

Minerals Industry



Our Competitive Edge

- Largest potash producer in the world, typically accounting for approximately one-third of total production in 2019, and hosting almost half of the globe's potash reserves.
- Saskatchewan is home to the world's largest uranium mine and largest high-grade uranium deposits. It is one of the world's largest primary uranium producer, accounting for 100% of Canada's uranium and about 13% of global primary uranium production in 2019.
- Saskatchewan has a variety of other minerals including: gold, base metals, clays, coal, diamonds, platinum group metals, sodium sulphate, silica sand and rare earth elements.
- High-quality, extensive and easily accessible geoscience information. Online mineral deposit models can be found on the Saskatchewan Mining and Petroleum GeoAtlas.
- Mineral dispositions can be acquired online through the Mineral Administration Registry Saskatchewan (MARS) system.
- The Mineral Development Strategy includes the release of new, publically available, airborne geophysical survey data and introduction of the Targeted Mineral Exploration Incentive, which provides a 25% rebate on eligible drilling costs up to a max of \$50,000 per company in a region of high potential for base metals, precious metals, and diamonds.

Sales: The value of mineral sales was \$7.4B in 2019, up from \$7.0 billion in 2018, \$6.7B in 2017 and \$6.4B in 2016. In 2019, Saskatchewan's leading mineral for the value of

sales was potash, valued at \$6.0 billion. All of Canada's operating.

Exploration Expenditures: A survey conducted by the Ministry of the Energy and Resources showed that \$192million was spent on exploration and development programs in 2019 compared to: \$229 million in 2018, and \$176 million in 2017. Exploration spending continues to be well above historic averages, and preliminary estimates indicate that \$229 million will be spent in 2020.

Mining Capital Expenditures: According to Natural Resources Canada (NRCan), in 2018 Saskatchewan continued to be a leader with intended capital investments in the mineral extraction sector, representing about 14% of national expenditures, ranking third after Ontario and Quebec.

Technology: Saskatchewan mines feature leading-edge technology, developed and manufactured in the province, such as: battery-powered mine vehicles, potash continuous mining machinery and remote-controlled underground mining equipment, artificial ground freezing and state-of-the-art tailings management facilities.

Mineral Wealth

Potash: Exceptionally large, high-quality deposits, low production costs and a favourable regulatory regime have resulted in the world's largest potash industry.

There is significant capacity expansion to existing mines underway, in addition to the commissioning of the province's first new mine in nearly 50 years.

In 2019, Saskatchewan produced 12.6 million





tonnes of K₂O with a sales value of \$6.3 billion. The Saskatchewan potash industry is nearing the completion of expansions valued at \$13.5 billion, which have substantially increased productive capacity in preparation for continued growth in the market.

Saskatchewan's newest potash mine, operated by Germany's K+S Potash Canada, has now been in production for more than two years, while other companies, such as BHP Billiton, Yancoal, JSC Acron and Rio Tinto are continuing to evaluate projects for new mine development.

By conservative estimates, Saskatchewan could supply world potash demand at current levels for several hundred years.

Uranium: In 2019, Saskatchewan produced 18.0 million pounds of U₃O₈, with a sales value of greater than \$700 million. Since 2003, there has been a high level of exploration in the province resulting in more than \$2 billion invested. This activity has led to significant new discoveries and has advanced numerous exploration and development projects.

The Athabasca Basin, located in northern Saskatchewan, has the largest high-grade uranium deposits in the world. The province is the globe's second-largest primary uranium producer and home to the world's largest uranium mine.

Diamonds: Extensive exploration and evaluation is underway in one of the world's largest diamond-bearing kimberlite fields and new discoveries in other parts of the province. Saskatchewan's Fort à la Corne area has one of the world's largest kimberlite fields, with the surface area of some kimberlites exceeding 200 hectares. Rio Tinto Canada Inc., in partnership with Star Diamond Corp. is currently evaluating the Star-Orion South project, which is estimated to contain more than 66 million carats.

The discovery of diamond-bearing kimberlite in north-central Saskatchewan has increased interest in grassroots diamond exploration on the exposed Pre-Cambrian shield. Unlike many other jurisdictions, areas of diamond potential are close to infrastructure.

Gold: The Seabee Operation produced 112,137 ounces of gold in 2019, the sixth consecutive year that record annual production was achieved. Exploration expenditures have focused on the areas north of La Ronge and to the south of the Seabee operation. There are other areas with high gold potential that remain underexplored.

Coal: Saskatchewan is the third-largest producer in Canada, with annual production of about 10 million tonnes of thermal coal or lignite, and resources in excess of 5 billion tonnes. Saskatchewan has produced industrial minerals, such as bentonite, clays, salt, silica sand, sodium and potassium sulphate, with strong potential for production of mineralized brines, kaolin and building stone.

Base Metals: Saskatchewan has a rich history of base metal production, primarily from the Flin Flon region, which lasted over 90 years. There is currently one advanced stage project and strong potential exists in several other parts of the province.

The Investment Climate

- In 2019, The Mining Journal's annual World Risk Report, assessed the top 99 jurisdictions around the world for security of investment in mining projects. In this report, Saskatchewan was ranked 2nd overall and one of only three jurisdictions to achieve a AAA rating. Saskatchewan was also recognized by the Fraser Institute as the top jurisdiction in Canada for mining investment attractiveness in 2019.
- High standards for environment, sustainable development and safety
- World-class research and development, led by the universities of Saskatchewan and Regina, the Saskatchewan Research Council, the International Minerals Innovation Institute and the Canadian Light Source synchrotron
- One of the world's largest exploration sample processing labs, with expertise in uranium and diamonds
- Central location with excellent transportation services to North American and offshore markets
- Firm commitment to enhance and sustain industry competitiveness.

Lower Business Taxes

- No corporate capital tax on new capital investment.
- No payroll tax.
- No health insurance premiums.
- 6% provincial sales tax, the lowest of the nine provinces that have a sales tax.
- 12% corporate income tax rate.
- 14.75% top marginal personal income tax rate, fourth lowest in Canada.

Tax Credits

- 10% mineral exploration tax credit for Saskatchewan residents.
- 10% provincial income tax credit for scientific research and development expenditures.
- Fuel tax rebate for mineral exploration.

Royalty Framework

- Competitive royalty regimes, including 10-year royalty holidays for base and precious metals produced in the province.

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