

In Manitoba and Saskatchewan zinc production remained unchanged at 70 079 tonnes. Hudson Bay Mining and Smelting and Sherritt Gordon Mines Ltd. were the only zinc producers in the two provinces.

In British Columbia zinc production increased 13.6% to 113 266 tonnes and lead production increased 25.5% to 88 633 tonnes. The Ruth Vermont mine of Consolidated Columbia River Mines Ltd. operated for part of the year but was placed in receivership at the end of 1976. Northair Mines Ltd. began production at its Brandywine Falls silver-gold-lead-zinc property in May 1976. Lead production was expected to be at the rate of 1 000 tonnes a year. Production at Cominco Ltd.'s Sullivan and H.B. mines was improved during the year because of mining higher grade ore and better recoveries in the mills.

In the Yukon Territory lead production decreased 79.0% to 38 254 tonnes and zinc production decreased 78.9% to 51 723 tonnes. Cyprus Anvil Mining Corp., Canada's largest lead producer, suffered a series of strikes in 1976 which severely restricted output. Kerr Addison Mines Ltd. and Canadian Natural Resources Ltd., which jointly own the Grum lead-zinc-silver deposit near Faro, undertook a major feasibility study of this deposit, which contains over 26 million tonnes of ore, but had not made a production decision.

In the Northwest Territories lead production decreased 36.1% to 53 679 tonnes and zinc production increased 11.9% to 144 307 tonnes. Pine Point Mines Ltd., the major producer of lead and zinc, produced a lesser tonnage of lower grade ore and suffered technical problems in the mill which hampered production. Discussions continued with the federal government concerning development of the Polaris property of Arvik Mines Ltd. on Little Cornwallis Island. The Polaris orebody contains an estimated 22.7 million tonnes of ore grading 18% zinc-lead. Nanisivik Mines Ltd. commenced production at its zinc-lead-silver property on Baffin Island in October 1976. Production at capacity is expected to be 6 000 tonnes of lead a year and 60 000 tonnes of zinc a year. Ore reserves are estimated at 6.3 million tonnes grading 15.5% combined lead-zinc.

There were four zinc refineries in operation at the end of 1976 — Canadian Electrolytic Zinc Ltd. in Quebec, Hudson Bay Mining and Smelting in Manitoba, Texasgulf Canada in Ontario and Cominco in British Columbia. Combined metal refinery capacity at year end 1976 totalled 636 000 tonnes a year.

The lead refinery of Cominco at Trail, BC, with a capacity of 154 000 tonnes annually, and that of Brunswick Mining and Smelting Corp. Ltd. at Belledune, NB, with a capacity of 72 000 tonnes, were Canada's only producers of primary lead metal.

Gold

12.3.5

The most significant event for the gold mining industry in 1976 was the start of gold sales by the International Monetary Fund (IMF) to dispose of 777.6 million grams of gold from its official reserves over a four-year period. The IMF program also includes restitution of an equal quantity of gold, in four equal parts, over the four-year period to member nations at the official gold price of 35 Special Drawing Rights (SDR) an ounce of gold in proportion to their quotas in the fund, with first distribution made in January 1977.

The opening gold price on the London gold market and the high for 1976 was US\$4.51 a gram. An announcement on January 8 by the IMF that an agreement had been reached on the format of the gold auctions and that an immediate start on sales should be made resulted in a downward trend in the price. At the first auction June 2, 1976, the accepted gold price bid was US\$4.05 a gram, near the open market price. Subsequently the price dropped sharply to a 1976 low of US\$3.31 a gram on August 31. The price recovered substantially when it was recognized that strong industrial demand had developed and the market could absorb the gold offered by the IMF auctions. The closing gold price for 1976 was US\$4.32 a gram. Average gold price for 1976, based on the afternoon fixing price on the London market, was US\$4.01 a gram.

Gold production in Canada in 1976 was 52.4 million grams valued at \$207.8 million compared with 51.4 million grams in 1975 valued at \$270.8 million. Volume of production increased 1.9%, the first increase in Canadian gold output since 1960. At the end of the year, 22 lode gold mines were in operation. One lode mine began operations