NOVA SCOTIA
Natural Resources
Office of the Minister

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Todd Stone
President & CEO
Association for Mineral Exploration
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Dear Todd Stone:

Thank you for meeting with officials from Nova Scotia's Department of Natural Resources and for providing the Association for Mineral Exploration's additional documentation regarding the proposed expansion of Canadian Exploration Expense (CEE) eligibility. We appreciate the opportunity to better understand this important initiative and the challenges facing mineral projects as they advance from exploration through development.

I am pleased to express Nova Scotia's support for AME's recommendation that the Government of Canada expand eligible activities under the Canadian Exploration Expense framework to include engineering, technical studies, feasibility work, environmental baseline programs, and other project-advancement activities necessary to move mineral discoveries toward development.

Nova Scotia is experiencing renewed momentum in mineral exploration and development. Through our Critical Minerals Strategy, significant investments in geoscience and mineral data, development of NovaGEOSCIENCE, modernization of regulatory services, and support for advanced project studies, we are working to strengthen the pathway from geological potential to investment and development. Projects such as the Goldboro Mine, the Scotia Mine, the Antrim Mine and advancing critical mineral opportunities demonstrate both the strength of Nova Scotia's mineral potential and the significant investment required to move projects from discovery to production.

As AME has highlighted, many projects encounter a financing gap during the period between exploration success and construction readiness. Companies are often required to complete extensive engineering studies, geotechnical work, economic analysis, environmental baseline programs, and other technical assessments before investors can confidently commit development capital. These activities are essential to determining whether a project can become an economically viable and responsibly developed mine, yet they do not always receive the same level of support available to earlier-stage exploration activities.

Nova Scotia recognizes that addressing this gap is important to improving Canada's competitiveness as a destination for mineral investment. An expanded CEE framework would help provide greater certainty to investors, improve access to capital for advanced-stage projects, and support the technical work necessary to advance discoveries toward permitting, financing, construction, and operation. Such an approach would complement provincial efforts already underway to encourage responsible mineral development and attract investment to Canada's resource sector.

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The economic assessment commissioned by AME further demonstrates the potential national benefits associated with strengthening exploration and project-advancement incentives. The analysis suggests that enhanced support could increase exploration investment, improve Canada's ability to advance projects through the development pipeline, support employment growth, and generate long-term economic benefits through the creation of additional mines and mineral supply chains. The report also notes the potential for higher GDP, increased employment, and stronger long-term tax revenues resulting from accelerated project development.

Nova Scotia's mining and exploration sector has tremendous potential to contribute to Canada's economic growth, resource security, and supply chain resilience. As demand for gold, critical minerals, and other strategic resources continues to grow, it is increasingly important that Canada's policy framework supports not only exploration activity, but also the work required to advance projects through the development stage and toward production.

For these reasons, Nova Scotia supports AME's recommendation that the Government of Canada expand CEE eligibility to include project-advancement activities such as engineering and feasibility studies. We believe this measure would strengthen Canada's mineral development pipeline, improve investment attraction, and help ensure that more Canadian mineral discoveries become operating mines that generate long-term economic opportunities for communities across the country.

We appreciate AME's leadership on this issue and support your efforts to advance this recommendation with the Government of Canada as part of forthcoming federal fiscal and policy discussions. We encourage the federal government to give this proposal full consideration, recognizing its potential to address a financing gap between exploration and development while strengthening Canada's ability to advance mineral projects, attract investment, and build more resilient critical mineral supply chains.

Regards,



Tory Rushton
Minister

c. François-Philippe Champagne, Minister of Finance and National Revenue
Tim Hodgson, Minister of Energy and Natural Resources
Sandra McKenzie, Deputy Minister of Natural Resources
Janice Zinck, Executive Director, Geoscience and Mines