



First in Canada for mining investment attractiveness - *Fraser Institute, Survey of Mining Companies 2021*

Our Competitive Edge

- Saskatchewan is the largest potash producer in the world, accounting for approximately one-third of total production in 2021, and hosting almost half of the globe's potash reserves.
- The province is home to the world's largest uranium mine and largest high-grade uranium deposits. It
- is also the world's second largest primary uranium producer.
- Saskatchewan also produces gold, coal, sodium sulphate, helium, clays and has undeveloped deposits of diamonds, base metals and a host of critical minerals including: Rare Earth Elements (REE), Platinum Group Metals and lithium.
- High-quality, trust-worthy and easily accessible geoscience and mineral resource information can be found on the [Saskatchewan Mining and Petroleum GeoAtlas](#).
- Mineral dispositions can be acquired remotely via the online [Mineral Administration Registry Saskatchewan \(MARS\) system](#).
- The Mineral Development Strategy includes geoscience investigations, airborne geophysical surveys and 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 specified region of high potential for base metals, precious metals, and diamonds.

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.

Saskatchewan's potash industry experienced a renaissance over the past 15 years with over \$25B being invested into: expansions of existing mines; advancements of exploration projects; and development of the province's first new potash mine in over 40 years.

In 2021, Saskatchewan produced approximately 14 million tonnes of K₂O with a sales value of \$7.5B. The Saskatchewan potash industry has recently invested \$13.5B completing expansions of existing operations, which have substantially increased productive capacity in preparation for continued growth in the market. The province is poised for another record year for potash production and value of sales in 2022.

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

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

Uranium: In 2020, Saskatchewan produced 8.4 million pounds of U₃O₈, with a sales value of greater than \$317MM. Over the past 20 years, high levels of exploration in the province have resulted in more than \$2B invested in the uranium sector. This activity has led to significant new discoveries and has advanced numerous projects.

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Uranium: After falling to a 10 year low in both uranium production and sales volumes in 2020 (10.1 and 7.5M pounds (lb) triuranium octoxide (U₃O₈), respectively), Saskatchewan rebounded to produce 12.2M lb U₃O₈ and sold over 14.5M lb U₃O₈ in 2021. In 2022, 18M lb of U₃O₈ is expected to be produced from Cigar Lake and up to 2M lb from the McArthur River/Key Lake operation.

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Diamonds: Saskatchewan's Fort à la Corne area has one of the world's largest diamond-bearing 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 kimberlites, which are estimated to contain more than 66 million carats. The companies are also testing the potential of other kimberlites in the Fort à la Corne area. Elsewhere in the province, exploration programs have resulted in recent kimberlites discoveries.

Critical Minerals: Natural Resources Canada has identified a list of 31 minerals it deems critical to the economic and national security of our country. Saskatchewan has occurrences of 22 of these and currently produces potash, uranium and helium. Other Critical Minerals found in Saskatchewan include copper, zinc, nickel and cobalt, as well as lithium, REE and platinum group metals.

Gold: After achieving five consecutive years of record production at its Seabee mining operation, SSR Mining Inc. (SSR) was hampered by COVID-19 related setbacks and produced 81,686 ounces (oz) of gold in 2020. Production in 2021 rebounded to 118,888 ounces of gold and enough resources to keep the operation in production until at least 2032, with more resources being discovered each year.

Exploration expenditures for gold have remained strong and 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.



Base Metals: Saskatchewan has a rich history of base metal production, primarily from the Flin Flon region, which lasted over 90 years. There are currently advanced stage projects with strong potential not only for copper and zinc, but also nickel and cobalt. Exploration expenditures focused on base metal and platinum group metal projects are currently three times higher than the previous 30 year average.

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 five billion tonnes.

Industrial minerals: In addition to potash, 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.

The Investment Climate

Canadian public policy think tank, the Fraser Institute, in its Annual Survey of Mining Companies 2021, polled 84 globally active mining companies to evaluate jurisdictions based on their perceived geological potential and regulatory environments. The survey ranked Saskatchewan first in Canada and second globally for mining investment attractiveness.

The identified strengths of Saskatchewan included a transparent, stable regulatory environment and ease of access to high-quality, pre-competitive geoscience information.

Saskatchewan received a similar vote of confidence from The Mining Journal, a global mining business magazine that has been in circulation since the mid-1800s, which evaluated 106 jurisdictions for its 2021 World Risk Report and ranked Saskatchewan as the third most secure jurisdiction on its investment risk index rating. The index reflects hard risk factors such as mining codes, taxes and regulations, and infrastructure and energy security, along with public perception factors such as ease of doing business, political transparency and social stability.

Infrastructure and provincial support

- Central location with excellent transportation services to North American and offshore markets
- Firm commitment to enhance and sustain industry competitiveness
- 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
- The Government of Saskatchewan recently announced, as part of their 2020-2030 Growth Plan, \$31M in funding for a rare earth mineral processing facility that will be owned and operated by the Saskatchewan Research Council.

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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