

June 1, 2021

Executive Director's Message

SIMSA members have a new path into the Eurasian and Russian potash and uranium markets. Specifically, SIMSA now has a members-only [procurement event](#) scheduled with [EuroChem](#) and Inkai on September 28th, 2021. Russia's EuroChem is a major potash and other fertilizer producer, while Kazakhstan's Inkai project is a uranium producer structured as a joint venture between Cameco and Kazakhstan's [Kazatomprom](#) (which is majority-owned by the Kazakh government). This event will open the other major potash and uranium region of the world to SIMSA members.

All of this came about when I was asked to participate in the Canada Eurasia Russia Business Association's ([CERBA](#)) "Canada-Russia Mining Working Group 2021" event. Participants included major mining companies in Eurasia and Russia, as well as representatives from the Russian Ministry of Natural Resources. In a press release after the event, CERBA featured SIMSA [here](#).

By the way, I can confirm from this event that "You're still on mute" is stated in Russia too.

SIMSA was asked to join CERBA, so we did after confirming CERBA's legitimacy with Tim Gitzel (CEO of Cameco) and the Canadian Trade Commission.

The Canada Eurasia Russia Business Association (CERBA) is an independent non-profit organization that promotes bilateral trade and investment between Canada and Eurasia. CERBA is a membership-based association that represents over 140 corporations and individuals. With its network of nine chapters located in Almaty, Moscow, Tashkent, Montreal, Ottawa, Toronto, Alberta, Winnipeg and Vancouver, CERBA supports its membership's business development with international conferences and seminars, B2B meetings, trade missions, and market intelligence. It also acts as an advocate for business to governments of Canada and Eurasia. CERBA is a co-founder of the Russia - Canada Business Council (RCaBC) and the Kazakhstan-Canada Business Council (KCBC) – organizations designed to promote bilateral business cooperation and address specific issues through sector-based committees.

Similar evidence of "our world is getting smaller" have recently included: (1) all things COVID 19 and (2) the recent political hijacking of a Ryanair passenger jet by Belarus, has caused the threat of sanctions against Belarus' economic entities which include Belaruskali – one of the world's largest potash producers. Should these sanctions occur, a plane being diverted in Belarus could lead to increased potash production and prices in Saskatchewan.

Note: SIMSA's monthly newsletter will not be released in July nor August, but will resume on September 1st. Have a great summer!

Advocacy

As COVID begins to reduce its impact, we can now refocus our attention. If there are any issues that SIMSA members want addressed, please let me know at eric.anderson@simsa.ca.

SIMSA will be involved in the development of the new Construction Codes Act. The Government of Saskatchewan recently passed The Construction Codes Act (Bill 4) in the Legislative Assembly. The new Act will allow better alignment between construction codes and accessibility standards, including how they are applied to buildings, ensuring people with disabilities can better access and use buildings in Saskatchewan.

The new Construction Codes Act (CCA) repeals and replaces The Uniform Building and Accessibility Standards Act and will come into effect on January 1, 2022, and will continue to oversee how construction standards are developed, adopted and implemented in the province. The CCA also modernizes the powers and responsibilities for building owners, local authorities, building officials and the construction industry.

Members' News

[Team Power Solution is offering training "Back in the Classroom"](#)

Sector News

EU May Sanction Belarus's Potash Industry by This Summer

May 26, 2021

<https://www.bloomberg.com/news/articles/2021-05-26/eu-may-sanction-belarus-s-potash-industry-by-this-summer>

The European Union is aiming to hit Belarus with a new round of sanctions by June over the forced landing of Ryanair flight FR4978 and the arrest of a journalist, with tougher economic measures to follow by the summer, according to an EU official familiar with the matter. The more stringent measures could target potash. Potash is the country's major export item -- supplying a large share of European demand -- and its only abundant mineral resource.

That may cause a short-term increase in potash prices in Europe, as Belarus supplies about 25% of the region's demand, though the situation should normalize fairly quickly. Producers like Russia's Uralkali PJSC may replace Belarusian volumes in Europe. Potash producer Belaruskali is one of the largest state-owned companies in Belarus and one of the suppliers to the global market. Minsk-based state-owned Belarusian Potash Co. is a trader, handling export sales of all potash produced in Belarus.

BHP Is in Talks With Nutrien on Giant Potash Mine

May 26, 2021

<https://www.bloomberg.com/news/articles/2021-05-26/bhp-said-to-be-in-talks-with-nutrien-on-giant-potash-mine>

BHP is in talks with Nutrien about a potential partnership in its massive Canadian potash venture as the world's biggest mining company moves closer to a final decision on the project. The pair are discussing multiple options, including Nutrien becoming the operator and selling the potash through its existing channels, or the Canadian company taking a stake in the Jansen mine, according to people familiar with the matter. There is no guarantee the talks will lead to a deal, said the people, who asked not to be identified as the discussions are private.

Major potash producers could expect greater price certainty if a BHP-Nutrien deal goes ahead, "and keeps new tons marketed within the existing global structure," said Bloomberg Intelligence industry analyst Jason Miner.

Spokespeople for BHP and Nutrien declined to comment.

New Nutrien CEO to carry out current strategy, focus on potash price

MAY 4, 2021

<https://www.reuters.com/article/idUSKBN2CL1W0>

Canadian fertilizer and farm dealer Nutrien Ltd will continue its existing business strategy, including a focus on supporting global potash prices over maximizing sales, new Chief Executive Mayo Schmidt said. Surging prices of corn, soybeans and canola have given North American farmers more incentive to spend on fertilizer, lifting crop nutrient prices too. Schmidt said he sees steady potash demand growth for the next decade. Mosaic Co may restart an idled Canadian mine in the next year or two if prices rise further, Chief Executive Joc O'Rourke said separately.

Mosaic may restart and idled mine in the next year or two

MAY 4, 2021

<https://www.reuters.com/article/idUSKBN2CL1W0>

In the story above, they also comment that, "Mosaic Co may restart an idled Canadian mine in the next year or two if prices rise further, Chief Executive Joc O'Rourke said separately."

Minerals group K+S hikes 2021 profit forecast on higher potash prices

MAY 10, 2021

<https://www.reuters.com/article/idUSL8N2MY0HY>

German minerals group K+S raised its 2021 core profit forecast a rise in potash prices and strong demand for de-icing salts during a cold European winter. The company, which produces around 11% of the world's potash, an essential nutrient for crops, said it had seen good global demand for the mineral. It predicted a boost from higher prices, already visible in the first quarter, would pick up in the coming quarters. "We expect that the prices will continue to increase for the full year," Chief Executive Burkhard Lohr told analysts.

Canada potash project may cost BHP growth elsewhere, say investors

May 17, 2021

<https://www.reuters.com/business/energy/canada-potash-project-may-cost-bhp-growth-elsewhere-say-investors-2021-05-17/>

BHP Group is under pressure from Canada to greenlight a giant potash project when it makes a final investment decision by mid-year but some investors said the world's biggest miner may obtain better returns by ploughing the funds elsewhere. The Jansen project in Canada's Saskatchewan province is estimated to cost up to \$5.7 billion in the first phase. BHP has already sunk \$4.5 billion into the project. The world's biggest miner estimates demand for the ingredient could double by the late 2040s to become a \$50 billion market. Some analysts, like Ben Isaacson of Scotiabank, though, are positive on Jansen. The first phase would not significantly disrupt the market and the steady growth in global potash demand means the extra output will be needed by 2030, he said. Scotiabank in April pegged the probability of BHP approving Jansen's first phase at 90%.

Suncor posts \$821 million first quarter profit on higher output, better oil prices

Tuesday, May 4, 2021

<https://www.jwnenergy.com/article/2021/5/4/suncor-posts-821-million-first-quarter-profit-on-h/>

Suncor Energy Inc. is reporting positive first-quarter net earnings on higher production, lower costs and stronger oil and gas prices, reversing a big net loss in the same period of last year. The Calgary-based oilsands producer and refiner says it had net earnings of \$821 million or 54 cents per share in the first three months of 2021, compared to a net loss of \$3.5 billion or \$2.31 per share in the year-earlier period.

Saskatchewan's Forestry Sector Surges in 2020

Released on May 12, 2021

<https://www.saskatchewan.ca/government/news-and-media/2021/may/12/saskatchewans-forestry-sector-surges-in-2020>

Saskatchewan's forestry sector is booming, with over \$1.1 billion worth of forest products sold in 2020, an almost 30 per cent increase over the previous year. Prices for many forest products are now at record highs, including lumber, oriented strand board (OSB) and treated wood products, which are used in decks and fences. Forestry is currently northern Saskatchewan's largest sector, supporting nearly 8,000 jobs. There are seven major primary forest products facilities that produce lumber, OSB and pulp, and over 200 smaller businesses that supply a variety of primary and secondary forestry products. Saskatchewan is expected to harvest and produce record levels of timber and levels of forest products into 2022. Development of the sector has the potential to generate over \$2 billion in forest products sales annually and support nearly 12,000 jobs.

Upcoming Events

Register for Upcoming Events [HERE](#)

- SIMSA's Annual General Meeting, **June 3** – virtual
- Lunch & Learns – all virtual:
 - Sutton Benefits & Pension "Workplace safety, it's not just physical", **June 4**, noon hour. Safety is not just about avoiding injury in the workplace. It's about ensuring the physical, emotional and mental wellbeing of employees, in and out of the workplace, so they are healthy, alert and engaged at work. Via Zoom
 - Black & McDonald on **June 24**, noon hour. At this session you will learn about the processes and technologies which can be incorporated into mining facilities in order to improve efficiency, while reducing operational costs and overall environmental impacts. Via Teams.
- NexGen's Rook I Project - the Path to Production, **June 16**, 9:00 AM - 10:00 AM. The Rook I team will provide an update on the Project, and how local suppliers and manufacturers can be actively engaged in the project development and operation. Via Teams.
- Legal Perspectives to Support Your Employees During Covid and Beyond on **September 1**, 9:00 – 10:30 am. This event is timed to cover “now what do we do” regarding HR issues as COVID and working from home is into a new stage. Steve Seiferling will present during an event sponsored by RBC. Via Teams
- Procurement Event with Canada Eurasia Russia Business Association (CERBA), **September 28**, 8:00 – 10:00 am. As part of our CERBA membership, SIMSA will host a procurement event with procurement persons from EuroChem and Inkai. It will open the other major potash and uranium region to SIMSA members. Our database will be a key function. Via Teams.
- Saskatchewan Oil & Gas Supply Chain Forum, **October 6**, 2021, an in-person/virtual hybrid format Energy Forum in Regina at the Delta
- Saskatchewan Mining Supply Chain Forum, **December 7 & 8**, 2021, in-person/virtual hybrid format at Prairieland Park in Saskatoon

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