

SECTORAL PROFILE: URANIUM

II Structural Characteristics

Canada produced some 11200 tonnes of uranium in 1984, equivalent to some 30 per cent of the western world's total production. Only five producers account for the total. Two of these operate large tonnage, low-grade, labour intensive, underground operations in the Elliot Lake area of Ontario, while the remaining three produce primarily by open pit methods from relatively high grade deposits in Northern Saskatchewan. Over 50 per cent of Canada's total production comes from Saskatchewan. Total employment at producing operations in 1984 was 5800, of which 82 per cent was associated with the Elliot Lake operations. Principal statistics for uranium are incorporated in those for the total minerals and metals sector.

Canada is currently the leading uranium producer in the western world. The industry is cost competitive and expected to retain so for sometime, particularly with respect to the production from the recently discovered very high grade deposits in Northern Saskatchewan.

The existing uranium producing industry is largely Canadian owned. Three of the five producers, Denison Mines Limited, Key Lake Mining Corporation (KLMC) and Eldorado Resources Limited are Canadian companies, the latter being a federal Crown Corporation. A provincial Crown Company, Saskatchewan Mining Development Corporation (SMDC), holds the majority interest in KLMC; a significant share of KLMC is also held by German interests and a small share by Eldorado. The two remaining producers, Rio Algom Limited and Cluff Mining are controlled by British and French interests, respectively.

In contrast to the situation in the uranium producing industry, uranium exploration activity is currently dominated by foreign interests. In 1983, almost two-thirds of uranium exploration expenditures in Canada was attributable to foreign companies. French, German, British, Japanese, South Korean, Italian and US firms were represented.

Eldorado operates the only uranium refinery in Canada, which is one of only five in the western world.

In 1984 Canadian producers made total shipments of 9693 tonnes of uranium, valued at some \$916 million. Over 85 per cent of this total was destined for export, an approximate ratio that has been maintained for several years. Japan has been Canada's most important single customer, receiving about 32 per cent of Canada's total exports since the beginning of the commercial contract era. Most of the remaining exports have gone to the European Economic Community (33 per cent), the United States (18 per cent), and other countries in Western Europe (16 per cent).