

May 2, 2022

Executive Director's Message

To effectively tell our story, and to have them follow our requests, the Federal and Provincial governments need to be told how many voters and dollars we represent. We have not completed a thorough survey of this since 2019 – our membership has grown by 50% since then. As such, we will be conducting a member survey commencing after our May 25th AGM.

This Government lobbying work stems from member-feedback we received, which was the core driver of our recent SIMSA-board strategic planning session. This planning session directed that in addition to increasing SIMSA's voice with Government, we will also include work on items such as:

- Resume in person procurement events with producers and EPCs/EPCMs
- Pushing for SMR related investments in Saskatchewan
- Pushing for West Side Irrigation Project related investments in Saskatchewan
- Working towards earlier engagement with project developers (pre-engineering and RFQs)
- Pushing for "shop local" incentives
- Working on filling the labour shortage via numerous avenues
- Connecting SIMSA members with foreign projects through new partnerships and leveraging existing relationships
- Investigate broadening/deepening our scope in protein industries and clean energy
- Creating a list of funding opportunities for innovation
- Staying in-step with major producers on carbon reduction initiatives
- Increasing public support for the sectors we work in

In the near future, if you are listed on SupplierLink, SIMSA members will automatically have the following icon added to their profile.



Eric

Advocacy

In the Executive Director's message above, we noted that to effectively tell our story, and to have them follow our requests, the Federal and Provincial governments need to be told how many voters and dollars we represent. We have not completed a thorough survey of this since 2019 – our membership has grown by 50% since then.

In 2019, our membership represented about 20,000 employees and \$10-billion in sales. We have grown by 50%, but this growth has included more smaller companies than larger ones. We have also seen a pandemic, but then we have seen a war in Ukraine drive record demand for Saskatchewan's commodities.

So, what was the net result of all of this?

If we simply add 50% to the 2019 numbers, then we represent – arguably – 30,000 employees; that's about 30,000 families or then 60,000 votes. 60,000 votes can change election results. So, Governments are apt to listen.

If we say we represent \$15-billion in sales, at least the Minister of Finance will take a look.

So, the first step to a renewed lobbying effort is defining who we are, so Government will have a reason to listen (other than they should in the first place).

Members' News

[A Month of Momentum at JNE Welding](#)

[Andrea Hansen of Sutton Benefits & Pension named finalist for the WESK Celebration of Achievement Award](#)

[Prairie Machine Employees Achieve Impressive Safety Milestone](#)

[Haztech Continues to Expand with a new Health Centre in Moose Jaw](#)

[Team Power Solutions is offering Electrical Safety Training Courses in May and June](#)

[RAYHAWK is Featured in the Spring Edition of Global Ventures Magazine](#) page 48

Sector News

We have received several questions in regards to what Nutrien and other potash producers may do in efforts to increase potash production, given sanctions on Russia and Belarus potash.

So, we have scheduled a potash market update with Larry Long for May 13th at 10:00 am. Larry is the Senior VP and Interim Co-CEO of Nutrien's Potash division.

In preparation for this event, we are including the below slides from a November 21st 2021 presentation by Nutrien - so this was pre-Ukraine (from here <https://www.nutrien.com/investors/events/morgan-stanley-2021-global-chemicals-agriculture-and-packaging-conference>).

You will notice in the slides:

- Production capacity by site vs. current production – this should give an idea of where production increases are likely to come from
- Global producers by country – to explain what caused the potash shortage

Per our previous notices to members on market conditions:

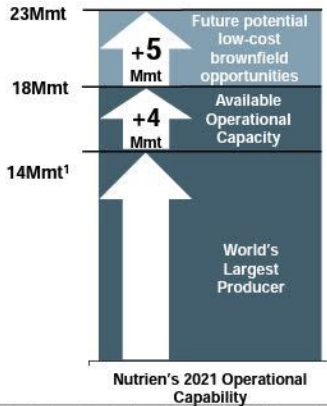
- Global potash demand increase is unchanged at 2 – 3 % per year
- Sanctions hit 40% of global production, or 28 MT
- Belarus potash itself, plus shipping, finance, and insurance are impacted by sanctions
- Belarus production has stopped – which was mainly granular product (Russia not as much granular)
- Russian production continues and sanctions not on their potash itself, but sanctions have hit their shipping, finance, and insurance – so it is basically locked in
- Of the 28 MT produced in Belarus and Russia, it is expected that 10 – 14 MT will still get into the markets somehow, leaving a 14 – 18 MT global shortfall to be replaced
- This is expected to be a prolonged situation as sanctions will not be lifted until there is a regime change in Russia plus proof of political stabilisation afterwards. And even if this happens, analysts don't expect people to ever source as much fertiliser from Russia again (some became too dependent upon them)
- Potash prices are over \$1,000 per MT in Brazil and \$900 in USA – global consumption was already on the rise pre-Ukraine and then production plummeted, causing a real - not speculative - price increase

Potash: World Class Potash Business with Significant Growth Optionality



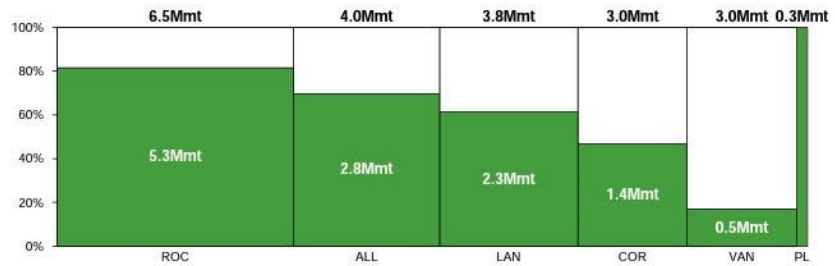
Nutrien is the best positioned company to continue to create value in the potash industry due to its size, flexible growth optionality, and high-quality & low-cost network of mines

Scale & Growth Optionality



High Quality, Low Cost, Flexible Network

2020 Nutrien Production as a Percentage of Nameplate²



- Operate some of the most reliable, flexible, safe, and low-cost potash assets
- Located in the best potash geology in the world

1. Based on potash sales volume guidance of 18.0Mmt to 13.9Mmt as provided on November 1, 2021.
 2. Nameplate capacity and production volume as reported in Nutrien's 2020 Annual Report.
 3. Potash demand CAGR from 2000-2020 was 2.8 percent.
 4. Cost estimates for a 2 Mmt conventional greenfield mine in Saskatchewan, including rail, utility systems, and port facilities.

November 2021

Source: CRU, Fertecon, Industry Consultants, Nutrien

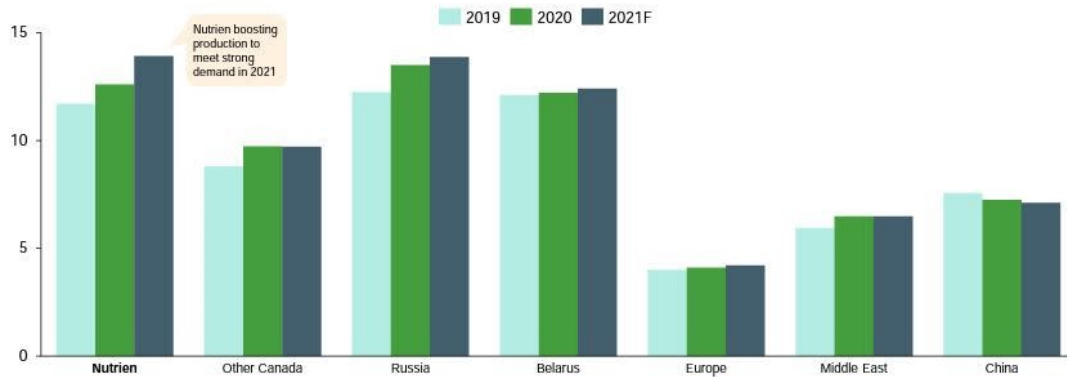
Potash Production in Selected Regions



Limited new production from greenfield projects in 2021 has been largely offset by reduced production from existing operations; Nutrien increased production by ~1 million tonnes in response to strong demand and tightened supply

Potash Production in Selected Regions*

Million Tonnes KCl



* Production changes differ from our expectations in operational capability

November 2021

Source: CRU, Company Reports, Nutrien

Upcoming Events

Register for Upcoming Events [HERE](#)

- **Lunch & Learn: Lincoln Electric Energy Conservation in Welding – May 12, 2022**
At this event you will learn about: Welding Inverters vs Transformers energy savings; Welding fume management and energy conservation (source capture/filtering); and Robotic Welding – increasing productivity.
- **Nutrien Potash Market Update – May 13, 2022**
Senior VP and Interim Co-CEO of Nutrien’s Potash division - Larry Long - will provide a potash market update and provide some guidance on their potash production plans.
- **Presentation Workshop with Susie Ashfield - Speak2Impact – May 17 & 19, 2022**
A two-day workshop where only 8-persons can attend. Each person must to do a 10-minute presentation in front of the rest of the group, and then have Susie work with you. The event will be run over 2-days, at 3-hours per day – a total of 6-hours.
- **SIMSA AGM – May 25, 2022**
Our AGM will be in-person this year at Wanuskewin Heritage Park. Bronwyn Eyre will be the keynote speaker.
- **Speed Networking Event at Global Petroleum Show (Calgary) – June 8, 2022**
At the event, a group of energy producer and/or pipeline company procurement persons will be positioned around a room. You will have 5-minutes with a procurement person to make your pitch, ask questions, and then you must move onto the next company/procurement person. Crescent Point and TC Energy are already confirmed as attendees, more are expected.
- **Saskatchewan Mining Supply Chain Forum – June 20 & 21, 2022**
This event is going back to its original format including tradeshow and attendance from outside of Saskatchewan.
- **Saskatchewan Suppliers Energy Forum – September 28, 2022**
Save the date for the 8th Annual Saskatchewan Suppliers Energy Forum at the Delta Hotel in Regina, SK. Crescent Point and TC Energy are already confirmed as attendees, more are expected.

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