

November 1, 2022

## Executive Director's Message

On November 17th, we will be holding an event with BHP. The BHP event will feature information on Jansen procurement and planning, as well as other significant items. This is a SIMSA members-only event. The event will include presentations and significant networking opportunities. Details including topics, BHP participants, duration, and pricing will be released tomorrow (November 2<sup>nd</sup>).

October 20th marked the return to our legendary Roundtable events with Nutrien! Over 225 SIMSA members met with over 40-Nutrien persons – for an entire day!

This was the first in-person Roundtable with Nutrien – at almost 3-years to the day – as the last was October 15, 2019. At the 2019 event, SIMSA had just over 200 members. Currently, SIMSA has 323 members – up over 60% since the last in-person event with Nutrien. SIMSA now limits ticket sales, so the networking is effective. SIMSA's growth is largely attributable to the cooperation they receive in events such as this – which all began with PotashCorp – now Nutrien.

As with all SIMSA Roundtable events, attendees from the producer company (Nutrien) are assigned seating individually at a banquet table of 6-persons for the day. Upon entry, SIMSA members choose with whom they sit.

However, over half of the event time was spent in free-flow networking around the room, giving SIMSA members ample access to key Nutrien persons, and an opportunity to connect with fellow members.

Nutrien presented on capital and strategic plans, as well as Indigenous Inclusion. SIMSA presented their current work backlog and member sentiment and described what we need from Nutrien.

The event began with a high-level potash market overview from Larry Long, Senior VP Potash Operations, Potash. Following Larry were Andrea Wacker – Senior Manager, Capital Procurement and Jeff Wagner – Director Capitol.

The event then flowed to SIMSA's presentation. In preparation for the event, SIMSA surveyed its members to gather questions and build a snapshot "state of the union" document. Then, at the event, to provide some context to what they heard from their engineering, construction, and fabrication membership – SIMSA shared the results and had a SIMSA Board member from each of those categories provide some context.

The panel consisted of:

- Engineering – Ritu Malhotra from March Consulting
- Construction – Kohl Currie from Allan Construction
- Fabrication – Adam Logue from JNE Welding

After lunch, Julie Ann Wriston – Manager, Supply Chain ED&I – presented on Nutrien’s Indigenous Engagement strategy and its impact.

Nutrien shared its presentation decks with attendees.

Josh Dodd, Director Procurement concluded the event. But more importantly, in addition to recruiting Nutrien staff for the event, he also is SIMSA’s contact and driver for the event’s design – which saw at least half of the time set aside for people talking directly to each other – not just presenting. Josh has been SIMSA’s link for several years and has given generously of his time.

Event sponsors were Prairie Machine and Park Derochie Saskatchewan.

## Members’ News

[Haztech offers on site flu clinics](#)

[Listen to the JNE Welding #CombinedStrength Podcast Episode 6 ft. a New Segment “The People Who Power Us”](#)

[SaskPoly – accelerate your innovation projects](#)

[TPS Performs NEMA 4 Testing — Team Power Solutions](#)

# Sector News

It's been a good news/bad news couple of weeks.

The bad news is, Rio Tinto's potential development of the diamond deposits east of Prince Albert seem to have hit a snag, after seemingly heading in a positive direction.

Star Diamond (Rio's partner and the original local developer) released on October 21 that:

Rio Tinto Exploration Canada Inc. ("Rio Tinto Canada") recently provided a community update to stakeholders of the Fort à la Corne joint venture (the "Project"). In this communication, Rio Tinto Canada stated that "the site continues to be in care and maintenance as we explore our commercial options for the project, however, we are actively looking to minimize our costs."

Rio Tinto Canada also stated that it intends to fully de-mobilize the leased on-site camp in early 2023, and that it continues with site care and maintenance activities to fulfill its existing obligations, including certain progressive site cleanup and remediation programs. As previously disclosed by Star Diamond, Rio Tinto Canada exercised its voting power in June 2022 to place the Project on care and maintenance through December 31, 2022. At that time, Rio Tinto Canada also advised that, subject to fulfilling its existing obligations, it did not intend to commit additional capital to the Project during 2022 beyond what is necessary for care and maintenance. As well, Rio Tinto Canada advised that it intended to conduct a near-term review of its alternatives regarding the Project, including its potential exit. Star Diamond continues to work with Rio Tinto Canada in assessing alternatives regarding the Project. These discussions remain at an early stage and there is no certainty that any agreement will be reached between Star Diamond and Rio Tinto Canada regarding any such potential arrangements.

The good news is, Premier Moe aptly noted the following news item in a recent speech, "Saviour for the world: Saskatchewan fills resource gaps caused by war in Ukraine" (Oct. 23, 2022 8:52 a.m. CST at [HTTPS://WWW.CTVNEWS.CA/BUSINESS/SAVIOUR-FOR-THE-WORLD-SASKATCHEWAN-FILLS-RESOURCE-GAPS-CAUSED-BY-WAR-IN-UKRAINE-1.6121277](https://www.ctvnews.ca/business/saviour-for-the-world-saskatchewan-fills-resource-gaps-caused-by-war-in-ukraine-1.6121277))

Cameco Corp. is in a position to grow, the president of the Saskatoon-based Uranium giant recently told investors, because a "geopolitical crisis has hit our market" with Russia's war on Ukraine.

Tim Gitzel was speaking earlier this month after the company announced it had partnered with Brookfield Renewable Partners to acquire Westinghouse Electric, a nuclear power plant equipment maker.

Cameco, one of the world's largest uranium companies, said the deal would provide an opportunity to get new business in countries traditionally served by Russia.

"With Russia's actions in Ukraine, we now have a western world that's grappling with its dependence on this source of fuel and is looking to procure western sources of enrichment, conversion, uranium and, of course, western sources of fabricated fuel," Gitzel said.

Experts say energy, minerals and agriculture loom large in the motivation behind Russian President Vladimir Putin's actions in Ukraine and the ensuing war has left global markets with dropping supplies and skyrocketing prices.

Saskatchewan, with its stable and established resource and agriculture sector, has found itself in a position to help fill the global gap caused by the war.

"(The Prairies) are big players in global markets for these things," said Ellen Goddard, an agricultural economist and professor emeritus at the University of Alberta.

"For the majority of Canadians, the actual contribution that the Canadian Prairies make to global markets is not very well understood at the best of times."

Saskatchewan, with a population of under 1.2 million people, is known to produce a lot of National Hockey League players, but it does not have a reputation in Canada as a global power player. However, the decisions taking place in its boardrooms are having a significant impact, especially as the war in Ukraine rages on.

In addition to the global role of Cameco, the province is also home to fertilizer producer Nutrien. As the largest producer of potash in the world and third-largest of nitrogen, Nutrien is driving up output to respond to the war.

Earlier this year Russia and Belarus potash shipments dropped significantly due to sanctions and restrictions on financing activities. Around the same time, Nutrien announced plans to increase potash output to 18 million tonnes per year by 2025 to meet increasing global demand, marking a 40 per cent increase over 2020 levels.

The fertilizer giant surged to all-time high profits in the first six months of the year, raking in US\$5 billion as crop input prices soared to multi-year highs driven by the war and heightened global food-security fears.

Interim CEO Ken Seitz told analysts in August that the company expected ripple effects of the war would drive demand for many years.

"We believe structural changes to global energy, agriculture and fertilizer markets will provide a support environment for Nutrien well beyond 2022," Seitz said.

David Soberman, a professor at the University of Toronto and Canadian national chair in strategic marketing, said Saskatchewan has suffered in the past when there has been a surplus of resources coming from eastern Europe. For instance, prices languished for years following the 2013 breakup of a Russian-Belarusian marketing cartel that brought more potash competition to the market.

But Saskatchewan's companies remained stable throughout those times, Soberman said, assuring the global market that they are dependable, especially in a time of uncertainty.

"The world needs the things that the Prairies are producing so in many ways," Soberman said. "The Prairies are like a saviour for the world."

The war in Ukraine is terrible, he said, but the uncertainty it brings can also emphasize the attractiveness of dealing with Canadian companies.

Grain stocks and prices have also been upended after exports from Ukraine were stopped. The first ship carrying grain since Russia invaded in February only left a Ukrainian port in August. While more grain was scheduled to ship out of Odesa, the unpredictability of war remains.

Russia and Ukraine were both some of the world's top producers and exporters of grain and cooking oil. In the years before the war, Canada's share of the global export market had been shrinking amid the increased exports from Black Sea producers, including Russia and Ukraine.

The Canadian Prairies can also play a role as a stable provider of grains and oils, said Joel Bruneau, the department head of economics at the University of Saskatchewan.

Bruneau said Saskatchewan producers must act ethically when responding to increased demand caused by war. If the companies start to price gouge, that won't soon be forgotten by partners globally, he said.

"We are a good supplier," Bruneau said.

"So, we are getting the profits out of being a good supplier."

# Advocacy

On October 26<sup>th</sup>, SIMSA's Eric Anderson hosted Nurlan Gabdyzhamalov, Counsellor of the Kazakh Embassy based in Ottawa. Kazakhstan is the 9<sup>th</sup> largest country on earth by size and the 6<sup>th</sup> largest wheat producer. They have considerable uranium deposits being developed by Cameco and others, as well as well-identified potash deposits.

Nurlan and Eric spent the morning together in Saskatoon, visiting a major potash producer and a few SIMSA member companies. Nurlan also met with SIMSA members the day prior in Regina. SIMSA arranged all of these meetings, which could lead to millions of dollars in sales.

Nurlan expressed Kazakh's interest in their potash deposits being developed – they are willing to be supportive of the projects(s) as well. As such, in addition to an existing producer, SIMSA connected Nurlan with several junior potash mining/developer companies in our province. Nurlan also expressed interest in SMRs, so SIMSA connected him with companies in that area of which we already have MOUs.

The strategy is to see that they purchase potash from Saskatchewan companies and/or that their potash deposits are developed, and then see SIMSA members participate in them, given expertise and familiarity with the producers.

SIMSA has also begun discussion with the Saskatchewan Government on supply chain opportunities stemming from SMR developments in Saskatchewan. Specifically, we have shared that we have interest in the content of the MOU with Ontario and New Brunswick. SIMSA has also expressed that it is critical that not only work stemming from the installation of SMRs land in Saskatchewan, but that we also see the creation of both SMR assembly/manufacturing and nuclear fuel fabrication industries in Saskatchewan. SIMSA believes SMRs have substantial economic potential, given there are 2000+ required globally at \$1+ billion each, plus the required fuel.

# Upcoming Events

Register for Upcoming Events [HERE](#)

- **An in-person event with BHP – November 17, 2022**  
Save the date for an in-person event with BHP on Jansen procurement and planning, as well as other significant items.
- **Future Mines Event – November 23, 2023**  
The Future Mines networking and information session will be in-person on Wednesday, November 23rd at the Saskatoon Inn. Confirmed presenters include NexGen, Gensource, and Karnalyte.
- **Saskatchewan Mining Supply Chain Forum – April 18 & 19, 2023**  
Save the date! The 15th Annual Saskatchewan Mining Supply Chain Forum will be on April 18 & 19, 2023 at Prairieland Park in Saskatoon, SK.
- **SIMSA's 2023 AGM – May 16, 2023**  
Save the date!
- **Saskatchewan Suppliers Energy Forum – September 27, 2023**  
Save the Date! The 9th Annual Saskatchewan Suppliers Energy Forum will be on September 27, 2023 at the Delta Hotel in Regina, SK.

# SIMSA Contacts

**Eric Anderson**

*EXECUTIVE DIRECTOR*

[eric.anderson@simsa.ca](mailto:eric.anderson@simsa.ca)

**Keri Beebe**

*ADMINISTRATOR &  
EVENTS COORDINATOR*

[keri.beebe@simsa.ca](mailto:keri.beebe@simsa.ca)

**James Bulmer**

*INDUSTRIAL CONCIERGE*

[james.bulmer@simsa.ca](mailto:james.bulmer@simsa.ca)



[www.simsa.ca](http://www.simsa.ca)