

Government will also buy from the Company an additional 50,000,000 lb. of nickel within this period, if available, and, at option, another 50,000,000 lb. at market price between 1962 and mid-1967 as well as up to 52,000,000 lb. of copper by the end of 1958 at prices ranging from 19.5 cents to 30 cents a lb., and large amounts of cobalt at \$1.80 a lb. or at market price if higher. First deliveries of nickel, totalling 2,000,000 lb. under the second contract, were to be made in 1953.

The 1953 contract means a \$42,000,000 expansion of mine and mill facilities and an increase in production of from 25,000,000 to 30,000,000 lb. of nickel per year for a regular annual output of from 55,000,000 to 60,000,000 lb. It involves development to production of the Company's Fecunis Lake property, an extension of its smelting facilities in the Sudbury area and a further expansion of the capacity of its Norway refinery from 30,000,000 to 40,000,000 lb. a year.

The United States Defense Procurement Materials Agency also signed contracts with East Rim Nickel Mines Limited and Milnet Mines Limited for over 4,000,000 lb. of nickel. In each case, Falconbridge Nickel Mines is the smelting and refining agent. East Rim Nickel Mines began shipping development ore to the Falconbridge mill for concentration during 1952, reaching a rate of 3,000 tons a month late in the year. East Rim's own 1,000-ton-per-day mill is expected to be completed in the autumn of 1953. Milnet Mines Limited began sinking a 400-foot shaft with plans to mine 300 tons a day. Nickel Offsets Limited has been doing underground development and has a 300-ton mill under construction.

Developments within the iron-ore industry at the various properties during the review period greatly enhanced Ontario's potentialities as a producer of iron ore. Steep Rock Iron Mines Limited continued to carry out a large-scale expansion program on its hematite deposits in northwestern Ontario. Major projects were the preparation of the Errington underground mine for operation and its Hogarth orebody for open-pit mining, both of which were scheduled to start in 1953. Production in 1952 totalled 1,274,666 long tons, a slight decrease from 1951, and was drawn entirely from the Errington open pit in which operations were expected to cease in mid-1953 after the removal of 800,000 tons of ore. Production in 1953 is estimated at from 1,250,000 to 1,500,000 tons and will be drawn from the Errington open pit, the Errington underground mine and the Hogarth open pit. The 1954, 1955 and 1956 tonnages for the Errington and Hogarth ore bodies are estimated at 2,000,000, 3,000,000 and 3,500,000 tons, respectively.

Caland Ore Company Limited, a subsidiary of Inland Steel Company, leased the "C" orebody of the Steep Rock deposits from Steep Rock Mines Limited and plans to spend \$50,000,000 on the leased area to develop it toward production, possibly by 1960. Projected annual output is 3,000,000 tons.

Algoma Ore Properties Limited, Ontario's only other producer of iron ore at present, carried out extensive underground development at its Helen and Victoria mines in the Michipicoten area in preparation for mining at greater depth. Production consists of siderite which is sintered at Jamestown, three miles from the Helen mine. The Company is expanding its sintering facilities from 1,200,000 to 1,600,000 tons a year to handle the anticipated increase in ore production. The siderite contains about 35 p.c. iron. Algoma Ore Properties holds other properties in the Michipicoten area including the Alexander mine which is east of the Victoria mine, the Goulais River Iron Range, the Goudreau pyrite property, the Bartlett siderite property, the Johnson Location, and the Siderite Hill group.