

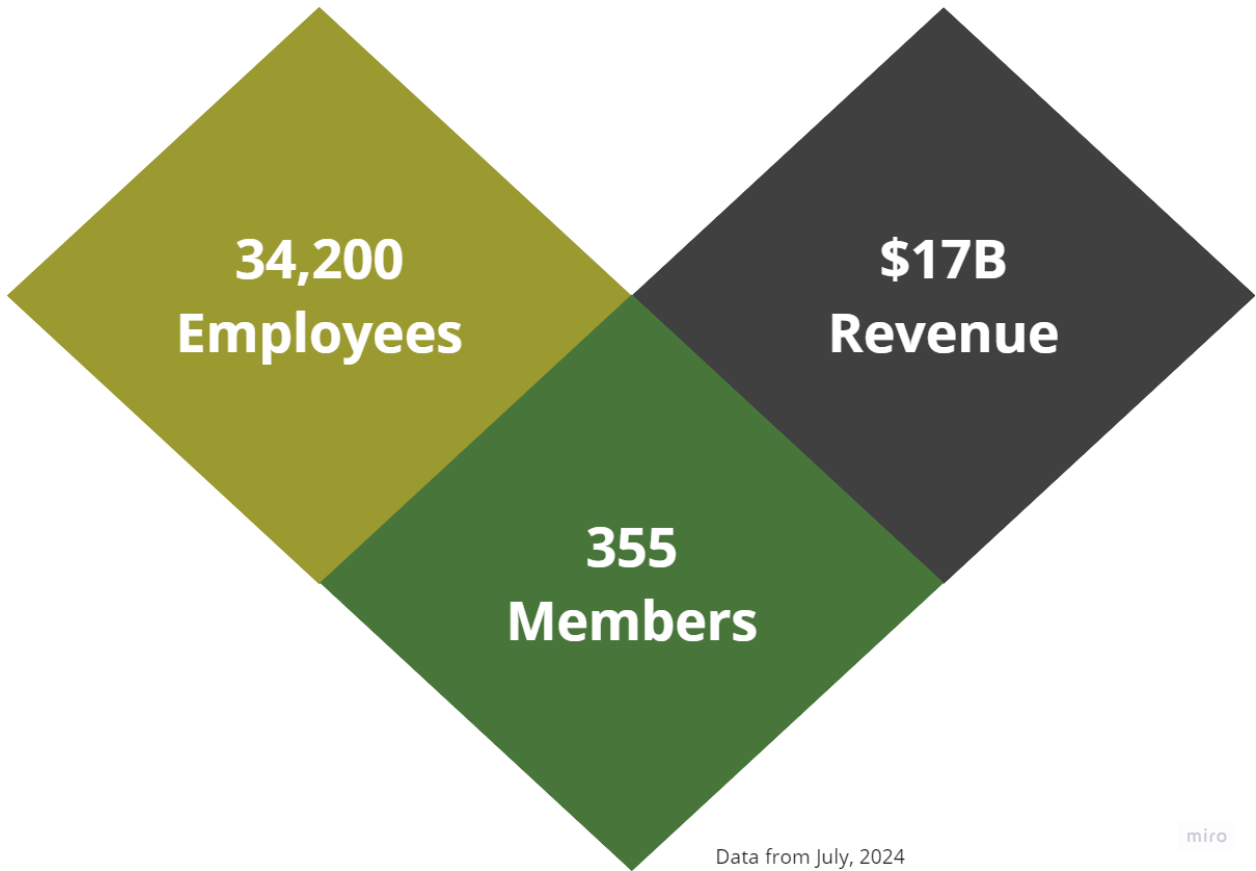


SIMSA

Saskatchewan Industrial & Mining
Suppliers Association Inc

SIMSA Member Survey Results

October 16th, 2024



Data from July, 2024

miro

Preamble

The information in this report has been compiled from our membership survey – representing 79 companies and 22% of the membership. All response data was self-reported, with additional data (for the other 276 members) pulled from public information (i.e. financial statements) or populated from the SIMSA member database (membership fee structure).

Summary results were validated against public data and PWC report from September 2019 “The economic impact of local resource suppliers in Saskatchewan” - Table 8.

The survey data herein is from July 2024.

In addition, SIMSA is currently tracking over \$65B in major capital projects expected in the pipeline in Saskatchewan by 2050. One of the largest includes the BHP Jansen mine slated at \$13.9 billion¹ and the expansion and decarbonization of the local electrical grid, which according to the provincial government is slated at 28 billion².

Disclaimer

The survey is based on publicly and non-publicly available information, which has not been independently verified by SIMSA or any other contributing party. Any assessments, assumptions and projections in this study solely represent the views of the authors. Neither SIMSA, nor its employees, provide any guarantee or warranty (express or implied) or assumes any responsibility or liability for any errors or omissions.

¹ BHP. (2023). BHP approves investment in stage two of Jansen Potash Project. Retrieved from <https://www.bhp.com/news/media-centre/releases/2023/10/bhp-approves-investment-in-stage-two-of-jansen-potash-project>

² Government of Saskatchewan. (2023). SK Power Presentation (p. 8). Retrieved from <https://www.saskatchewan.ca/-/media/news-release-backgrounders/2023/may/sk-power-presentation.pdf>

About the Saskatchewan Industrial and Mining Suppliers Association

Who we are:

SIMSA (the Saskatchewan Industrial and Mining Suppliers Association) is a nonprofit organization representing more than 355 (at the time of survey, now 360) Saskatchewan-based supplier-members who provide goods and services to the industrial, mining, and energy sectors.



Our memberships' Saskatchewan sales currently total over \$17-billion, with over 34,000 employees.

SIMSA is currently the only organization that represents suppliers that have a physical presence in Saskatchewan, with most also having their global headquarters in the province.

What we do:

SIMSA supports, promotes, and represents the interests of [Saskatchewan-based suppliers](#) who serve large-scale industrial, mining, and energy businesses both in and out of province.

We actively market our members to procurement professionals through [in-person events](#) and via the [Saskatchewan Supplier Database](#), working to increase sales, educate stakeholders, and advocate for the members and industries we serve.

We strive to engage members, their customers, government agencies, and other stakeholders to build sustainable, productive, and transparent relationships.

Where our members work:

Our supplier-members provide world-class solutions used by resource and industrial companies in Saskatchewan and around the world. Our specialists can be found providing goods and services for the potash, oil, gas, uranium, nuclear, coal, gold, agriculture, base metals, steel production and other industries.

What we believe:

At SIMSA,

- We believe in **collaboration** in all our actions
- We believe in seeking **wisdom** in our decisions by considering the needs and capabilities of our members and the customers they serve
- We believe that **Saskatchewan companies are world class**
- We believe that a **diverse and inclusive** workforce benefits everyone

SIMSA.CA

Membership Breakdown

The following section breaks down the historical membership totals, the main work sectors, and main resource sectors.

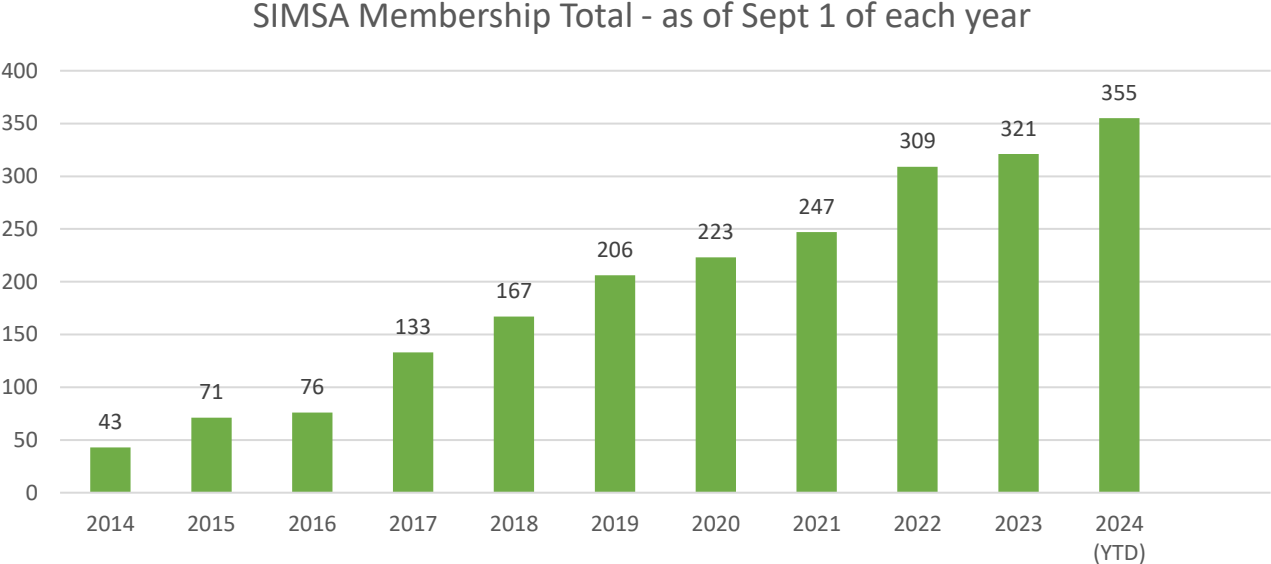


Figure 1 - Membership Total - as of September 1st of each year since 2014.

SIMSA continues its rapid growth through to the value it creates for SIMSA members through events such as the mining round tables, advocacy, and nuclear development initiatives. At 360 members as of October 16th, 2024.

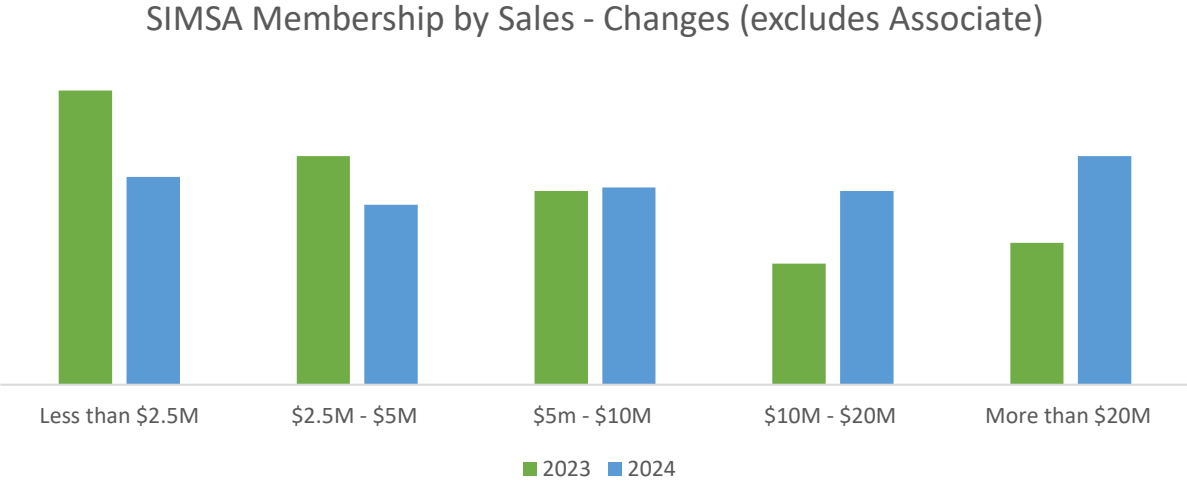


Figure 2: Memberships broken out by Saskatchewan Revenue Category

The Figure 2 data was pulled from the membership categories within SIMSA, but it excludes Associate members, which are not sorted by sales. The graph itself shows a notable increase in member sales across the board, indicating revenue growth within the membership.

Membership Breakdown of Main Work Sectors (by involvement not % of work) (79 responses)

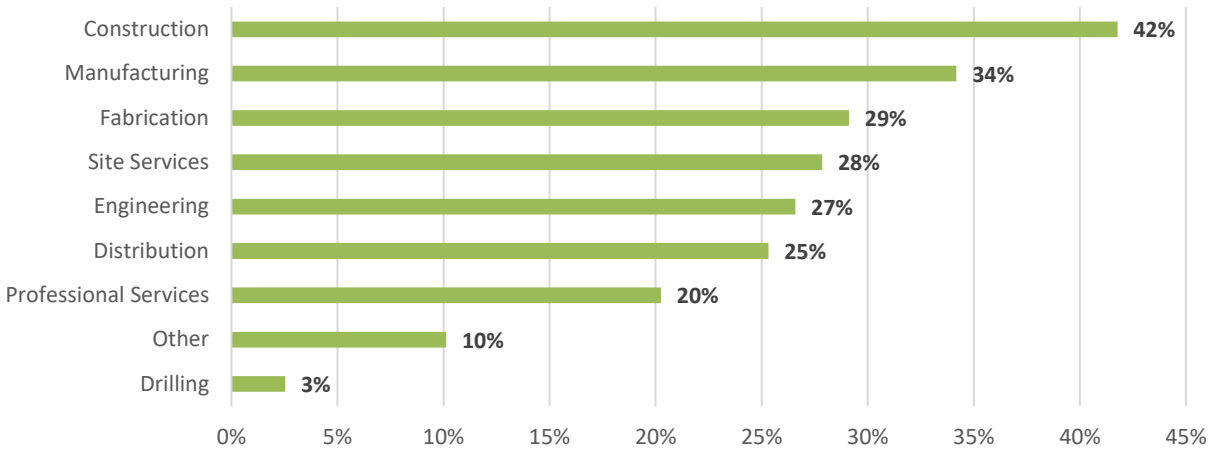


Figure 3 - Membership Breakdown of Main Work Sectors. By involvement not % of work, i.e. 42% of membership is involved in construction, 34% site services, etc. Fabrication entails creating specialized parts from raw materials. Manufacturing, on the other hand, means repeatedly creating the same parts and assembling those parts.

SIMSA’s members represent a broad spectrum of work, and the above does not necessarily represent the entire breadth of the membership. The numbers do not add up to 100% as member companies can have more than one aspect to their business. I.e. a constructor who fabricates pipe.

Memberships' Main Resource Sectors - % of Work (79 responses)

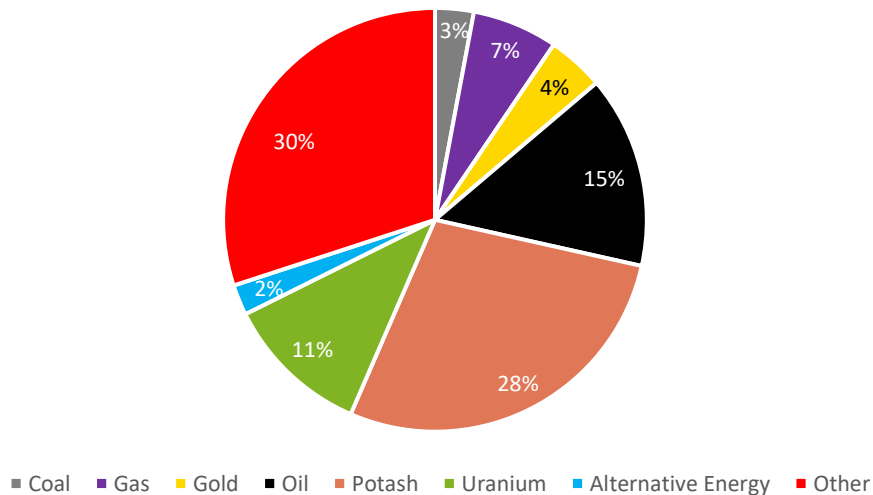


Figure 4 - Memberships' Main Resource Sectors - % of Work. Graph is an average obtained from responses to advocacy survey.

Figure 4 represents the average of the 79 responses for how much of their business is in each resource sector.

Sector Served - % of Business

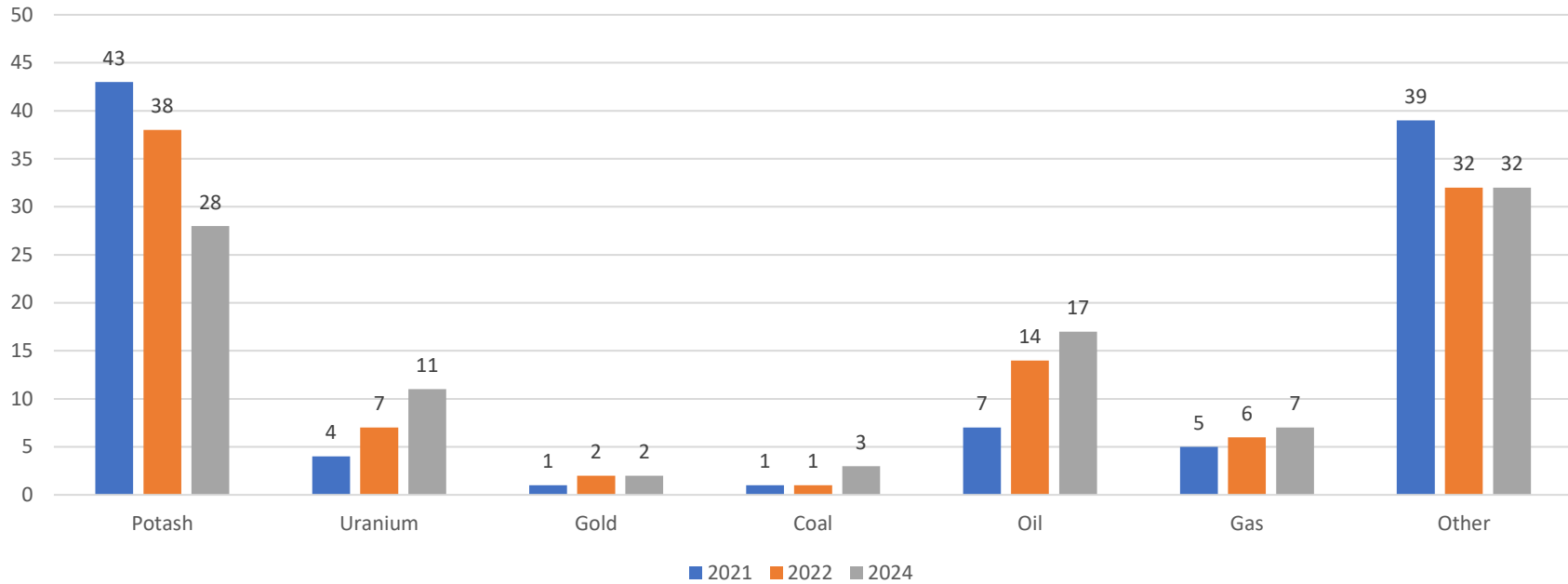


Figure 5 - Sectors served comparison chart - % of work. Renewables were not included in the above chart because it is not measured in previous years, therefore it is grouped into "other".

Figure 5 contains the same data as Figure 4, but now includes the historical change since 2021. Of note is the reduction in potash as portion of work, with notable increases in Uranium and Oil. Potash has decreased in price since its peak during the first months of the Ukraine invasion, in contrast, subsequent increases in uranium prices prompted the restart of the uranium mines in northern Saskatchewan. Oil and gas has also increased steadily.

Labour

The following section breaks down the historical membership labour totals, with breakdowns of demographics and full/part time. Also included in the section is comparative data from other sources.



Figure 6 - Average number of employees full and part time as reported by SIMSA Members.

Saskatchewan Employment - 2023 (thousands) Total 577.4

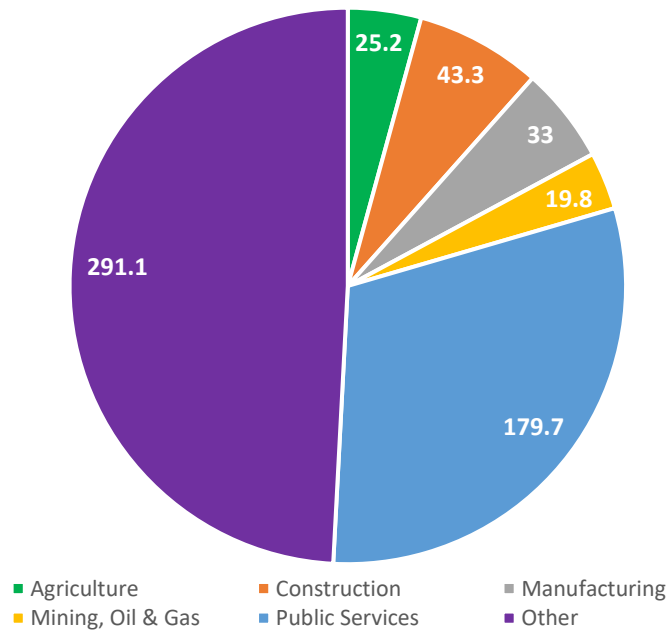


Figure 7 – Source – <https://dashboard.saskatchewan.ca/business-economy> - Saskatchewan Employment by Sector in Millions

SIMSA Membership Labour Attributable to Saskatchewan by Category
(Total - 34,200)

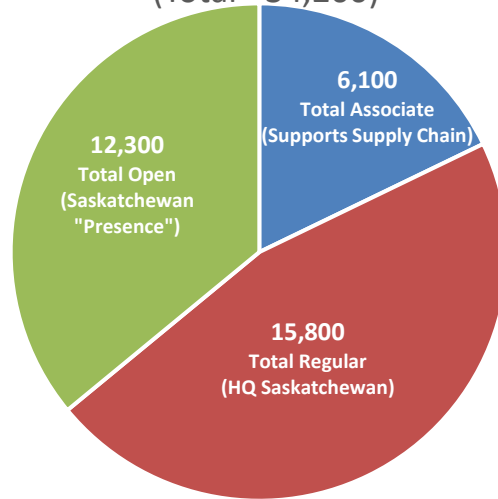


Figure 8 - Membership Labour Attributable to Saskatchewan. Attributable to SK includes SK sales and sales outside of SK if the company has a local HQ. Above includes average full & part time employees (not peak). Associate member supports the supply chain, Regular member has their HQ in SK, Open member has a presence in SK.

SIMSA Membership Labour by Sector - Extrapolated
(Total - 34,200)

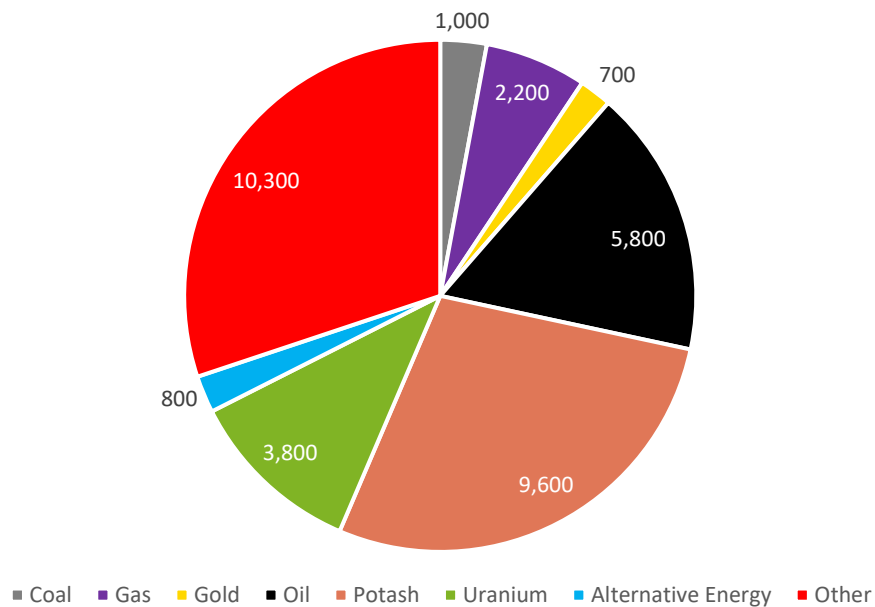


Figure 9 – 2024 SIMSA Membership Labour by Sector

SMA - Reported Direct Labour - 2023
Total 8,902

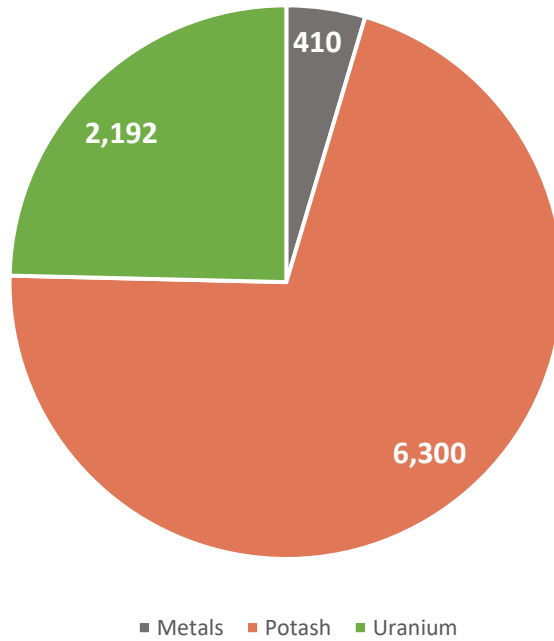


Figure 10 - Source Saskatchewan Mining Association from 2023 – A snapshot of Saskatchewan’s metallic minerals, potash and Uranium industries in 2023. Does not include coal, oil, gas, utilities, highways, indirect spend, and SIMSA members’ exports.

SIMSA Members Historical Employees

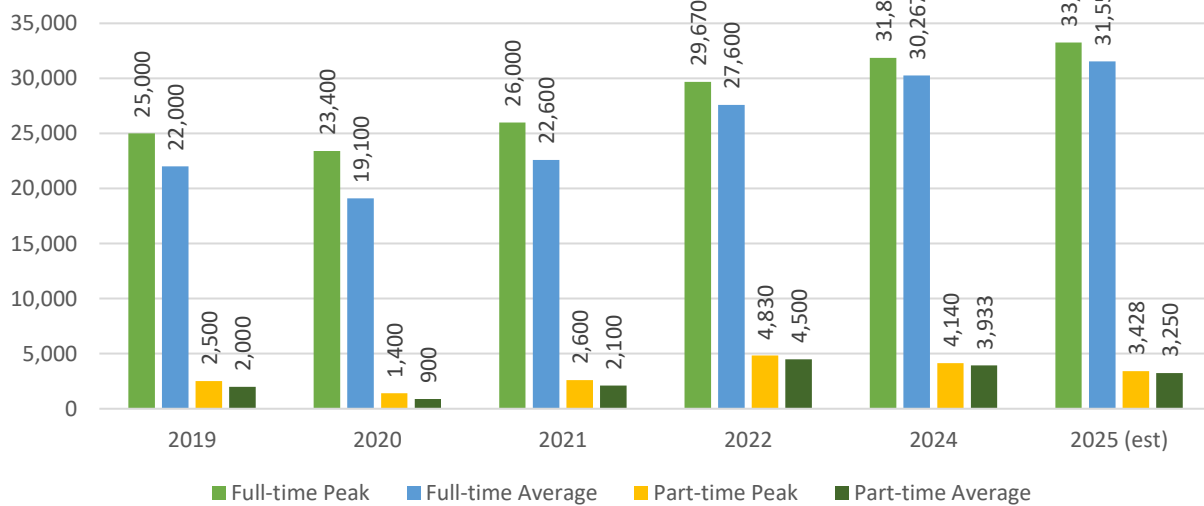


Figure 11 - Graph of total employees across membership, broken out by fulltime and parttime.

The gap between the peak and average employment numbers has continued to narrow, reflecting a more consistent and busy workforce.

SIMSA Employee Demographics by Percentage

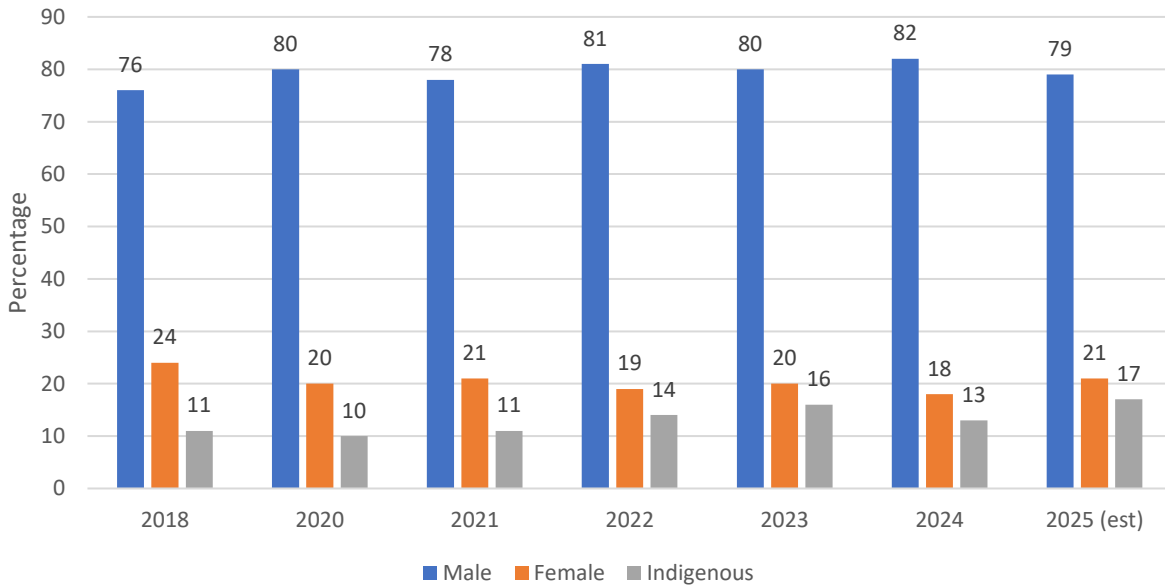


Figure 12 - Employee demographics by percentage as reported by SIMSA Members.

Figure 12 outlines the work the mining industry has put into EDI targets, with indigenous labour metrics increasing since 2018, but falling closer in-line with representing Saskatchewan's population. A lot of work still needs to be done to on that front, but another area of concern is the lack of change in number women in the mining industry. Recent information from Saskatchewan Polytechnic shows:

- Apprenticeships
 - 6% enrollment is female
 - 7% of the graduates are female
- Certificates
 - 11% enrollment is female
 - 11% of the graduates are female
- Diploma
 - 9% enrollment is female
 - 8% of the graduates are female

Therefore, the female demographic in the mining supply chain is vastly underrepresented and will continue to be so without a concerted effort.

SIMSA Membership Benefits

The following section breaks down the benefits of membership with self-reported values of business leads through SIMSA events, database, and advocacy.

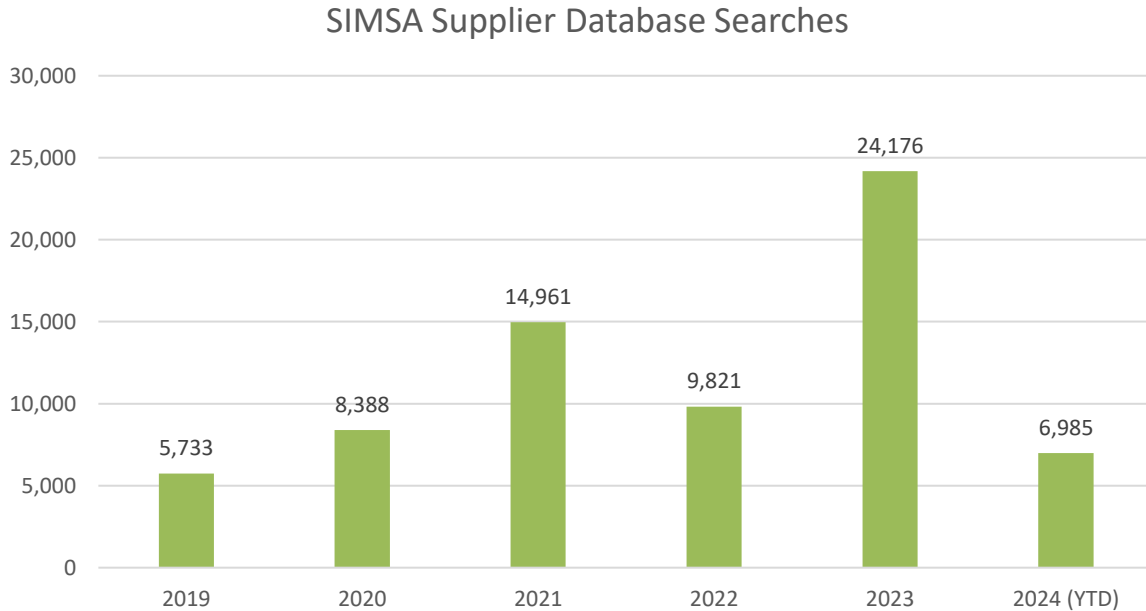


Figure 13 - Supplier database searches - data pulled on July 1st

SIMSA’s member database has had significant use by various mining and energy producers, as well as industrial companies. In 2023 there were 24,176 searches and 2024 is heading towards a similar result. Most of these searches are potash related.

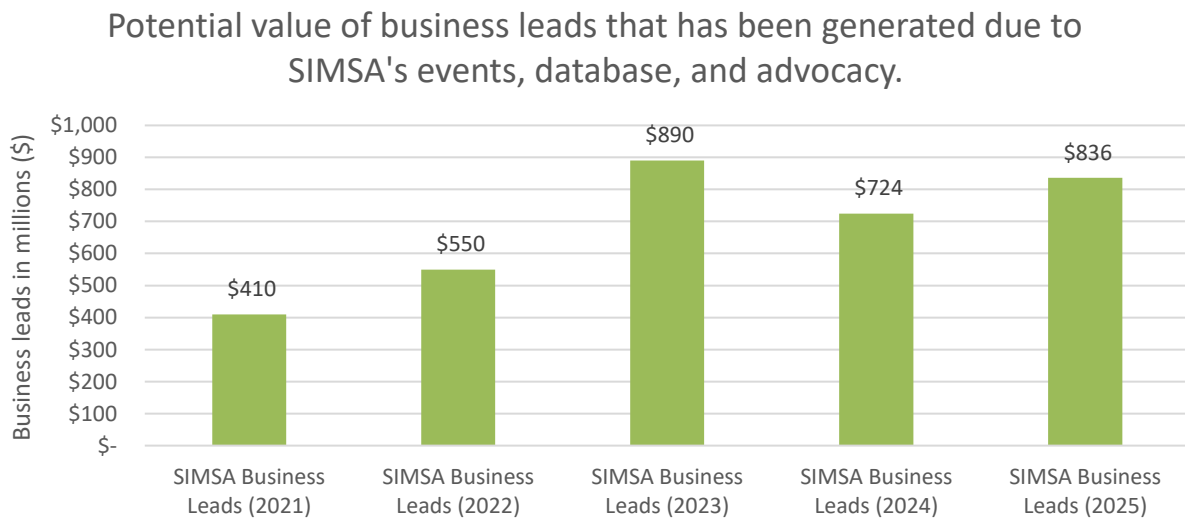


Figure 14 - Potential value of business leads that has been generated due to SIMSA's events, database, and advocacy.

In 2024, SIMSA’s initiatives resulted in \$724-million in leads for their members – that is an average of \$2.04-million in sales leads per member company.

These leads, as well as those from the past, have then resulted in sales. Leads from previous SIMSA initiatives have caused, or greatly assisted in, \$507-million in sales by their 355 members in 2024. That is an average of \$1.43-million in sales, per member company.

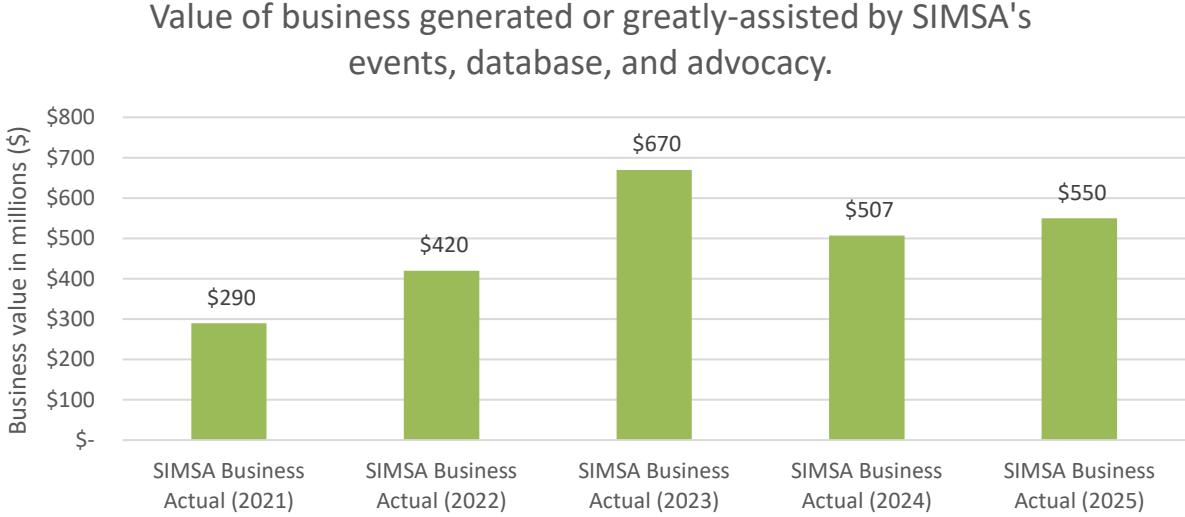


Figure 15 - Expected value of business generated that has been generated due to SIMSA's events, database, and advocacy



Figure 16 - SIMSA Membership Total Revenue

Revenue

The following section breaks down the historical membership totals, the main work sectors, and main resource sectors. Also included in the section is comparative data from other sources.

Revenues reached \$17 billion this year, up almost \$3 billion, as some large companies joined the membership since the last survey in 2022.

Employment (in thousands)
Saskatchewan GDP (in millions)

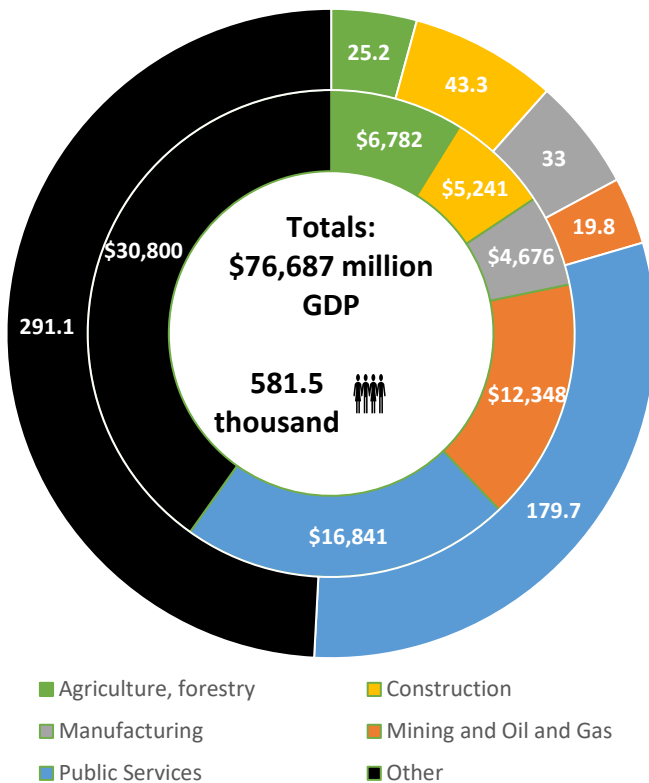


Figure 17 - Source – <https://dashboard.saskatchewan.ca/business-economy> - Saskatchewan GDP by Sector in Millions and employment in thousands

Provincial Overview

Saskatchewan's economy is a dynamic and diverse ecosystem, anchored by its strong agricultural, mining, energy, and manufacturing sectors.

One of Canada's largest mining provinces by mineral sales, the province leverages its rich natural resources to fuel its economy.

Agriculture remains a cornerstone, with Saskatchewan being a global breadbasket, thanks to its vast expanses of arable land and innovative farming techniques.

The diverse manufacturing sector, adds significant value to the province's natural resources, creating a wide range of products for both domestic and international markets.

SMA - Reported Local Procurement - 2023 (million \$)
Total \$2,782B

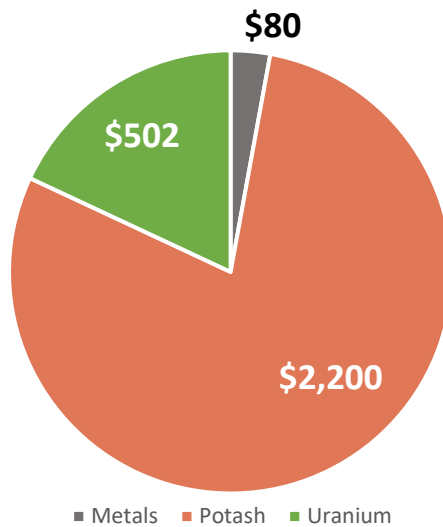


Figure 18 - Source Saskatchewan Mining Association from 2023 – A snapshot of Saskatchewan’s metallic minerals, potash and Uranium industries in 2023. Does not include coal, oil, gas, utilities, highways, indirect spend, some “open” members, and SIMSA members’ exports..

The high-value market of mining, particularly in potash and uranium, has a profound trickle-down effect on the local economy. In recent years, this impact has been notably quantified, with the sector spending approximately \$2.8 billion with local suppliers. This substantial investment underscores the symbiotic relationship between the mining industry and the local economy, fostering growth and development within the community and beyond.

SIMSA Membership Revenue Attributable to Saskatchewan in millions (\$) by Membership Category
(Total - 17B)

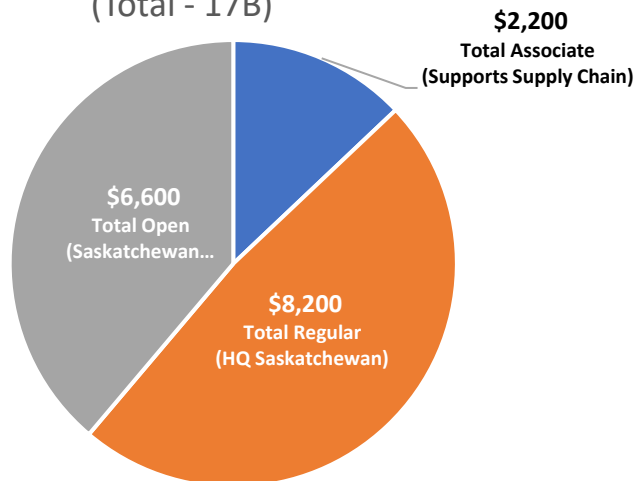


Figure 19 - Membership Revenue Attributable to Saskatchewan in millions (\$). Associate member supports the supply chain, Regular member has their HQ in SK, Open member has a presence in SK.

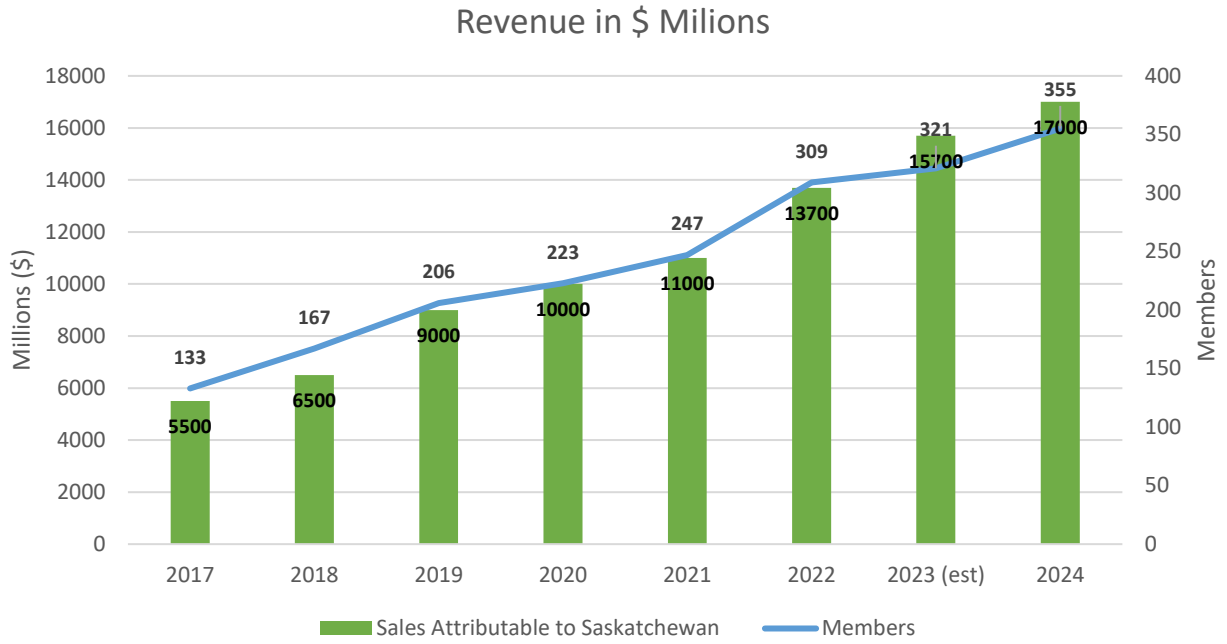


Figure 20 - Historical Member Sales in Millions (\$) and number of members (blue line), reflecting the increasing size of SIMSA members