

reopen the mine to produce uranium. Shortly afterward it was bought by the Canadian government and has since been operated by the government-owned company, Eldorado Mining and Refining Limited.

Guaranteed minimum prices were established for ores and concentrates -- these hold until March 31, 1962 -- and Eldorado Mining and Refining Limited became the government's agency for their purchase.

With the assistance of the Geological Survey of Canada over a four-year period, Eldorado had found more than 1,000 radioactive occurrences. The most important of these were in the region of Beaverlodge Lake, a few miles from Goldfields, which is on the north shore of Lake Athabasca. Along a deformation which was soon recognized to be a fault -- it became known as the St. Louis Fault -- were found veinlets of pitchblende. Though these were not particularly impressive in themselves, their position in relation to the fault led to a decision to do exploratory drilling and thus the Ace orebody was discovered. Within the Eldorado property, through which the St. Louis Fault has been traced for six and a half miles, are several other radioactive zones -- Fay, Eagle, Verna, Martin, and others.

The construction of a mining plant and concentrator on the Eldorado property was begun in April 1952 and the plants were in operation by May 1953 -- a considerable achievement in view of the fact that the property is 270 miles by water from the nearest railhead at Waterways, Alberta, and is inaccessible except by air for eight months of the year. A five-compartment shaft was sunk on the Fay zone and connected on the sixth level to the Ace mine, four thousand feet to the east. Another shaft, on the Verna zone six thousand feet to the east of the Ace shaft, was completed in 1954 and will be connected to the Ace-Fay system.

The Ace-Fay mill initially handled 500 tons of ore a day and is presently treating 700 tons. Provision has been made in the design of the plant to expand the ore treatment facilities to 2,000 tons a day should ore developments warrant this.

A large number of private companies have been active in the Beaverlodge region, which extends some 80 miles eastward from the Alberta boundary north of Lake Athabasca. The following privately-owned mines in the region began shipments to the Ace-Fay mill last year and early this year: Consolidated Nicholson, Rix-Athabaska, and Nesbitt Labine. The development of numerous other properties is active.

The Gunnar Mines Limited property on the Crackingstone Peninsula, which juts into Lake Athabasca south-west of Beaverlodge Lake, was reported by the company in 1954 to have a deposit with a gross estimated value of \$130,000,000. The company has a contract for delivery of precipitates to the value of \$76,950,000. Gunnar has built a treatment plant with a rated capacity of 1,250 tons a day and production is scheduled to commence in 1955.