

Saskatchewan

The logo graphic consists of three white, stylized, overlapping shapes that resemble a stylized 'S' or a series of upward-pointing chevrons, positioned to the right of the word 'Saskatchewan'.

saskatchewan.ca/invest

Scott Summach, Deputy Director Investment
Ministry of Trade and Export Development
Government of Saskatchewan
October 2021

Provincial Government Support

The Government of Saskatchewan welcomes investment in manufacturing and provides assistance for new and existing investors:



- Assist in identifying potential sites and potential partners to ensure companies meet their corporate objectives;
- Facilitate introductions to federal, provincial, and municipal stakeholders to help expedite the projects; and,

The Saskatchewan Advantage

- In the past few years, the Saskatchewan government has created one of the most competitive business climates in North America:
 - Lowered the corporate income tax by 5 points
 - Eliminated the general corporate capital tax
 - Introduced the largest single-year personal income tax reduction
- Competitive tax incentives:
 - 6% M&P investment tax credit
 - Saskatchewan Value-Added Oil and Gas Incentive, Steel and Fertilizer Value-Added Incentives

Government Committed to Growth

- Offers programs to encourage the development and commercialization of new technologies --100% of eligible R&D expenses can be used against net income for the purpose of calculating federal tax credits
- 10% of qualifying R&D expenditures incurred by corporations with a permanent establishment in Saskatchewan. For Saskatchewan Canadian-controlled private corporations, the credit is refundable on the first \$1 million of qualifying annual R&D expenses
- Canada-Saskatchewan Job Grant
- Saskatchewan Commercial Innovation Incentive (SCII)
- Saskatchewan Trade and Export Partnership (STEP)

Saskatchewan Commercial Innovation Incentive

- The SCII is a growth tax incentive that offers eligible corporations a reduction of the provincial Corporate Income Tax (CIT) rate to six per cent, for a period of 10 years. A first of its kind in North America “patent box” style tax incentive, the SCII program is open to a wide variety of eligible intellectual property (IP) types, including patents, plant breeders’ rights, trade secrets and copyrights (computer programs and algorithms.)

Saskatchewan Oil and Gas Incentives

Oil and Gas Processing Investment incentive (OGPII)

The Oil and Gas Processing Investment Incentive offers transferable royalty/freehold production tax credits for qualified greenfield or brownfield value-added projects at a rate of 15 per cent of eligible program costs.

Oil Infrastructure Investment Program (OIIP)

The Oil Infrastructure Investment Program offers transferable royalty/freehold production tax credits for qualified greenfield or brownfield value-added projects at a rate of 20 per cent of eligible program costs.

Waterflood Development Program (WDP)

The Waterflood Development Program offers a repayable royalty deferral for qualified waterflood injection wells.

Saskatchewan Petroleum Innovation Incentive (SPII)

The Saskatchewan Petroleum Innovation Incentive offers transferable royalty/freehold production tax credits for qualified innovation commercialization projects at a rate of 25 per cent of eligible program costs.

Saskatchewan Oil and Gas Incentives

Accelerated Site Closure Program

The Government of Saskatchewan has launched the Accelerated Site Closure Program (ASCP) to utilize \$400 million in federal funding for the abandonment and reclamation of inactive oil and gas wells and facilities. The program is scheduled to run until December 31, 2022. The primary purpose of this program is to put Saskatchewan people and companies back to work in the struggling oil and gas services sector.

Ministry of Trade and Export Development

The Saskatchewan Ministry of Trade and Export Development (TED) advances economic growth to generate wealth and opportunity in Saskatchewan.

The Ministry facilitates a cross-government approach to attract investment and grow export markets.

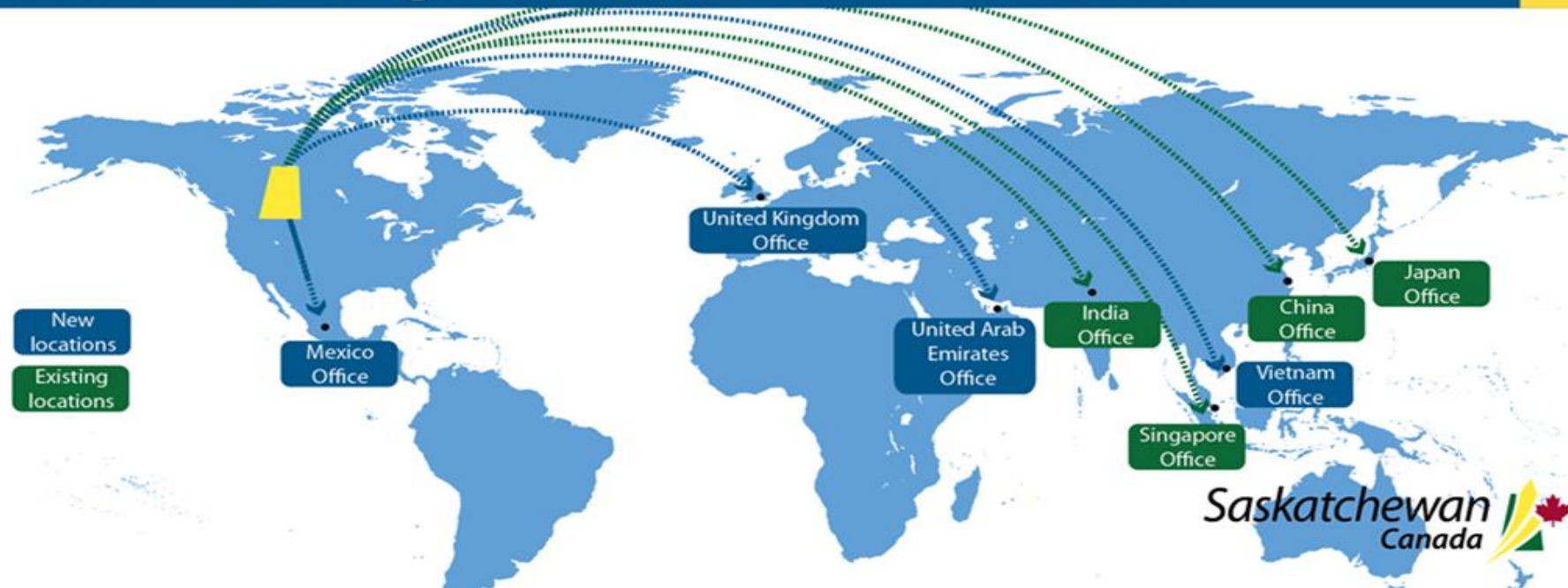
The Ministry fosters and supports a competitive business environment, facilitates trade and strengthens Saskatchewan's international relations.

Economic Development Division

- The Division advances investment opportunities to generate investments in Saskatchewan's core economic sectors: energy, mining, manufacturing and agri-value.
- Provides investors a single point-of-access to the information and services needed to successfully do business in Saskatchewan.
- Supports core economic sectors, local businesses and industries to expand and grow.
- Promotes Saskatchewan and its opportunities internationally with our partners including Saskatchewan's new international offices.

Saskatchewan's Network

Building A Stronger Economy
With A Stronger International Presence



Why Saskatchewan?

Food

Fuel


Fertilizer



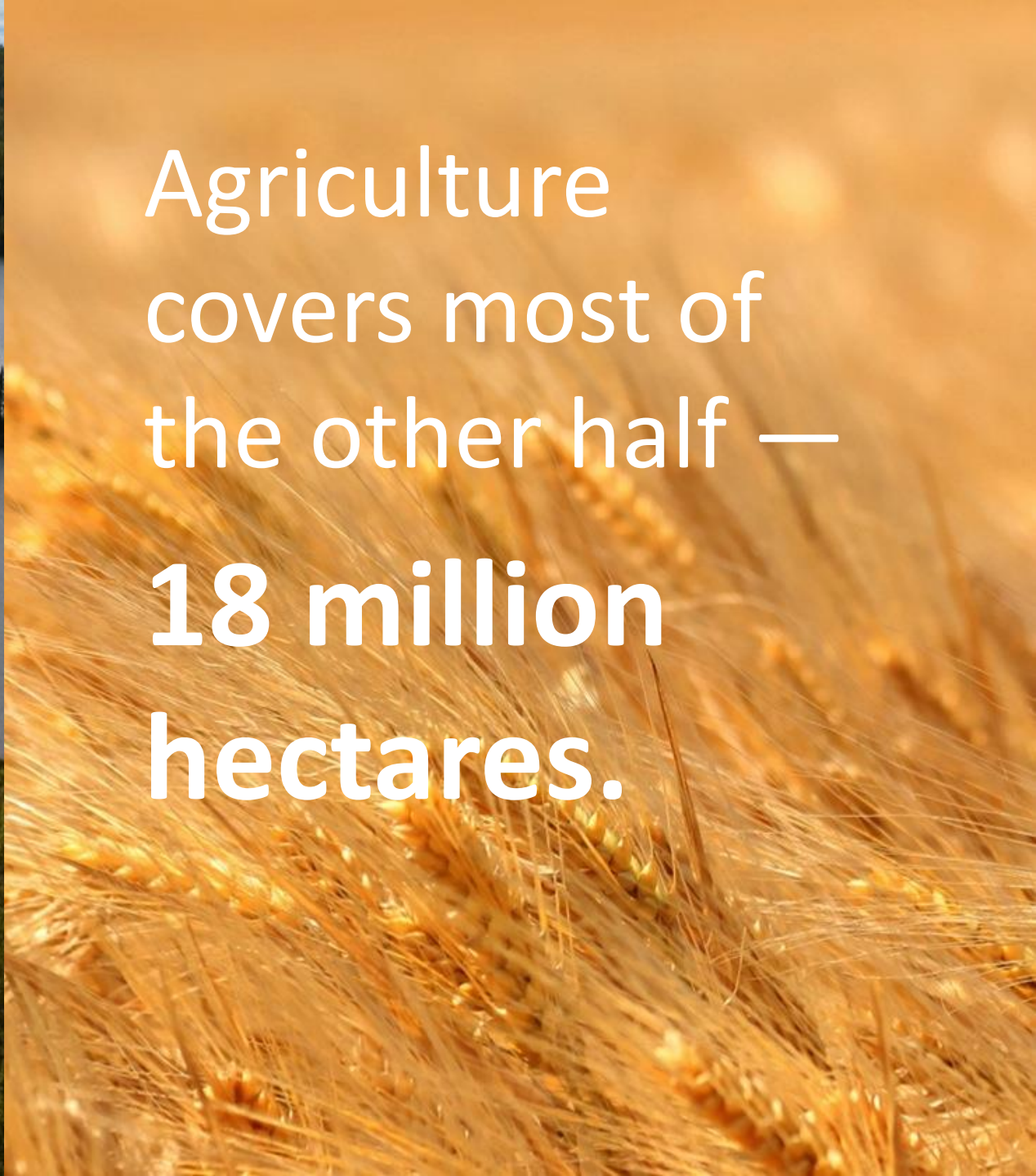
100,000 lakes

11% of Canada's water



A scenic view of a forested landscape. In the foreground, a dense forest of evergreen trees covers a hillside. A calm lake is visible in the middle ground, reflecting the sky. In the background, more forested hills are visible under a blue sky with some clouds.

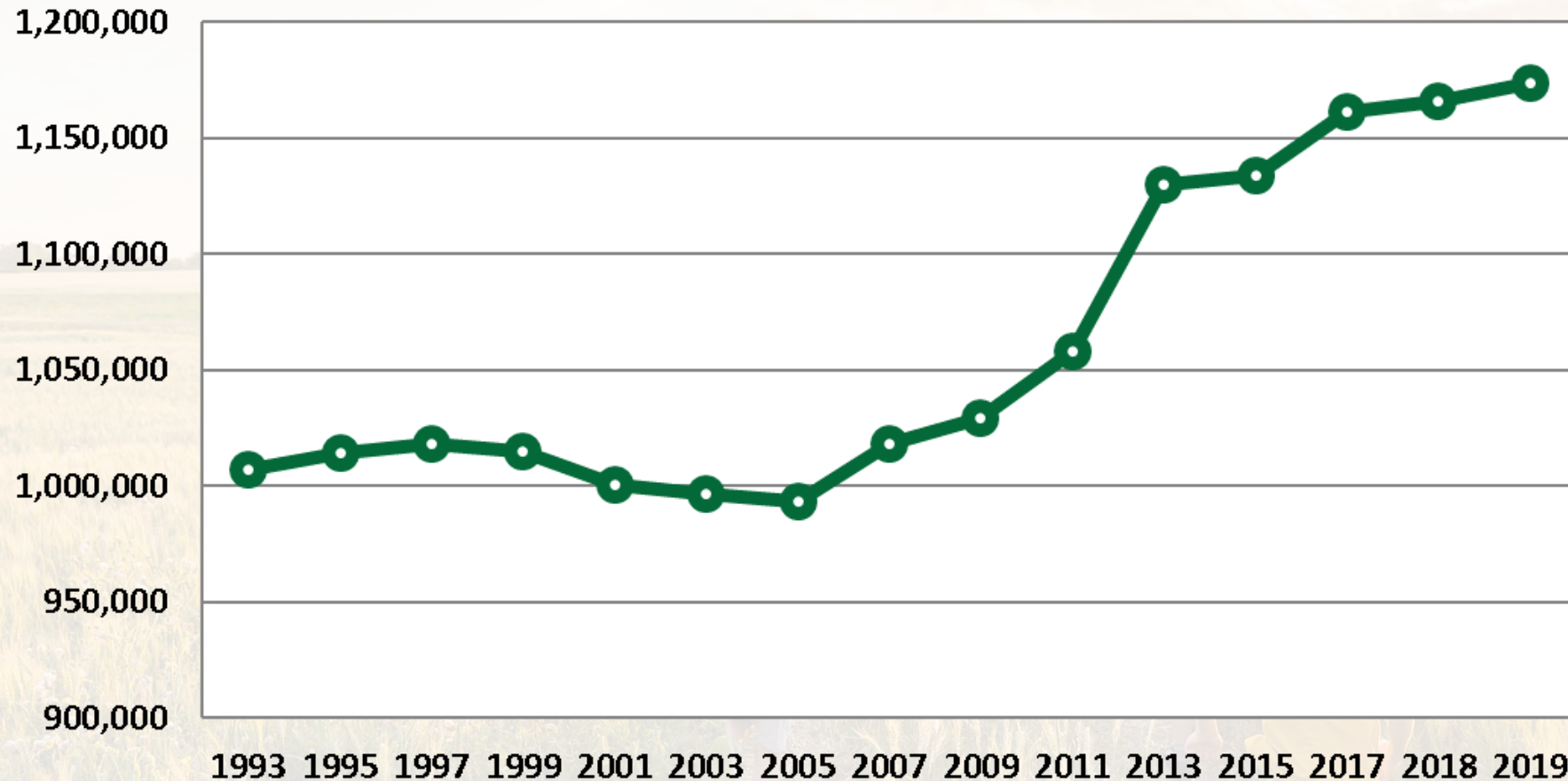
Forest
covers half
the province —
**34 million
hectares**

A close-up view of golden wheat stalks, likely during harvest. The stalks are ripe and have a warm, golden-brown color. They are slightly blurred, suggesting a shallow depth of field.

Agriculture
covers most of
the other half —
**18 million
hectares.**

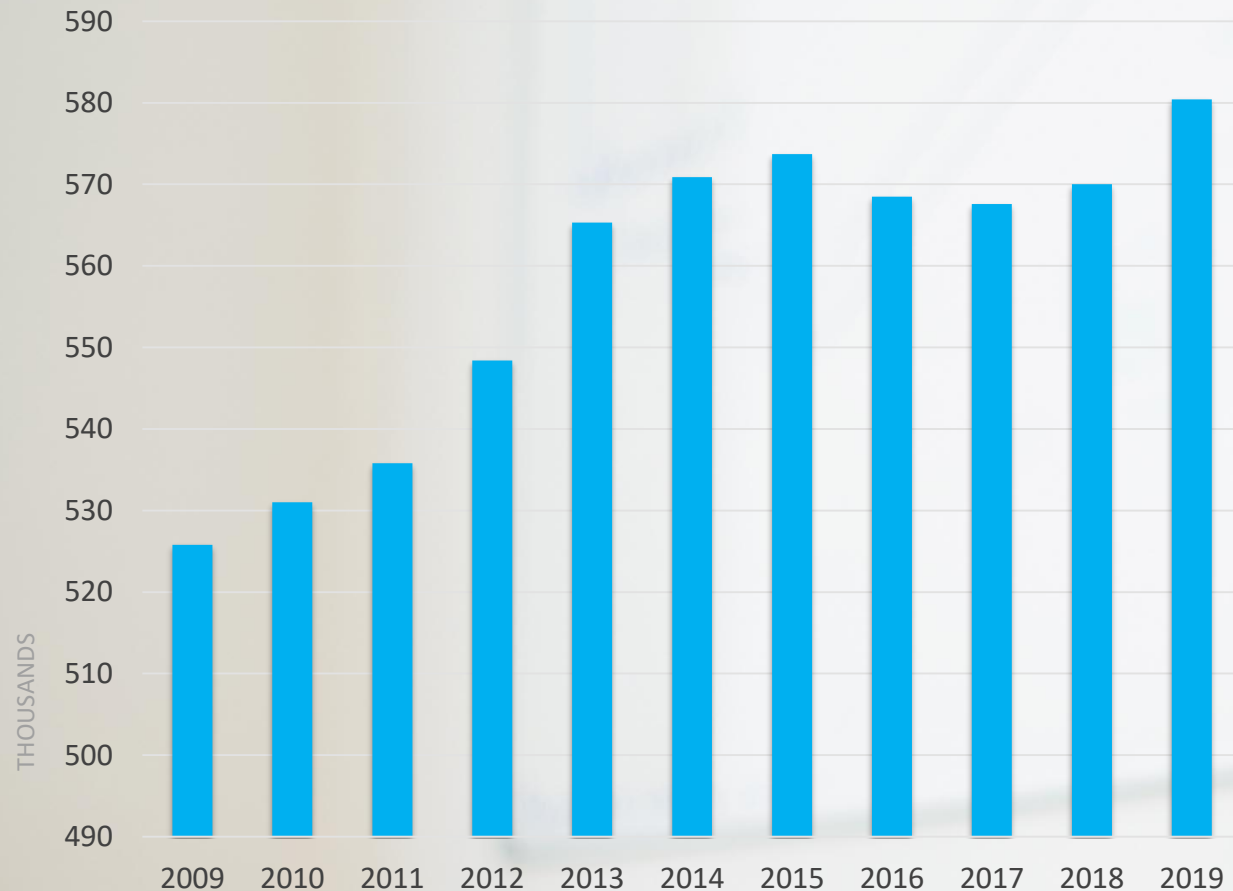
Record-breaking population growth

All-time high of 1,181,987 in April 2020



One of Canada's Fastest Growing Workforces

Annual Employment for Saskatchewan (000's)



Source: Statistics Canada, CANSIM Table 282-0002
Age group: 15 years and over



Highly productive

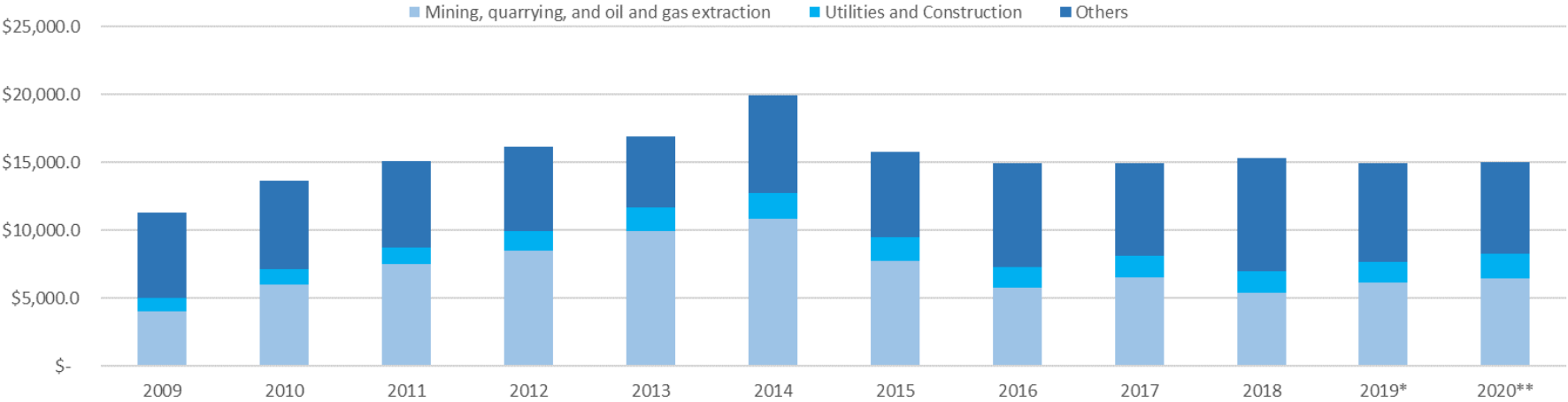
In 2020, Saskatchewan had the most productive workforce among Canadian provinces.

It also had the lowest unit labour cost, providing the best return on investment for employers.





Total Investment in Saskatchewan Capital Expenditures 2009-2020

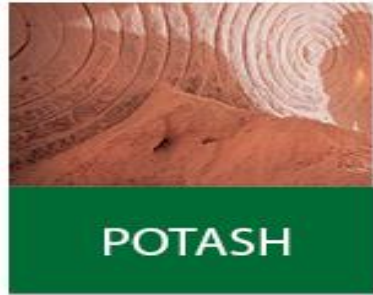


*Preliminary Actual

**Intention

Source: Statistics Canada. Table 34-10-0035-01 Capital and repair expenditures, non-residential tangible assets, by industry and geography (x 1,000,000)

Top Saskatchewan Exports 2020



POTASH

\$6B



OIL

\$5B



WHEAT

\$4.5B



CANOLA SEED

\$3.6B



LENTILS

\$2.2B



CANOLA OIL

\$1.7B



PEAS

\$1.2B



CANOLA MEAL

\$801M



SOYA BEANS

\$574M



BARLEY

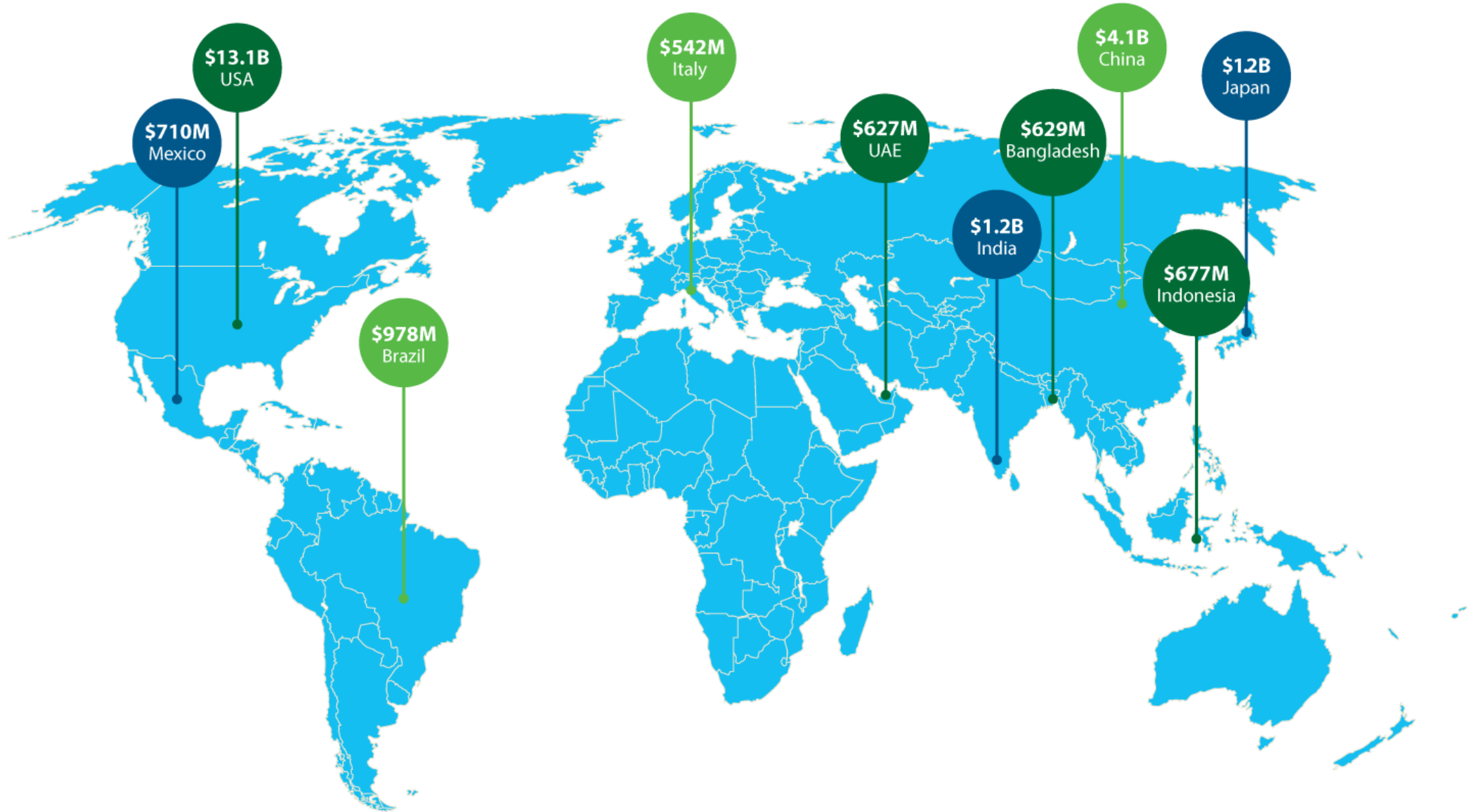
\$474M

Source: Canada Trade Data Online, accessed February 2021
Data may not total 100% due to rounding
Dollar figures are in \$CAN.

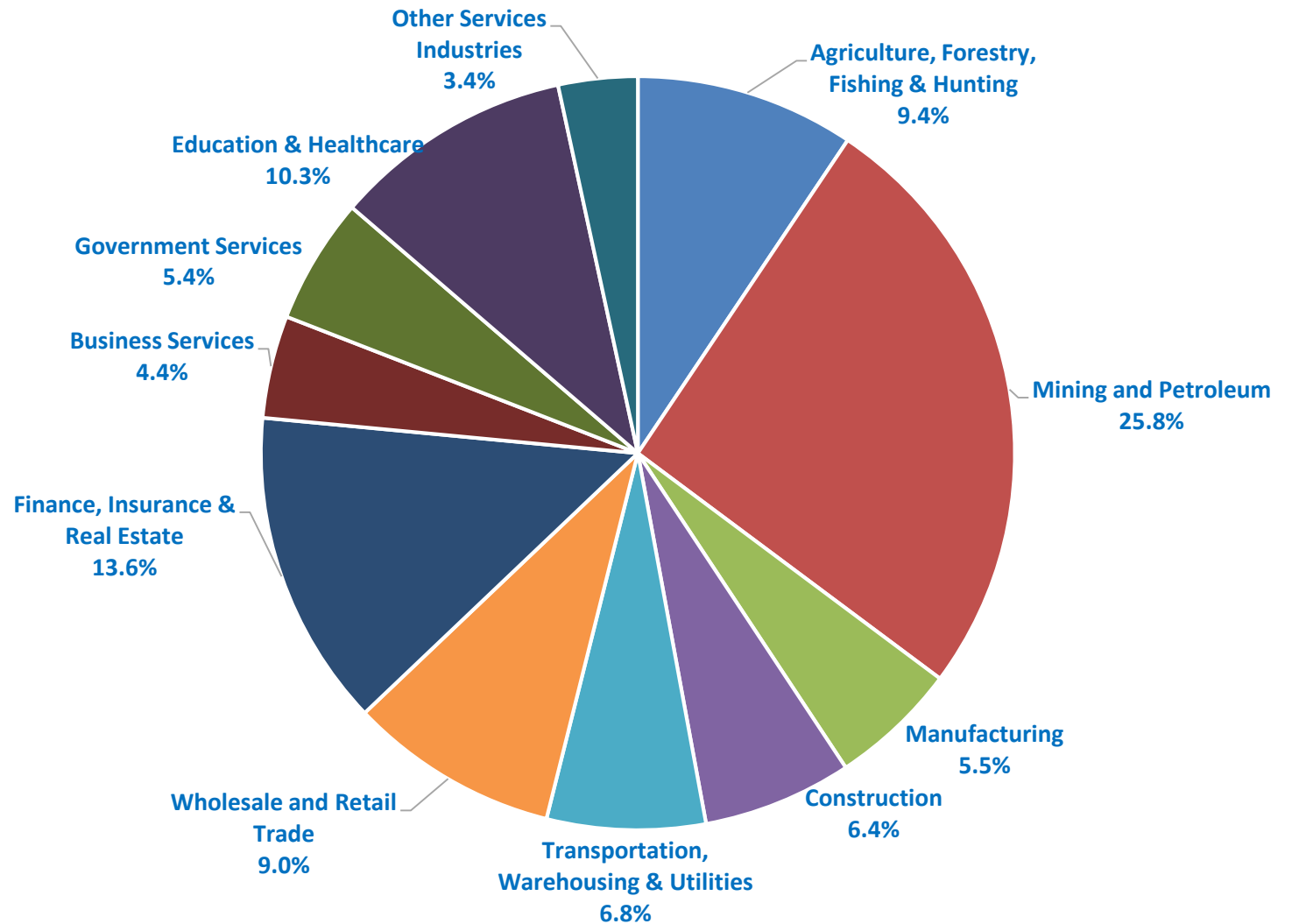
Top Saskatchewan Exports 2020

- Saskatchewan's exports reached \$30.41 Billion in 2020, growing 2.5 percent from 2019.
- Saskatchewan export growth led all Canadian provinces in 2020.
- Saskatchewan is forecasting its exports to grow 3-5 percent in 2021.
- Saskatchewan's exports of crude petroleum oil was the second largest exported product in 2020 at \$5 Billion dollars worth.

Top 10 Export Markets in 2020

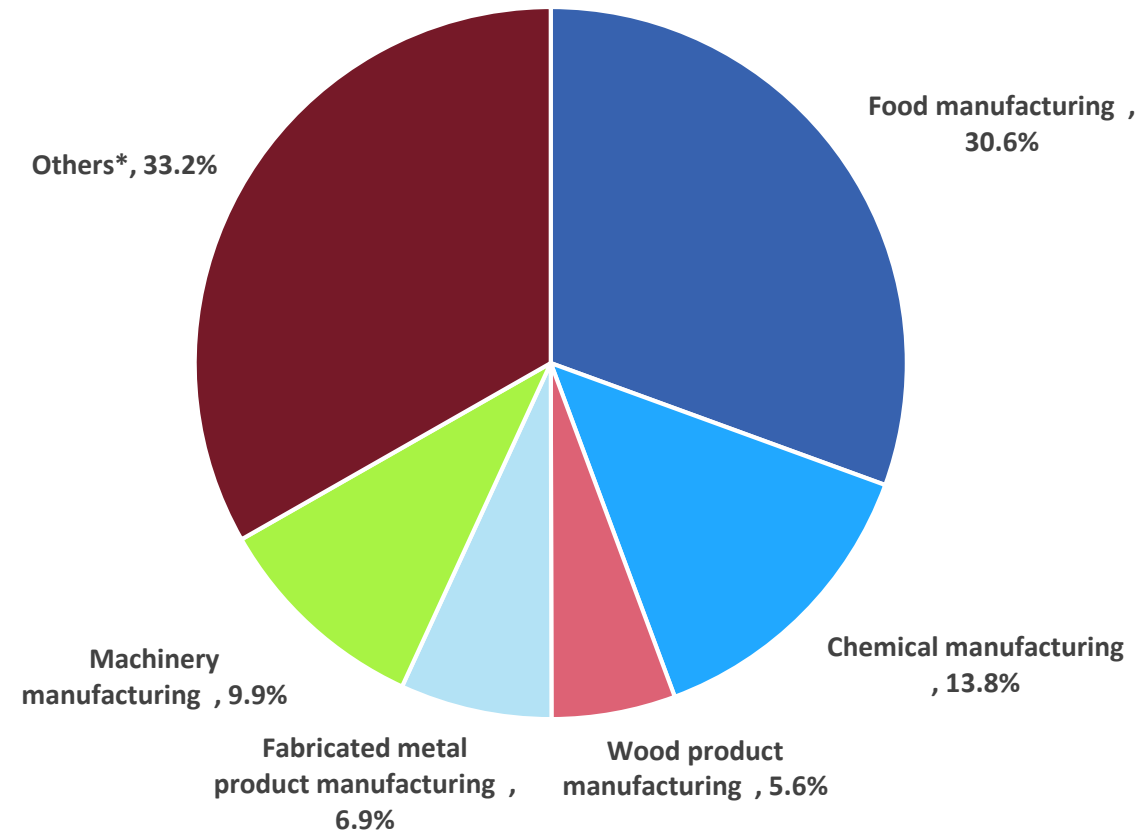


Strong Sectors: Saskatchewan Real GDP and Share by Industry, 2020



Manufacturing
shipments totalled
\$13.4 billion
in 2020

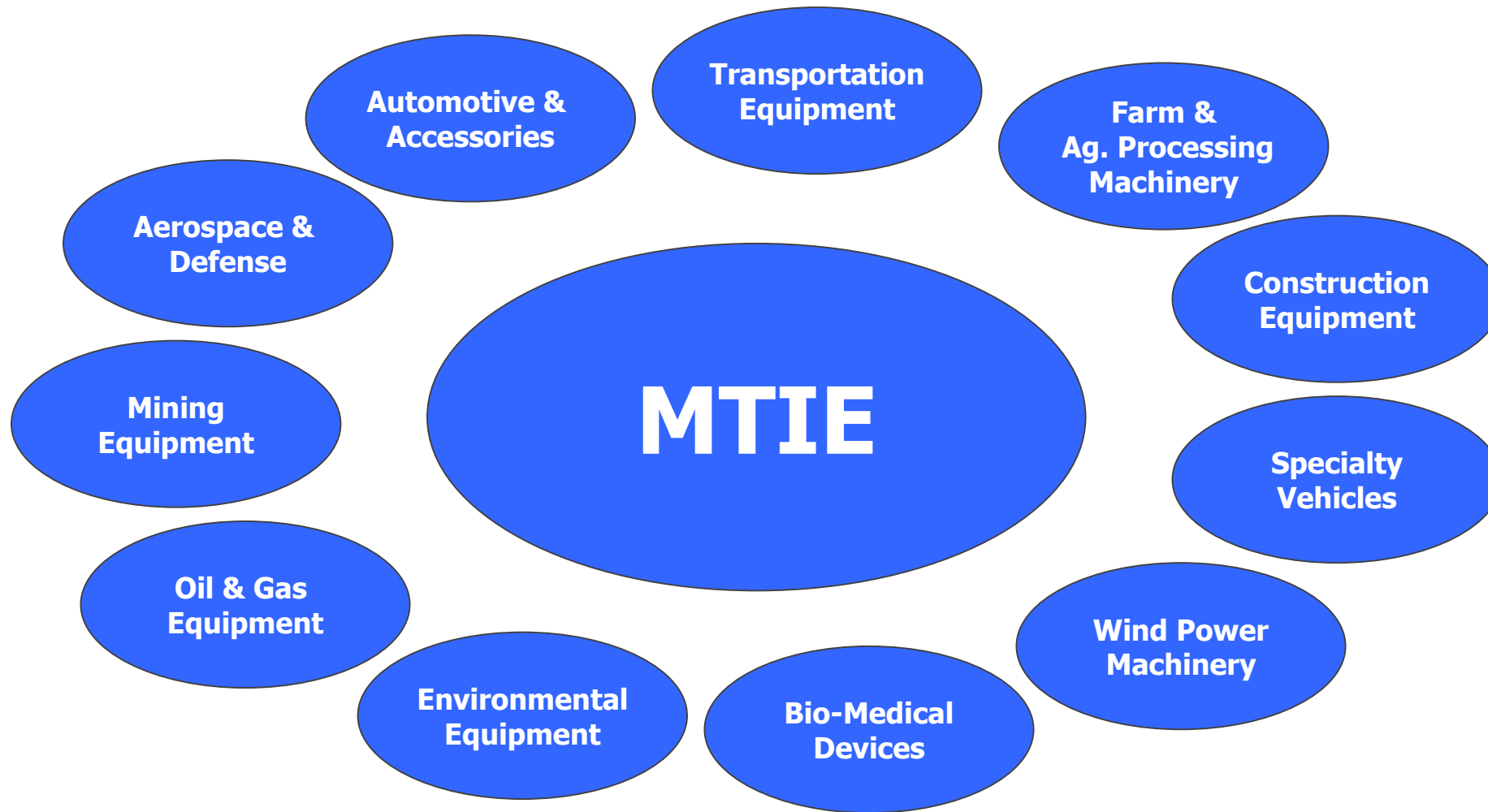
Saskatchewan Manufacturing Shipments 2020



**Includes printing and related support activities, non-metallic mineral product manufacturing, electrical manufacturing, transportation equipment manufacturing, and miscellaneous manufacturing.*

Source: Statistics Canada Table 16-10-0048-01

Manufacturing Investment Opportunities



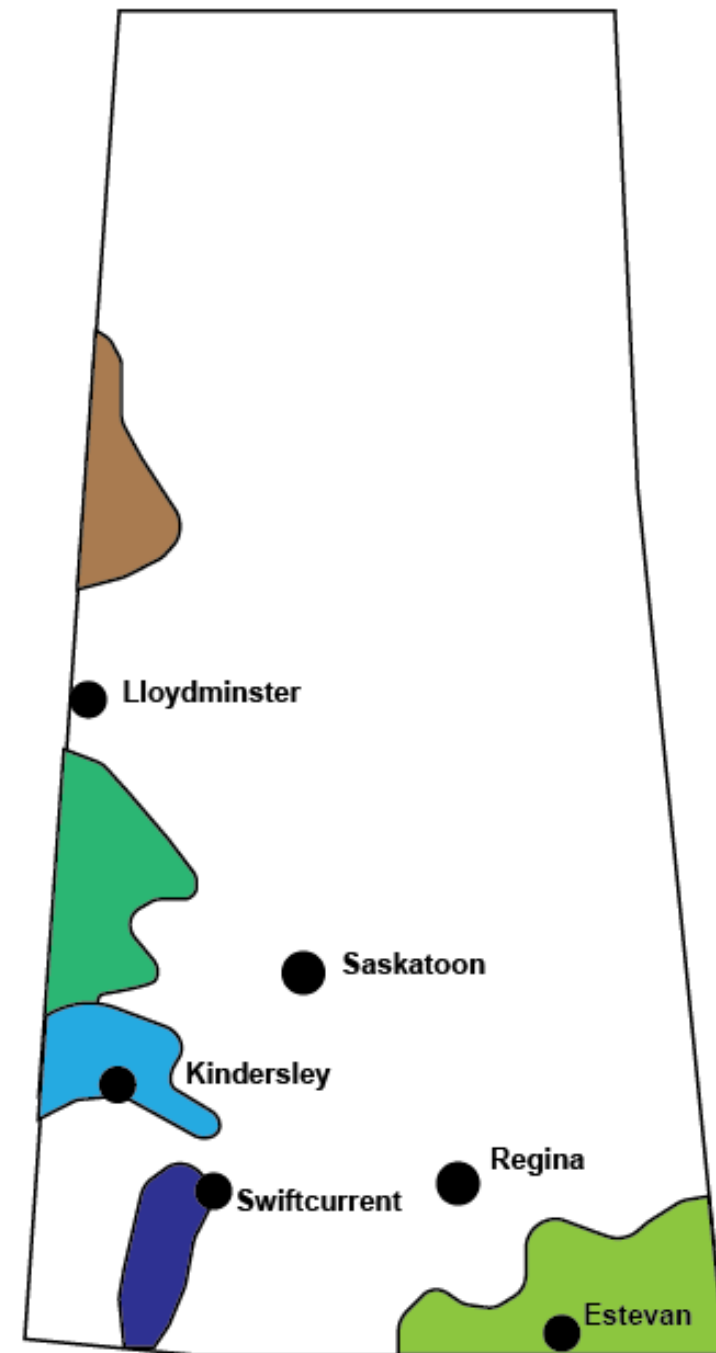


2nd largest producer of oil and
3th largest producer of natural
gas in Canada

There are **300** oil and gas
companies that operate wells
in Saskatchewan

Oil Plays

- Bitumen Resource
- Heavy Oil Plays
- Viking Light Oil Play
- Medium Oil Plays
- Medium and Light Oil Plays



Saskatchewan Oil & Gas Shows

- **The Lloydminster Heavy Oil Show** – Held every other year and focuses on heavy oil production and technologies
- **Saskatchewan Oil and Gas Show** – Held every other year. The purpose of the show is to provide an opportunity for the service and supply segment of the industry to show and display their products and latest technology applicable to the oil and gas industry.
- **Annual Energy Supply chain Forum** scheduled yearly in Fall.
- **Williston Basin Petroleum Conference** - Held yearly, but alternates between Saskatchewan and North Dakota and talks about production and technologies in the Williston Basin.

Opportunities

- Processing and converting Saskatchewan's primary energy resources (oil, gas, coal) into valuable products such as diluent, synthetic crude oil, low sulfur diesel, hydrogen, electricity, and steam
- Examples of value-added energy includes upgrading, refining, gasification, GTL, micro LNG, coal to liquids, supply chain
- Emerging energy clusters include more refining capabilities, processing gases like Methane, Lithium, Helium and Hydrogen, carbon capture and storage, small nuclear reactor technologies, and renewable energy components for Wind, Hydro/Water, Geothermal and Solar projects.

Critical Minerals

- Critical minerals such as uranium, potash, helium, and lithium are those that are essential for the economy of a country and subject to risks of supply.
- Saskatchewan has varying potential for 22 of the 31 critical minerals on Canada's list which are essential for renewable energy and clean tech applications in a transition to a low carbon economy.
- The Province is the world's largest potash producer, and typically the world's 2nd largest uranium producer. Saskatchewan is also home to Canada's largest helium purification facility
- Saskatchewan has significant potential to produce other critical minerals like lithium, zinc, nickel, copper, cobalt, and rare earth elements (REE).
- There are several critical mineral projects underway in Saskatchewan at various stages of development. Prairie Lithium is developing a method of extracting lithium from Saskatchewan sub-surface brine.
- Saskatchewan's mining sector has decades worth of expertise and a proven track record for success. Innovation in critical mineral technologies will create a significant impact on growth opportunities.
- The Government of Saskatchewan has contributed \$31 million, and partnered with Saskatchewan Research Council, to construct a first-of-a-kind in Canada REE processing facility – which is expected to begin operating by 2023.

Helium Potential

“We believe the biggest opportunity for commercialization of helium in North America sits in southwest Saskatchewan.”

- Marlon McDougall, President & COO of
North American Helium



Carbon Capture, Utilization and Storage (CCUS)

Saskatchewan is uniquely positioned to accommodate large scale CCUS projects to further reduce its GHG emissions and help the province in its transition to a low carbon economy for several reasons:

- Saskatchewan is already recognized as a world leader in implementing CCUS technologies as demonstrated by:
 - ✓ The world's first fully integrated post-combustion CO₂ capture and storage project at SaskPower's (Saskatchewan's electrical utility) Boundary Dam Unit 3 coal-fired power plant. Completed in 2014, it has captured over 4 million tonnes of CO₂ to-date.
 - ✓ CO₂ enhanced oil recovery (EOR) projects in Saskatchewan have sequestered more than 40 million tonnes of CO₂ and resulted in more than 200 million barrels of incremental oil recovery.
 - ✓ The Aquistore project, managed by the Petroleum Technology Research Centre (PTRC), has injected over 300,000 tonnes of CO₂ for permanent underground storage to-date.
 - ✓ CCUS capabilities in all aspects of CCUS and CCUS research through the PTRC, the Saskatchewan Research Council, the International CCS Knowledge Centre, and Universities.
- Saskatchewan offers funding to CO₂-EOR projects through the *Oil and Gas Processing Investment Incentive (OGPII)*, *Manufacturing and Processing Investment Tax Credit*, and *Saskatchewan Commercial Innovation Incentive*.
- Favorable Geology that can store the CO₂ and also enhance oil production.

Hydrogen

- Hydrogen is expected to play a significant role in the world's future energy mix, as countries strive to transition to a low carbon economy, so hydrogen production in Saskatchewan could lead to significant economic impacts in the Province and assist in its transition to a low carbon economy.
- Currently, grey hydrogen is produced and used as feedstock in Saskatchewan industrial plants and chemical production.
- Saskatchewan is very interested in identifying and advancing technologies that can produce low-carbon intensity hydrogen in the Province, which is a prime location to demonstrate new innovative hydrogen production technologies.
- Proton Technologies is currently piloting in Saskatchewan the world's first clean hydrogen production technology from abandoned oil wells.
- CCUS could encourage industry to produce lower-carbon intense blue hydrogen.



Forestry is northern
Saskatchewan's
largest employer.

This sector has the potential
to generate over **\$2 billion** in
forest product sales.

Forestry

Recently announced Forestry projects combined total nearly \$1 billion in new capital investments in the sector:

- Paper Excellence reopening of the Prince Albert Pulp Mill by 2023, with an annual capacity of 350,000 tonnes of northern bleached softwood kraft (NBSK) pulp, requiring 1,800,000 m³ of fibre - \$550 million
- One Sky construction of an oriented strand board (OSB) mill in Prince Albert by 2023, with an annual capacity of 600 million square feet of OSB, requiring 845,000 m³ of timber - \$250 million
- Dunkley proposed expansion of the Carrot River saw mill by 2023, increasing annual capacity by 75% from 130 million to 230 million board feet of lumber, requiring 357,000 m³ of timber - \$100 million
- Carrier upgrades to facilitate increased lumber production at the Big River saw mill by 2023, increasing annual production from 120 million to 235 million board feet of lumber, requiring up to 473,000 m³ of timber - \$30 million
- New Furniture and Cabinet making wood value added manufacturing facilities being set up.

Energy Supply Chain Opportunities

- Government of Saskatchewan works to promote Saskatchewan manufacturers, research institutions, and technical institutes to the global energy sector
- We introduce Saskatchewan companies to the prime contractors, arrange visits by contractors to Saskatchewan, and act as a liaison between Saskatchewan industry and the international industry to seek business opportunities.

Promoting the Sector

- Exhibit and participate in strategic industry trade shows (Virtual 2021)
 - Global Petroleum Show, yearly in Calgary
 - NAPE, yearly in Houston
 - ADIPAC, November 2021 in Abu Dhabi
- Organize supplier events with our partners (Innovation, Science and Economic Development, Global Affairs Canada, WED, SMA, SIMSA, STEP, and SAC)
- Work with Prime Energy contractors on their projects and arrange meetings with local suppliers for them.

Infrastructure for Energy Sector

- Petroleum Technology Research Centre (PTRC)
- Saskatchewan Research Council (SRC) Chemical water flooding and pipe flow technology
- Saskatchewan Carbon capture and storage facility in Weyburn
- The Canadian Light Source (CLS), Canada's only synchrotron
- Bio-Energy product testing at PAMI
- Leading research at the Universities of Saskatchewan and Regina
- Trades and applied science training at SaskPolytechnic and Saskatchewan Indian Institute of Technologies (SIIT)
- World-class manufacturing capabilities within provincial suppliers

Manufacturers Guide

- Over 1300 companies are currently listed
- No cost to any manufacturer that manufactures at least 51% of the product in Saskatchewan
- Guide is searchable by company name, product and location
- Used by purchasers to find suppliers
- <http://www.economy.gov.sk.ca/mfgguide>

Contact

- We are here to meet with anyone that is interested in investing or growing their business in Saskatchewan, please contact:

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Investment Attraction

Ministry of the Trade and Export Development

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Saskatchewan! 