

Canada's first Arctic mine

The Federal Government will have an 18 percent equity interest in a new lead-zinc mine on Baffin Island designed to give a boost to the economy of the Eastern Arctic and to provide new employment opportunities for Eskimo people in the area.

Under terms of the agreement signed on June 18 by Jean Chrétien, Minister of Indian and Northern Affairs, and C. Frank Agar, president of Mineral Resources International Ltd, an independent Canadian company based in Calgary, Nanisivik Mines Ltd, was formed to develop lead-zinc deposits at Strathcona Sound on the northern end of Baffin Island. Nanisivik, which means "place where people find things" will operate the first Canadian mine north of the Arctic Circle.

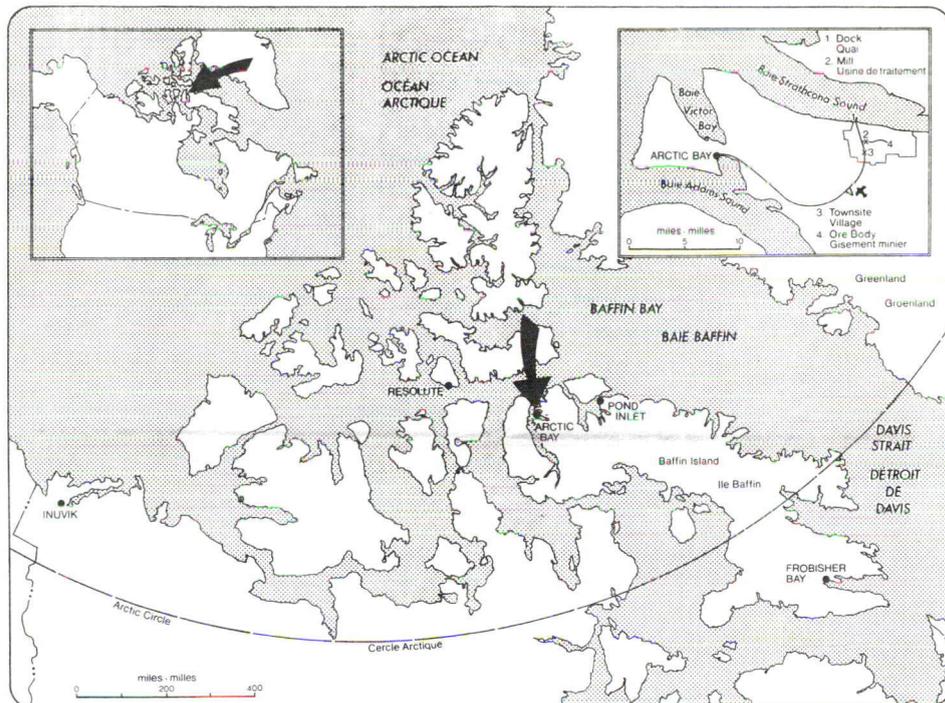
With construction expected to start this summer, this underground mine, located in rugged territory, should be operational in 1976 or 1977.

The Federal Government will be investing \$16.7 million in this project: \$8.9 million in loans for townsite development and dock facilities; \$3.5 million for airport facilities to replace present facilities which are already inadequate; \$2.1 million for roads; and \$2.2 million for townsite infrastructure.

In addition to part ownership in the company, the Federal Government, with 18 percent equity, will have the right to appoint at least two members to the company's board of directors, one of whom will be an Eskimo from the Eastern Arctic. MRI of Calgary will own 59.5 percent of the new company and Metallgesellschaft A.G. of Germany and Billiton B.V. of Holland, 11.25 per cent each.

Export possibilities

The known orebody will provide



500,000 tons of ore a year for a minimum of 12 years. On-site processing will result in 150,000 tons of lead-zinc concentrates to be shipped annually. The company is committed to spend at least \$250,000 a year for ten years on further exploration in the area. There is no market in Canada today for these metals. Neither is there smelter capacity for further processing. Hence authority is being granted for the concentrates to be exported for a limited period. Provision is made in the agreement both for a review of the export authorization and of the availability of Canadian smelters.

Studies are being made in Canada regarding the construction of Canadian-reinforced vessels capable of carrying about 30,000 tons of concentrate through northern ice which would lengthen the shipping season in this

part of the Eastern Arctic to more than 20 weeks from the present eight to ten weeks.

Commenting on the agreement, Mr. Chrétien said: "This small mine is a pilot project through which all those involved will gain experience in the social, technological, economic and environmental implications of such a development in the Arctic environment.

"The need to broaden the economic base of the Eastern Arctic has been a major concern. However, our primary objective is to ensure that maximum benefit will flow to the residents of the region, not only through job and entrepreneurial opportunities but also through participation in the planning and management of the project and townsite.

"It is my hope that this new project will be a model for future mineral developments in the Arctic."

National Energy Board authorizes emergency exports of electric power to New York

An emergency order issued to Hydro-Quebec by the National Energy Board will allow exports of additional electric power to the State of New York during its summer peak load period.

The order, effective July 1 for six months, authorizes exports of up to 765 gigawatt-hours of electric power

and energy. The power will be delivered under an agreement between Hydro-Quebec and Consolidated Edison Company of New York, using the Cedar Rapids transmission lines which connect with U.S. facilities near Cornwall, Ontario.

The maximum sales (765GWH) could amount to \$13 million.

More electricity is needed in the State and specially the City of New York during the summer owing partly to the extensive use of air-conditioning systems. Demand for electric power in Quebec and other eastern Canadian provinces is at its peak, on the other hand, during the winter months because of heating requirements.