

of strip were produced in 1978. Falconbridge Nickel Mines Ltd., Canada's second largest producer, reduced mining operations to 50% of capacity in 1978 and the labour force by 750. Only two mines were left in operation, the Falconbridge and Strathcona. A new \$83 million smelter was brought on stream at mid-year.

In Manitoba, underground portions of the Pipe mine were placed on standby. At the Birchtree mine in Manitoba work was concentrated on mine development.

Gold

12.3.5

The International Monetary Fund (IMF) held 12 gold auctions during 1978 and sold 227 t. Total gold sold under the plan, started in 1976, was 535.8 t. There remained 241.8 t to be sold by May 1980. The United States Treasury held monthly gold auctions beginning in May 1978, sold 126 t of gold during that year, and continued making monthly sales in 1979. Successful bidders at the IMF and United States Treasury auctions were mainly European banks and bullion dealers but some North American banks and bullion dealers were also substantial purchasers.

Gold production in Canada in 1978 was 52.9 million grams valued at \$375.1 million compared with 53.9 million grams in 1977 valued at \$272.3 million. Volume of production was slightly lower but the value increased by 37.7%. There were 22 gold mines in operation with the ore being treated at 16 mills. One small gold mine opened in the latter part of 1978.

Lode gold mines accounted for 70.0% of the total gold produced compared with 73.0% in 1977. Gold recovered as a byproduct from base-metal mining accounted for about 29.0% and placer mining was lower than the previous year. Ontario continued to be the leading gold-producing province, accounting for 41.7% of the total, followed by Quebec with 27.4%, British Columbia 12.0% and Northwest Territories 11.9%. Canada ranked third in world gold production, well behind South Africa and the Soviet Union.

Volume of production was lower in 1978 than in 1977 in the Atlantic provinces, Ontario, Quebec and the Prairie provinces. It was higher in British Columbia, Yukon and Northwest Territories. The following paragraphs give 1978 production figures (1977 in brackets).

All gold produced in the Atlantic provinces was recovered as a byproduct of base-metal mining. It totalled 716 000 g (737 993 g).

Gold production in Quebec amounted to 14.5 million grams (15.0 million grams). Davis Gold Mines Inc. began mill trials at its gold property, the former O'Brian mines in the Cadillac district of northwestern Quebec in October 1978. Initial capacity of the mill was 180 t a day.

Gold production in Ontario was 22.0 million grams (23.0 million grams). Most of it was produced from lode gold mines.

Virtually all gold produced in the Prairie provinces was recovered as a byproduct from base-metal ores. Production was 0.4 million grams (0.5 million grams).

Most of the gold produced in British Columbia was recovered as a byproduct of base-metal mines, mainly from treatment of copper ores. Northair Mines Ltd. recorded its first year production in May 1977 at its gold-silver-lead-zinc mine about 113 km north of Vancouver. Concentrator capacity was 278 t a day and development was continuing. The copper mine of Afton Mines Ltd. near Kamloops is expected to be a substantial producer of byproduct gold. Placer gold production was 6.4 million grams (6.0 million grams).

Gold production in Yukon was 1.0 million grams (921 907 g). Gold was recovered from placer mines and base-metal operations.

Gold produced in the Northwest Territories, recovered from lode gold mines near Yellowknife, amounted to 6.3 million grams (6.2 million grams).

Lead

12.3.6

Canadian mine production of lead was 308 327 t in 1978, up from 280 955 t in 1977 and the highest level since 1970 while refined metal production at primary plants surpassed the 1977 record level of 187 000 t to an estimated level of 194 000 t. Consumption of lead remained at the peak level of 110 000 t achieved in 1977.