

August 1, 2024

## Executive Director's Message

The 2025 Mining Supply Chain tradeshow booth and tickets go on sale to SIMSA members October 30<sup>th</sup>! And new this year, there will be 2 registrations included with each booth (there was only 1 previously).

Summer is a time of planning and report writing for SIMSA.

We have pulled together the member survey data and are currently reviewing it. It will be used during our September events with Nutrien and BHP, then released as a full document at the Energy Forum on October 2<sup>nd</sup>. With SIMSA's membership growth and the growth of our members themselves, it is expected that the total "members' sales" will increase substantially since the last survey. We are also keeping an eye on the Indigenous' and women's share of the employee base.

You may have noticed that in the below graphic, that the Government of Saskatchewan's logo is not included. This is due to the election rules, which limit government advertising in the run-up to an election. So, yes, the Government is still our partner in the event – it may just not look that way on the surface this year.



### Saskatchewan Suppliers' Energy Forum

**Oct. 2, 2024 - Delta Hotel, Regina, SK**

Presenters include Cenovus, Federated Co-operators Ltd, CAAP, Burns & McDonnell, and Arizona Lithium. More to be announced soon.

Register

 Saskatchewan Industrial & Mining  
Suppliers Association Inc

Per the above, SIMSA will be hosting Roundtable events with Nutrien and BHP, on September 12 and 25 respectively. At these events, SIMSA members hear from and network with top purchasing, planning, and management persons from those companies for an entire day. You can purchase tickets for the Nutrien event [HERE](#) and the BHP event [HERE](#).

As part of these events, they both answer member questions within their presentations or a Q&A session. Also, both events will feature a panel presentation by SIMSA, where we present concerns from the stage based upon member questions and concerns.

Please submit your questions or concerns to myself by August 12<sup>th</sup>, so they can be **anonymously** compiled and pre-submitted to Nutrien and/or BHP so they can prepare fulsome answers (which sometime require senior management approval). The submitted items will also guide our panel's presentation, as well as Nutrien's and BHP's presentations.

Please submit questions or concerns for Nutrien and/or BHP to [eric.anderson@simsa.ca](mailto:eric.anderson@simsa.ca)

And, to be a better Association for you, we have a simple question, "What can we do - better, more of, less of, not at all, or additionally?" Please let me know via - [eric.anderson@simsa.ca](mailto:eric.anderson@simsa.ca). Or, give me a call at 306-343-0019.

On a similar front, we will be hosting member sessions – that we are calling Town Halls - in Regina and Esterhazy on October 1 and November 20<sup>th</sup> respectively. The [Regina session](#) will begin with a lunch, while [Esterhazy session](#) will begin with a breakfast. Both are free and are targeting regional members. Members will hear a strategic update, learn about Protecture, and be able to ask questions and provide feedback.

## Member's News

[Buffalo River Developments LP acquires majority interest in Threeosix Industrial Services Inc.](#)

[DSG Power Systems Insights: The Impact of Internal Diesel Injector Deposits \(IDID\) on Diesel Engines](#)

[Eliminate the risks associated with obsolete PLC systems with Team Power Solutions](#)

["Clearing The Air" About Powder Coating - Part Four - Saskatoon Custom Powder Coating](#)

# Advocacy

The Canadian Chamber of Commerce has a new CEO – Candace Laing. Candace was formerly a Snr VP at Nutrien and is a good friend of SIMSA's. Candace will be an extremely able to effectively communicate Saskatchewan's resource sector's needs – amongst a lot of other things – and she will be a powerful ally for SIMSA in Ottawa! We look forward to working with her, in her new role.

There are two items that you may not aware of, that are sideline advocacy channels for SIMSA; (1) Eric Anderson's radio commentary - Prosperity Saskatchewan - and his being Chair of the Saskatchewan Business Council.

[Prosperity Saskatchewan](#) is daily radio commentary created and voiced by Eric. The current program is actually version 2.0, as Prosperity Saskatchewan originally ran from 2008 – 2014 inclusive (let's call that version 1.0). At that time, what began as a radio commentary, grew into a lecture series at the University of Saskatchewan's Edwards School of Business (the WISER series), blog, consulting, and professional speaking. 1,575 episodes of Prosperity Saskatchewan aired during its original run, accompanied by over 4,000 blog postings.

In September 2016, Eric became the Executive Director of SIMSA and relaunched the current Prosperity Saskatchewan (version 2.0) in December 2022, with Cameco, Nutrien, the Government of Saskatchewan, and SIMSA as sponsors. To date a grand total of 1,780 episodes have been created.

Prosperity Saskatchewan's content may not reflect the opinions of the sponsors, given it is independent of them and is 100% created by Eric Anderson.

Prosperity Saskatchewan is heard weekdays at 10:30 am during the Evan Bray Show – it began on the John Gormley show, then John retired and Evan took over the timeslot – and also on weekends at 10:30 am. In addition to these, it is also heard several times per day, seven days per week. All of this is on Rawlco Radio's [CKOM NewsTalk 650](#) in Saskatoon and [CJME NewsTalk 980](#) in Regina.

The commentary enables education and promotion of our sectors, as well as shares the concerns, activities, and value of the supply chain.

Eric is also Chair of the Saskatchewan Business Council, which is a group of Association leaders who meet at least quarterly to discuss items of concern, share ideas, and meet with Government persons (federal and provincial). The group was a sounding and advisory table to government during COVID and has ongoing dialogues.

Being part of this group allows SIMSA's thoughts and concerns to be shared regularly with multiple groups and build partnerships.

The current members of the Saskatchewan Business Council are:

1. Eric Anderson, Executive Director, Saskatchewan Industrial and Mining Suppliers Association (SIMSA) – SBC Chair
2. Jim Bence, President & CEO, Hospitality Saskatchewan – SBC Vice Chair
3. Brianna Solberg, Provincial Director, Canadian Federation of Independent Business (CFIB)
4. Chris Guerrette, CEO Saskatchewan Realtors Association
5. Chris Lane, President & CEO, Economic Development Regina
6. Denise Gamble, Executive Director, MERIT Contractors Association
7. Derek Lothian, President & CEO, Insurance Brokers Association of Saskatchewan
8. Grant McLellan, CEO, Saskatchewan Cattlemen's Association
9. Jason Aebig – CEO, Saskatoon Chamber of Commerce
10. Keith Moen, Executive Director, North Saskatoon Business Association (NSBA)
11. Larry Heggs, Executive Director, Saskatchewan Automobile Dealers Association
12. Susan Ewart, Executive Director, Saskatchewan Trucking Association
13. Mark Cooper, Executive Director, Association of Consulting Engineers Saskatchewan
14. Miriam Johnson, CEO, Women Entrepreneurs of Saskatchewan (WESK)
15. Pam Schwann, President, Saskatchewan Mining Association
16. Prabha Ramaswamy, CEO, Saskatchewan Chamber of Commerce Miriam Johnson, CEO, WESK
17. Tony Playter, CEO, Regina Chamber of Commerce
18. Shelly Thiel, CEO, Chartered Professional Accountants – Saskatchewan

# Nuclear

## **NORM – Naturally Occurring Radioactive Material**

The following sections are excerpts from the [Canadian Guidelines for the Management of Naturally Occurring Radioactive Materials \(NORM\) - Canada.ca](#)

The *Canadian Guidelines* set out principles and procedures for the detection, classification, handling and material management of NORM in Canada, and also include guidance for compliance with federal transportation regulations. These *Guidelines* provide the framework for the development of more detailed NORM management practices and guidelines by regulatory authorities, affected industries and specific workplaces.

### **Jurisdictional Responsibility**

The Canadian Nuclear Safety Commission (CNSC), formerly the Atomic Energy Control Board (AECB), has legislative control of nuclear fuel cycle materials and man-made radionuclides. However, naturally occurring radioactive material (NORM) is exempt from CNSC jurisdiction except for the import, export and transport of the material. Therefore, jurisdiction over use and radiation exposure to NORM rests with each Canadian province and territory.

### **Definition**

NORM is an acronym for *naturally occurring radioactive materials*, which include radioactive elements found in the environment. Long-lived radioactive elements of interest include uranium, thorium and potassium, and any of their radioactive decay products, such as radium and radon. These elements have always been present in the earth's crust and within the tissues of all living beings.

Although the concentration of NORM in most natural substances is low, higher concentrations may arise as the result of human activities. For example, calcium scale precipitated from oil recovery brine may contain radium at much greater concentrations than the water source itself. The processing of raw materials by many resource-based industries may increase the concentration of radioactive substances in those materials, to levels at which special precautions are needed for handling, storing, transporting,

### **Industries with NORM Radiation**

There are industries where NORM may be present in amounts sufficient to cause significant radiation doses to workers that require the application of radiation protection practices to reduce radiation doses. Such industries include:

Mineral Extraction and Processing: NORM may be released or concentrated in a process stream during the processing of ore, such as in the phosphate fertilizer industry and the abrasives and refractory industries.

Oil and Gas Production: NORM may be found in the liquids and gases from hydrocarbon-bearing geological formations.

Metal Recycling: NORM-contaminated materials can be redistributed to other industries resulting in the formation of new NORM-contaminated products.

Forest Products and Thermal-Electric Production: mineral ashes left from combustion may concentrate small amounts of NORM present naturally in plant materials and in coal.

Water Treatment Facilities: fresh or waste water is treated through sorptive media or ion-exchange resins to remove minerals and other impurities from the water being treated and may release radon (geothermal sources, fish hatcheries).

Tunnelling and Underground Workings: in areas where small amounts of indigenous radioactive minerals or gases may be present, such as in underground caverns, electrical vaults, tunnels, or sewer systems.

#### **Further Reading:**

[Managing Naturally Occurring Radioactive Material \(NORM\) in the oil and gas industry \(iogp.org\)](http://iogp.org)

[Controlling-NORM-Exposure-Toolbox-Talk.pdf \(energysafetycanada.com\)](http://energysafetycanada.com)

[Top five reasons why you should consider testing your home for radon | Canadian Lung Association](http://CanadianLungAssociation.org)

## Industrial Concierge

#### **Provincial Tax Incentive**

It has been recently brought to my attention that the [Saskatchewan Commercial Innovation Incentive](http://SaskatchewanCommercialInnovationIncentive.com) (SCII) has been under-subscribed.

The SCII is a tax incentive that offers eligible corporations a reduction of the provincial Corporate Income Tax Rate (CIT) to six per cent for:

- 10 consecutive years for eligible corporations that commercialize their qualifying intellectual property in Saskatchewan. Or,
- 15 years if at least 50 per cent of the related research and development (R&D) in advance of commercialization occurred and was conducted in Saskatchewan.

**Eligibility:**

This tax incentive is open to any company, operating in any sector, from anywhere in the world, regardless of where or when the R&D for the qualifying intellectual property occurred.

This incentive applies to a wide variety of intellectual property types, including patents, trade secrets and copyrights (computer programs and algorithms).

Meets **two** of any of the five below:

- \$3 million in R&D expenditures in Saskatchewan (including labour costs) – consisting of new R&D, existing R&D pertaining to the qualifying intellectual property, or a combination of new and existing R&D;
- 10 net new full-time employees;
- \$10 million in net new capital expenditures;
- \$3.5 million in new provincial CIT taxes paid; or
- Propose a new economic benefit benchmark as pre-approved by the Ministry of Trade and Export Development.

Apply [here](#).

If you don't quite meet the requirements, reach out to me at [james.bulmer@simsa.ca](mailto:james.bulmer@simsa.ca). There is currently a feedback collection process out and I can submit any comments or questions on your behalf anonymously.

# Sector News

As an FYI, this project is what got me into the resource sector – I've been following and doing commentary on it for years.

## Star Diamond boosts resource estimate for Orion South project in Saskatchewan

July 24, 2024 | 4:31 pm from [HERE](#)



The Star-Orion diamond project in Saskatchewan. Credit: Star Diamond

Star Diamond Corp. (TSX: DIAM) announced Wednesday a significant increase in the estimated mineral resources for the Star-Orion South diamond project in Canada's Saskatchewan province.

The company holds 100% in certain Fort à la Corne mineral dispositions, including the Star-Orion South project, which it says is the largest undeveloped diamond deposit in the world.

The mineral dispositions are located in the Fort à la Corne provincial forest of central Saskatchewan, near the highway and power lines, some 60 km east of the city of Prince Albert.



Indicated mineral resources on Star have increased 22% to 34.8 million carats and the grade has increased 20% to 19.4 cpht (carats per hundred tonnes). Indicated mineral resources on Orion South have increased 37% to 36.9 million carats, with a 32% increase in grade to 17.9 cpht.

Star Diamond said it has determined that no additional bulk sampling is required on the Orion South kimberlite for the estimation of the mineral resources, which results in the savings of tens of millions of dollars in exploration expenditures and speeds the completion of the pre-feasibility study (PFS).

“Our technical team and outside consultants have been working hard for the last year and a half to arrive at this incredible outcome,” Star Diamond CEO Ewan Mason [said in Wednesday’s news release](#).

“We intend to have a feasibility study completed by the end of 2026, with hopes that shovels could be in the ground within 3-5 years.”

The company says the project is the largest undeveloped diamond deposit in the world, and contains large, high-value stones. It’s also low grade, however, and the need to remove a [large amount of overburden](#) would add to development costs for the planned open pit mine. A 2018 preliminary economic assessment put [preproduction capital costs at C\\$1.4 billion](#).

The study estimated 66 million carats could be recovered from the project over a 38-year period, generating C\$3.3 billion (\$2.6bn) in revenue.

### **A storied past**

Exploration [has been ongoing](#) at Star-Orion for years, but the company only became sole owner in March of this year, [acquiring Rio Tinto’s 75%](#) interest in Fort à la Corne.

Although the explorer [made peace with Rio Tinto Exploration Canada](#) (RTEC) in 2021, the two companies [faced off in court](#) in 2020 due to a [drawn out dispute](#) over the development of what was once a joint diamond project.

[The legal row](#) stemmed from a 2017 earn-in deal under which Rio Tinto’s subsidiary RTEC committed to spend \$75 million in phases to acquire 60% of the Star-Orion South project.

When RTEC exercised all its options simultaneously, Star Diamonds objected, alleging the the world’s second-largest miner [did so to boost its stake at below market value](#).

“We ended up with 100% of it, plus C\$100 million in machinery, equipment, and supplies, plus a 10-year environmental bond, plus C\$4 million in cash. And for that, we gave them 17% of our stock, which is roughly C\$8.5 million,” Mason told *MINING.com* in an interview.

Mason also said when Star Diamond and RTEC first entered the joint venture, the mining giant’s executives were eyeing new diamond projects to fill the gap that the aging Diavik mine in the Northwest Territories – which is running out of ore – would fill, but are now focused on expanding the company’s critical minerals portfolio.

## Red tape

First discovered in the 1980s, in a forest environment, the site contains at least 70 kimberlite pipes, Mason said.

“We already have over 500 million tons of ore from just two kimberlite pipes. We’ve been at it 30 years, and we’ve extracted over 150,000 diamonds already, and we still haven’t built the mine.”

Mason said Star Diamond has already spent over a billion dollars on the late-stage project and the last PEA showed that it was going to contribute C\$25 billion to the province over the first 34 years. The diamonds that have been extracted so far are not on the market because the company is not permitted to sell them under Saskatchewan mining legislation until it has a mining permit.

Star Diamond had 160 diamonds from Fort à la Corne property cut and placed into the Black Rod of the Saskatchewan Legislature in Regina.



*Symbols depicted on the rod include the provincial motto: MULTIS E GENTIBUS VIRES (From Many Peoples Strength), a First Nations eagle, the circle of life, feathers, sweet grass and buffalo. Credit: Star Diamond.*

“We keep them in a bank vault, but we’ve started to take them out and cut and polish them and display them, and they’re magnificent,” Mason said, adding that Star Orion is a type 2a prevalent deposit, meaning high purity diamonds and contain no boron.

“Not one of the mines operating now, or the ones that did operate, had type 2a. These diamonds are very rare and most mines around the world do not have them. Nobody in Canada has them,” Mason said.

“We have extracted diamonds up to 50 carats so far, just in sampling, and some of those diamonds are worth over \$100,000 each. It’s very high-quality deposit, there’s really nothing like it in the world, not even close.”

### **A (real) diamond is forever**

Synthetic diamonds have disrupted the market over the last couple of years, and while Mason believes lab diamonds have a place in the jewelry market, he pointed out that a synthetic diamond, “the second it leaves the store, is worth nothing.”

“They can make an infinite number of these diamonds. They have no resale value, so a lot of wholesalers are [saying] they’re garbage,” he said. “They say they’re chemically equivalent to an actual stone [because] it’s carbon, except that it’s not formed the same way. It’s not formed naturally. It’s not environmentally friendly by any stretch. Our mine will be all electric powered. It’s going to be at least carbon neutral, if not carbon negative.”

Mason said legacy diamond supply is down 15% over the last three years and by the end of this decade will be down even more.

“Where are you going to get the conflict-free diamonds that are not from Russia? Canada. And Russia produces 30% of diamonds that are for jewelry purposes right now and the West eats 70% of all diamonds for jewelry purposes.”

### **Indigenous engagement**

Mason said the project is being built out on Cree Nation territory in Saskatchewan with the cooperation of the local community, and the company aims to provide ample opportunities for Indigenous employment.

Star Diamond chose [the trademark “Kīwētin”](#) (pronounced “kee-way-tin”), meaning north wind in the Cree language, for its Fort à la Corne diamonds.

“We’re at a very pivotal time in our country with respect to these types of projects,” Mason said.

“I think it’s the best province to be building a mine in Canada right now – and this is an exciting project – it’s going to be a market mover when it gets up and running.”

By market close in Toronto, Star Diamond’s stock was up over 8%. The company has a C\$39 million (\$28.2 million) market capitalization.

# Upcoming Events

Register for Upcoming Events [HERE](#)

- **Nutrien Roundtable – September 12, 2024**  
SIMSA’s Nutrien Roundtable will be on September 12, 2024 at Prairieland Park in Saskatoon.
- **BHP Roundtable – September 25, 2024**  
SIMSA’s BHP Roundtable will be on September 25, 2024 at Prairieland Park in Saskatoon.
- **SIMSA Town Hall-Regina – October 1, 2024**  
Come meet with SIMSA staff to learn about how to utilize your membership, provide feedback on what you’d like SIMSA to provide its members, and learn about “Protecture” – SIMSA’s new benefits plan that is available only to SIMSA members. This event is intended for SIMSA member companies in the southern part of Saskatchewan. Complimentary lunch provided – limit 2 attendees per SIMSA member company.
- **Saskatchewan Suppliers Energy Forum (SSEF) – October 2, 2024**  
The 10<sup>th</sup> Annual Saskatchewan Suppliers Energy Forum will be on October 2, 2024 at the Delta Hotel in Regina.
- **SIMSA Town Hall-Esterhazy – November 20, 2024**  
Come meet with SIMSA staff to learn about how to utilize your membership, provide feedback on what you’d like SIMSA to provide its members, and learn about “Protecture” – SIMSA’s new benefits plan that is available only to SIMSA members. This event is intended for SIMSA member companies in Esterhazy and surrounding area. Complimentary breakfast provided – limit 2 attendees per SIMSA member company.
- **Saskatchewan Mining Supply Chain Forum (MSCF) – April 9 & 10, 2025**  
Save the Date! The 17<sup>th</sup> Annual Saskatchewan Mining Supply Chain Forum will take place on April 9 and 10, 2025 at Prairieland Park in Saskatoon.
- **SIMSA AGM – May 14, 2025**  
Save the date! Our 2025 AGM will be on May 14, 2025 at Prairieland Park in Saskatoon.

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