

## **FAQ's**

### **What does JEA define as a critical mineral?**

Eligible Critical Minerals under JEA are based on Canada's Critical Minerals List and are identified in Appendix A of the JEA 2023 Guidelines.

### **If my project is non-critical mineral target, will new CMA negatively affect my grant under JEA?**

No, see "How will my rebate be calculated?" for additional information.

### **What does primary exploration target mineral mean?**

The primary exploration target mineral is the main economic mineral that the company is targeting with their exploration plan.

### **What does Secondary exploration target mineral mean?**

To be a secondary exploration target mineral the mineral must have economic potential as a by-product of mining the primary target mineral, or there must be potential for the discovery of a separate mineral deposit on the property in addition to the primary exploration target mineral deposit. The exploration plan must also demonstrate specific activity and a portion of budget being directed toward this secondary exploration target mineral.

### **Does this mean my company can apply for a rebate for each of CMA and provincial grant funding?**

A JEA rebate is a combination of provincial grant funding and any applicable CMA ACOA funding. A JEA rebate is paid as one combined payment. Companies may seek JEA funding for multiple properties by submitting an LOI for each property, however:

- The first LOI received will be considered for funding. If more than one LOI is submitted, the company must identify the order of preference.
- Any additional LOIs will only be considered for funding after all first preference LOIs have received full rebate amounts.

### **Is a project with a secondary critical mineral exploration target guaranteed funding under CMA?**

CMA is allocated to primary critical mineral exploration projects first, if the full CMA budget is required to fund these projects to the full rebate amount then it is possible that secondary critical mineral projects will not access CMA funding. Please see "How will my rebate be calculated?" and "How will an over subscription of critical minerals as a primary exploration target effect rebates?"

### How will my rebate be calculated?

Assuming, twenty-six exploration companies apply for JEA, all operating on the Island, all conducting grassroots exploration, all purely exploration companies (i.e., no mineral revenue), and all have spent \$400,000 on eligible exploration activities. Six companies' primary target is critical minerals and seven companies' secondary target is critical minerals. The other 13 companies were exploring for minerals **not** identified as a critical mineral in Appendix A of the JEA Guidelines. All the companies would fit into the category circled below in the table of JEA eligibility.

	Island of Newfoundland		Labrador	
	Companies NOT in Receipt of Mineral Revenue	Companies in Receipt of Mineral Revenue	Companies NOT in Receipt of Mineral Revenue	Companies in Receipt of Mineral Revenue
Grassroots Exploration	75% of eligible costs up to \$150,000	50% of eligible costs up to \$150,000	75% of eligible costs up to \$225,000	50% of eligible costs up to \$225,000
Non-grassroots Exploration	50% of eligible costs up to \$150,000	40% of eligible costs up to \$150,000	50% of eligible costs up to \$225,000	40% of eligible costs up to \$225,000

### Outcomes of the Above Scenario under the [Previous \(2022\) JEA](#)

\$1,300,000 divided between the 26 companies equals \$50,000 for each company

Company's Exploration Target	Number of Companies	Existing JEA
		Total for Each Company
Primary Target = Critical Mineral(s)	6	\$50,000
Secondary Target = Critical Mineral(s)	7	\$50,000
Target does not include Critical Mineral(s)	13	\$50,000
<b>Total</b>	<b>26</b>	<b>\$1,300,000</b>

### Outcomes with [CMA](#)

#### Step 1: CMA component

\$1,300,000 CMA budget used to fund the six companies that are targeting critical minerals as the primary target of exploration to the maximum rebate.

Six critical mineral primary target x \$150,000 max grant = \$900,000 requirement

Remaining CMA is allocated between the seven companies targeting critical minerals as the secondary target of exploration.

\$1,300,000 CMA - \$900,000 paid to primary = \$400,000 remaining to be allocated between secondary projects

\$400,000 / 7 secondary = \$57,142.86 for each company with a secondary CM focus

See summary table below.

**Step 2: Provincial grant component**

The six companies targeting critical minerals as the primary target for exploration have received a maximum rebate (\$150,000) and as a result will not receive any provincial portion of JEA as these are fully funded.

The seven companies targeting critical minerals as a secondary target of exploration and 13 companies that are not targeting critical minerals are also eligible for the provincial portion of JEA up to \$150,000.

Request by the 20 remaining companies (13 non-critical mineral plus 7 secondary) not fully funded:

Non-Critical Mineral Target	13 x \$150,000 =	\$1,950,000
CM(s) as Secondary Target	7 x \$150,000 =	<u>\$1,050,000</u>
Total Provincial Portion Requested		\$3,000,000

\$1,300,000 provincial portion of JEA divided by \$3,000,000 provincial portion requested equals 43.33% proration of Provincial portion of JEA, therefore:

Non-CM Target	\$150,000 Maximum x 43.33% = \$65,000
Critical Mineral(s) as Secondary Target	\$150,000 Maximum x 43.33% = \$65,000

**Summary Table**

Company's Exploration Target	Number of Companies	Previous JEA for comparison	2023 JEA Rebate		
		Total for Each Company	CMA	Provincial Portion	Total for Each Company
Primary Target = Critical Mineral(s)	6	\$50,000	\$150,000		\$150,000
Secondary Target = Critical Mineral(s)	7	\$50,000	\$57,143	\$65,000	\$122,143
Target does not include Critical Mineral(s)	13	\$50,000		\$65,000	\$65,000
Total	26	<b>\$1,300,000</b>	\$1,300,000	\$1,300,000	<b>\$2,600,000</b>

**How will an over subscription of critical minerals as a primary exploration target effect rebates?**

Assuming, twenty-six exploration companies apply for JEA, all operating on the Island, all conducting grassroots exploration, all purely exploration companies (i.e., no mineral revenue), and all have spent \$400,000 on eligible exploration activities. Thirteen companies' primary target is critical minerals and six companies' secondary target is critical minerals. The other seven companies were exploring for minerals **not** identified as a critical mineral in Appendix A of the JEA Guidelines All the companies would fit into the category circled below in the table of JEA eligibility.

	Island of Newfoundland		Labrador	
	Companies NOT in Receipt of Mineral Revenue	Companies in Receipt of Mineral Revenue	Companies NOT in Receipt of Mineral Revenue	Companies in Receipt of Mineral Revenue
Grassroots Exploration	75% of eligible costs up to \$150,000	50% of eligible costs up to \$150,000	75% of eligible costs up to \$225,000	50% of eligible costs up to \$225,000
Non-grassroots Exploration	50% of eligible costs up to \$150,000	40% of eligible costs up to \$150,000	50% of eligible costs up to \$225,000	40% of eligible costs up to \$225,000

**Outcomes of the Above Scenario under the Previous (2022) JEA**

\$1,300,000 divided between the 26 companies = \$50,000 for each company

Company's Exploration Target	Number of Companies	Existing JEA
		Total for Each Company
Primary Target = Critical Mineral(s)	13	\$50,000
Secondary Target = Critical Mineral(s)	6	\$50,000
Target does not include Critical Mineral(s)	7	\$50,000
<b>Total</b>	<b>26</b>	<b>\$1,300,000</b>

**Outcomes with CMA**

**Step 1: CMA component**

\$1,300,000 CMA budget used to fund the 13 companies that are targeting critical minerals as the primary target of exploration to the maximum rebate.

13 critical mineral primary target x \$150,000 max grant = \$1,950,000 CMA requested

\$1,300,000 CMA portion of JEA divided by the \$1,950,000 CMA requested equals 66.67% proration of CMA portion of JEA.

CM critical mineral primary target CMA \$150,000 Maximum x 66.67% = \$100,000

In this scenario, no CMA funds remain for the six companies with critical minerals as a secondary target, this group is still eligible for the provincial funding through JEA.

See summary table below.

**Step 2: Provincial grant component**

The 13 companies with critical minerals as a primary target of exploration have each received \$100,000 and are therefore eligible for the provincial portion of JEA up to \$50,000 (\$150,000 eligible request – \$100,000 CMA paid = \$50,000) this year.

The remaining 13 companies (non-critical mineral and secondary) that are not targeting critical minerals as a primary exploration target are also eligible for the provincial portion of JEA up to \$150,000, meaning all 26 companies are eligible for the provincial portion.

Request by all companies:

Non-Critical Mineral Target	7 x \$150,000 =	\$1,050,000
Critical Minerals as Secondary Target	6 x \$150,000 =	\$900,000
Critical Minerals as Primary Target	13 x \$150,000 =	<u>\$1,950,000</u>
Total Provincial portion requested		\$3,900,000

The provincial portion of JEA \$1,300,000 is divided by the \$3,900,000 provincial portion requested to determine a 33.33% proration of Provincial portion of JEA.

Non-CM Target	\$150,000 Maximum x 33.33% = \$50,000
CM(s) as Secondary Target	\$150,000 Maximum x 33.33% = \$50,000
CM(s) as Primary Target	\$150,000 Maximum x 33.33% = \$50,000

### Summary Table

Company's Exploration Target	Number of Companies	Previous JEA for Comparison	2023 JEA Rebate		
		Total for Each Company	CMA	Provincial Portion	Total for Each Company
Primary Target = Critical Mineral(s)	13	\$50,000	\$100,000	\$50,000	\$150,000
Secondary Target = Critical Mineral(s)	6	\$50,000		\$50,000	\$50,000
Target does not include Critical Mineral(s)	7	\$50,000		\$50,000	\$50,000
<b>Total</b>	<b>26</b>	<b>\$1,300,000</b>	<b>\$1,300,000</b>	<b>\$1,300,000</b>	<b>\$2,600,000</b>