

Offshore from the east coast 10 wells were drilled for a total of 104,680 ft (31 906 m) in 1975, compared to 19 wells and 185,352 ft (56 495 m) in 1974. Drilling commenced in this region in 1966. A total of 68 wells have since been drilled, four of them significant discoveries of oil and gas. All of these were drilled in the vicinity of Sable Island. Seven offset wells were drilled around the first discovery well on Sable Island and six of these were successful, but with pay sections considerably reduced from the initial discovery. The results of this drilling suggest that it would be most difficult to develop this field on a commercial basis. Elsewhere off the east coast, the Bjarni H-81 well drilled on the Labrador shelf penetrated a thick gas-bearing sandstone formation and the results of preliminary tests indicate that this might be the first major discovery in the offshore east region. During the drilling seasons of 1974 and 1975 a number of significant discoveries were made on the Labrador shelf. Due to extremely difficult operating conditions it will be a long and difficult task to discover the full hydrocarbon potential of this area. It will also be difficult to develop any of the fields discovered.

Uranium. Canadian uranium shipments in 1975 totalled 6,126 tons of uranium oxide (4 714 tonnes uranium) while production increased only slightly higher than the previous year to 4,565 tons U_3O_8 (3 512 t U) (Table 12.16). Over 80% of production came from the Elliot Lake area of Ontario where Denison Mines Limited and Rio Algom Mines Limited recover uranium from quartz-pebble conglomerates. The remainder came from two operations in northern Saskatchewan, that of Eldorado Nuclear Limited near Uranium City, and Gulf Minerals Canada Limited at Rabbit Lake. The latter, Canada's first new uranium producer since the late 1950s, began production late in the year. Canadian production was lower than expected in 1975, due mainly to the lack of experienced miners, and to the mining of lower-grade ores made possible by the recent rapid rise in uranium prices. Eldorado, Denison and Rio Algom continued with major programs to expand their mining and milling operations. In addition, during 1974 and 1975 there were three separate development programs under way; Madawaska Mines Limited was in the process of reopening the Faraday Mine near Bancroft, Ont., Agnew Lake Mines Limited continued its experimental in situ mining-leaching program at its property near Espanola, Ont., and Amok Limited completed a feasibility study of its Cluff Lake deposits in the Carswell Dome area of Saskatchewan.

In response to the rise in uranium prices, increased uranium exploration was evident in virtually all of the provinces and the territories. A significant discovery was made in mid-1975 at Key Lake, Sask. as the result of a drilling program carried out by Uranerz Exploration and Mining Limited, jointly with Inexco Mining Company and the Saskatchewan Mining Development Corporation. The joint federal-provincial uranium reconnaissance program launched in 1975 by the Geological Survey of Canada was also important. The program is expected to take 10 years and cost some \$30 million.

In September 1974, the federal government announced new uranium export guidelines, which provide for sufficient uranium to be reserved for domestic use, to enable all nuclear power reactors operating, under construction or planned for operation 10 years into the future, to operate at a capacity factor of 80%, for 30 years from their in-service dates. In line with this policy, a Uranium Resource Appraised Group (URAG) was established in the Department of Energy, Mines and Resources to assess annually Canada's uranium resources. The first assessment was published in August 1975.

During 1975 the Atomic Energy Control Board (AECB) announced that it had approved export contracts for the delivery of some 74,000 tons of U_3O_8 (56 900 t U) more than 90% destined for export to the US, Japan, Britain, the Federal Republic of Germany and Spain. Smaller quantities were approved for export to Finland, Italy, Belgium and Switzerland. Approved contract and export commitments totalled some 110,000 tons U_3O_8 (85 000 t U).