: If the applicant is not a Professional Geoscientist (P.Geo) and does not have one employed, they are encouraged to hire a P.Geo to ensure work is conducted to CIM standards <https://mrmr.cim.org/en/practice-guidelines/exploration/> Additional funds up to \$2,500 will be granted to cover this expense.
- Other exploration activities that have been pre-approved by the MRDF Administrator 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 will not be reimbursed.
- Community and/or Indigenous 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.
- Wages of one casual worker up to \$9000, to assist with exploration activities such as

drill core moving and cutting, sample preparation, channel sampling, geophysical surveying or other activities approved in the Contribution Agreement. This work must be conducted under the supervision of the grantee or their geological contractor.

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, with the exception of one casual worker or student,
- vehicle rental(s),
- field camp rental(s),
- wage(s) of applicant(s) or anyone with a vested interest in the property,
- costs related to acquiring, recording, grouping, renewing, transferring or maintaining an interest in a mineral property (licence 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.

Application Procedure

Applications must be submitted using the 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, April 8, 2024.**

Budgetary breakdowns must include hourly or daily rates, cost per sample, cost per metre, or equivalent.

Novascotia.ca e-mail accounts can only receive 30MB of data per e-mail; if the application and data exceed this, please notify the MRDF Administrator, who will send you a secure file transfer link. (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 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 organization and supporting information 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 alignment of the budget to reasonable industry standards for expenditures,
- past performance of applicant if they have received previous Nova Scotia Mineral Incentive Program (NSMIP) or Mineral Resources Development Fund (MRDF) grants.
- Omission of critical information may lead to an unsuccessful application.

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 eligible under the MRDF. Only approved expenses incurred starting April 1, 2024, will be eligible for reimbursement under the MRDF.

Fund Disbursement

- Eighty percent (80%) of the awarded funds will be issued to the grantee upon receipt of the signed grant Contribution Agreement and all appropriate detailed quotes.
- The remaining twenty percent (20%) of the awarded grant money will be issued when the Final Report and digital data obtained using MRDF funds, expense statement, paid receipts, proof of salary payments to students, have been received and approved by the department. All invoices submitted for reimbursement for work allowed under the terms of the grant Contribution Agreement, as well as any invoices submitted regarding approved scope changes, must be fully paid for, and dated no earlier than April 1, 2024.
- Failure to submit the *complete* Final Report and expenses by the required deadline will result in a penalty of 25% of eligible expenditures. Additionally, the grantee may not be eligible to apply for future MRDF grants, as determined by the department.

Withdrawal of Funding

If it appears to the department that the project is not going to proceed, the grant may be withdrawn. The grantee may be required to attend a meeting with the department to explain delays in the project. Grantees will be responsible for returning funding to the department upon the department's request. Grantees shall comply with this request, or they may not be eligible to receive future MRDF grants.

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, Monday, August 12, 2024. 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, application for Crown land access has been submitted and that contractors have been engaged to complete the work in a timely manner.

First Interim Report

- Grantees are required to submit a First Interim Report to the department at mrdf@novascotia.ca no later than 4:00 pm, Monday, September 30, 2024. 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 First Interim Report deadline. Failure to do so may result in the grantee being ineligible for future MRDF grants.

- Signed contracts with any contractors must be provided by the First Interim Report deadline and sent to mrdf@novascotia.ca with the interim report.

Second Interim Report

- Grantees are required to submit a Second Interim Report to the department at mrdf@novascotia.ca no later than 4:00 pm, Monday, November 18 2024, providing an update on the status and progress of the project.
- Any anticipated issues that may delay or affect timely completion of the Final Report must be communicated to the MRDF Administrator at this time.

Final Report

- A Final Report must be digitally submitted no later than 4:00 pm, Wednesday, February 12, 2025.
- The Final Report must be complete when submitted, complying fully with what is required, as stated in this section, and should follow the format used for Nova Scotia Mineral Assessment Reports (i.e., following the Mineral Resources Regulations).
- The report must include the completed Prospecting Grant Expense Form. The department requires official receipts from vendors confirming payment of invoices directly related to the costs incurred. Please make sure that work submitted to be reimbursed under the MRDF is allowable under the grant contribution agreement. Receipts are only eligible for work on or later than April 1, 2024. **The receipts must have a zero balance, or the bill must be signed and dated by the vendor as paid.**
- Wire transfers are not acceptable as proof of payment. Proof of payment can include: cheques 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 paid receipts from vendors, vendor signing and dating the bill as paid, or letters/emails from vendors confirming payment of invoices directly related to the costs incurred, and the pay stub for payment of wages to a student or casual worker. The MRDF Administrator may ask for additional proof of expenditures, and the grantee shall comply with this request.
- If the grant involves a casual worker, the report must include a detailed description of their duties.
- 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 MRDF Final Reports will be published as Open File Reports after two years. Datasets that cannot be reasonably added to a PDF file can be sent as separate files.

- 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, before expenses can be reimbursed.
- 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 (spreadsheet or database file) 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 completed Final Report, including data collected, discussion of results, proof of eligible expenditures and other related documents. 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 mrdf@novascotia.ca, 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 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.

Notes

- Any changes to the proposed budget or work proposal must be submitted by e-mail to mrdf@novascotia.ca and MRDF Administrator's approval returned by email. 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 progress, compliance, and completion.
- It is recommended that the grantee maintain regular contact with the MRDF Administrator throughout the duration of the project. If the grantee requires a change in project scope, they must request this to the MRDF Administrator by email and receive approval in writing.