

April 1, 2021

Executive Director's Message

There have been a lot of background conversations between SIMSA and the various project owners, as well as other potential buyers, over the past few weeks. Here is what we can say about a few of them.

SIMSA met with Rio Tinto regarding our member database and to continue fostering a productive relationship between SIMSA, its members, and Rio Tinto. Rio Tinto is currently involved in diamonds, copper, nickel, potash and uranium in Saskatchewan.

Rio Tinto sees value in our member database and will continue to dialogue with us into the future.

Our Rio Tinto conversations were with the following persons:

- Rio Tinto Mining and Exploration Ltd. GM Exploration, FalCon Project [diamonds]
- Principal Advisor, Communities and Social Performance
- Principal Geoscientist - Americas Region

SIMSA has also been in similar conversations with Paper Excellence in regards to their potential re-opening of the Prince Albert mill and other locations. We have had conversations about SIMSA members and given access to our member database to:

- Vice President, Supply Chain
- Vice President, Mill Optimization & Engineering
- Director - Energy Catalyst Paper
- General Manager Procurement
- HR, PA Pulp

Given Richardson International's growing work in the province, we have had conversations about SIMSA's member database with the Director of Operations at Richardson International, Yorkton.

Many of you have commented on Saskatchewan Association of Rural Municipalities' (SARM's) purchasing system (using Sourcewell, a State of Minnesota local government agency and service cooperative, via the Rural Municipalities of Alberta, for sourcing). So, SIMSA has begun a dialogue with SARM and granted them access to our supplier database, so they can easily source local suppliers. They see value in our database. The conversations will continue.

Finally, BHP is still on track for a final decision on the Jansen potash project for June or July. This has been restated by their CEO at recent events.

On another topic, last week's "Saskatchewan Suppliers' Energy Update" event, revealed generally positive thoughts on the future of our oil sector, from various government persons, private sector companies and industry analysts. When all three of these groups agree, it might actually be true.



Member News

- [Alpine Transport & Rigging – Locally Owned and Operated Flat Deck & Heavy Haul Transport Company](#)
- [Northern Strands, a company built on safety leads by example in 2020](#)
- [Team Power Solutions provides PPE testing for gloves & sleeves, single/three phase temporary ground assembly, dielectric testing on insulated booms and jumper cables](#)
- [Team Power Solutions offers Online Instructor-led Safety Training in April](#)
- [Back By Popular Demand! Workplace Mental Health Leadership™ Certificate Program](#)
- [Strike Group - Our Saskatoon office has moved to a new location!](#)
- [Rockford Engineering Works – Continued, Dedicated After-market Support for all Projects](#)
- [Haztech to Provide COVID-19 Testing Relief to the Province of Saskatchewan](#)

Advocacy

- SIMSA asked Premier Moe, in a letter dated February 18th, 2021, to quickly begin work on the west side irrigation project using local suppliers, and to use a “design, bid, build” model.
- There have been on-going discussions in regards to the Community Benefits evaluation criteria ranging with Minister Jim Reiter of SaskBuilds and others.
- SIMSA had an introductory conversation about SIMSA with Saskatchewan’s new Deputy Minister of Energy and Resources, Susanna Laaksonen-Craig.
- SIMSA asked Minister Reiter to begin tracking sales posted and awarded, by category and province, under the NWPTA. We further asked them to ask the same of other provinces. With this, we can see if the trade agreements are actually working as intended. Currently, this data tracking is not done.

Sector News

[Canada’s carbon pricing is constitutional, Supreme Court rules](#)

The Supreme Court of Canada has ruled the federal government has the right to impose minimum carbon-pricing standards on the provinces. In a 6-3 decision, the court stressed Ottawa’s authority under Canada’s 1867 Constitution to legislate on matters of national concern – and the provinces’ inability to fight global warming effectively on their own.

The majority ruling, written by Chief Justice Richard Wagner, described as “a threat of the highest order to the country, and indeed the world. This context, on its own, provides some assurance that ... Canada is not seeking to invoke the national concern doctrine too lightly. The undisputed existence of a threat to the future of humanity cannot be ignored.” It added: “A provincial failure to act directly threatens Canada as a whole.” Canada would not be able to push for global action on climate change if provinces were not co-operating in the fight against it, the majority said.

More than two dozen groups, including those representing Indigenous peoples, environmental organizations and taxpayers, intervened at the Supreme Court on both sides of the law.

[Richardson Yorkton Crush Plant to Double Annual Crush Capacity to 2.2. Million Metric Tonnes](#)

Richardson International Limited is announcing a significant investment in their canola crush plant in Yorkton, Saskatchewan. In addition to doubling its processing capacity to 2.2 million metric tonnes, the project will modernize the facility to meet an ever-growing global demand for canola oil and canola meal products. It will provide additional opportunities to producers to market their oilseed crop.

When completed, the Yorkton facility will include a high-speed shipping system with three 9,500-foot loop tracks. It will be served by both major railways and will be dedicated to moving canola crush products at some of the most efficient levels seen in North America.

“The global outlook for Canadian canola oil is promising, and this latest investment emphasizes our ongoing commitment to best-in-class facilities,” said Darrell Sobkow (Senior Vice-President, Processing, Food, and Ingredients). “Yorkton lies right in the heart of canola country and we are focused on providing our producer customers with increasingly efficient means for meeting the needs of a growing global consumptive market.” Construction will begin immediately with no disruption to current operations and is expected to be completed in early 2024.

[Renewable Diesel Processing Plant Planned for Saskatchewan](#)

Covenant Energy, a Saskatchewan-based renewable fuel company, is planning to build a renewable diesel processing plant in Southern Saskatchewan. The expectation is 6,500 barrels a day; 300-325 million litres per year of production capacity. Finished fuels including renewable diesel, arctic-grade renewable diesel, and sustainable aviation fuel are all to be produced at this facility. The company anticipates greenhouse gas emission reductions in the range of 80 to 85 per cent when compared to fossil fuel diesel.

It anticipates creation of demand for 35 million bushels of canola seed, worth roughly \$500 million, to produce 325-350 thousand tonnes of canola oil feedstock per year. The current estimate sees up to 60 permanent full-time positions plus hundreds of thousands of hours of employment throughout construction.

The company says it is important to restate that the right demand signal for clean fuels is imperative for the approval of this renewable diesel facility. The federal government’s Clean Fuel Regulations, published as a draft in December 2020, would be the key driver of demand for this project and is critical for its success. Provided the project receives all the necessary approvals, it is slated to start production in the second half of 2023.

[21 States sue to overturn Biden’s cancellation of Keystone XL pipeline](#)

Attorneys-general from 21 states on Wednesday sued to overturn President Joe Biden’s cancellation of the contentious Keystone XL oil pipeline from Canada. Because the line would run through multiple U.S. states, Congress should have the final say over whether it’s built, according to the lawsuit filed in U.S. District Court in Texas. Biden cancelled its permit over long-standing concerns that burning oil sands crude would make climate change worse.

Construction on the 1,200-mile (1,930-kilometre) pipeline began last year when former President Donald Trump revived the long-delayed project after it had stalled under the Obama administration. It would move up to 830,000 barrels (35 million gallons) of crude daily from the oil sand fields of western Canada to Steele City, Nebraska, where it would connect to other pipelines that feed oil refineries on the U.S. Gulf Coast.

[Secure Energy acquiring Tervita as oil industry consolidation continues](#)

Canada's Secure Energy Services Inc said it would buy waste management services firm Tervita Corp in an all-stock deal valued at \$478 million, the latest consolidation in the country's oil sector. The deal, which will value the combined company at around \$2.3 billion, comes as oil and gas companies seek to benefit from a recent run-up in crude oil prices while keeping a tight leash on costs.

Secure, which operates a network of crude processing and storage plants, oil and water pipeline and crude-by-rail terminals, said it will pay 1.2757 of its shares for each Tervita share held.

[Federal Government signals minerals focus \(which includes potash, uranium, REEs, etc.\)](#)

The Government of Canada held a press conference, during which they named the "31 critical minerals" that will enable Canada "to capitalize on the rising global demand for critical minerals, driven in large part by their role in the transition to a low-carbon and digitized economy." The list was developed by Natural Resources Canada using a criteria-based approach and in consultation with provinces, territories as well as exploration, mining and manufacturing industries and associations. This list is to be considered a signal of what their future direction will be on various initiatives. Potash, uranium, rare earths, and other minerals are on the list.

Canada is leveraging its resources, mining and innovation ecosystems, and global leadership to position Canada as the supplier of choice for global markets. The list is part of Canada's commitment to implement the Canadian Minerals and Metals Plan, develop a critical minerals strategy, and lead a whole-of-government approach to strengthen domestic critical mineral value chains. These efforts will help advance the competitiveness of our minerals and metals sector and create new economic opportunities for Canadians.

Other SIMSA Activities

SIMSA has begun dialogues with industry, the Government of Canada, and the Government of Saskatchewan, on the "yet to be formalised" ESG/Sustainability/Carbon reporting requirements. It is our goal to see these measures standardised, so that SIMSA members need only do this work once and then become global leaders in this. It is believed that this reporting will become a critical evaluation criterion - as much as safety – and that by preparing SIMSA members early, they will have an advantage over other suppliers. We also develop a streamlined process for our members and other forms of assistance.

Upcoming Events

Register for Upcoming Events [HERE](#)

- Grant Isaac, CFO of Cameco, “As a C-suite person, this is what I am facing on ESG (given what companies like BlackRock are now requiring) and thus will expect of our partners” **April 12**, 2:00 – 3:30 pm, via Teams
- Multinational EPCM Event and Nutrien, **April 21**, 10:00 am, via Teams:
A procurement event with multinational EPCMs, with the goal to enable better business opportunities between the EPCMs and SIMSA’s members. Nutrien will be providing an opening brief at the session.
Presenting Companies include:
 - Wood
 - Worley
 - WSP
- Lunch & Learns – virtual via Teams:
 - National Bank — learn about foreign exchange risk management and supply chain financing strategies. **April 30**, noon
 - Finning Mining, — we understand the high demands of the mining industry, and strive to provide you with the best possible solutions for your equipment needs. **May 14**, noon
- SIMSA’s Annual General Meeting, **June 3**
- Saskatchewan Oil & Gas Supply Chain Forum, **October 6**, 2021 “hopefully” an in-person Energy Forum in Regina at the Delta
- Saskatchewan Mining Supply Chain Forum, **December 7 & 8**, 2021, “hopefully” an in-person in Saskatoon at Prairieland Park.

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