

Scotia coal was sold in provincial, European and Latin American markets and to Ontario steel companies in Hamilton. A new 150 MW thermal power unit was scheduled for 1980. It will consume approximately 700 000 t of Nova Scotia coal when operating at full capacity.

Government activities

13.7.2

Provincial and federal governments were active in several areas in 1977 and 1978 in preparation for the growth predicted for Canada's coal industry in the 1980s and 1990s. In June 1977, British Columbia became the second province (after Alberta in 1976) to establish a provincial coal policy stressing the employment and tax generating potential of the provincial coal industry. In 1978, Saskatchewan released a coal policy stressing the increasingly important role its coal resources will play in meeting future energy needs both in and out of the province. In 1977, the federal government issued a draft statement on Canadian coal policy at a conference of federal-provincial energy ministers in Ottawa. Discussions with provincial and industry representatives on a national coal policy continued during 1977 and 1978.

Two major federal-provincial programs evaluated coal resources in widely separated coal-producing provinces. A joint drilling program completed six offshore holes in Nova Scotia in 1977. The program was extended in 1978 and 1979 with drilling under way in the Sydney coalfield and off Mabou and Sydney harbours. Under a federal-provincial agreement, British Columbia investigated the possible development of coal resources in the northeastern corner of the province. Up to \$10 million was originally set aside to evaluate coal geology, infrastructure requirements, environmental issues, manpower requirements and townsite questions related to potential development of several coking coal properties.

Federal and provincial governments increased their participation in R&D. Studies on coal conversion (liquefaction), resource and reserve evaluation, mining techniques, new combustion processes and other areas were under way. Further work was planned for the 1980s.

Uranium and nuclear energy

13.8

Canada's uranium industry continued to expand in 1977 and 1978 to meet increasing domestic and export commitments. Production of uranium in 1978 was an estimated 6750 t of uranium (U) compared to 5794 t in 1977, due to expanded production at all six Canadian producing operations. [1 metric tonne of elemental uranium (tonne U) = 1.2999 short tons uranium oxide (U_3O_8).] Shipments of uranium made by these producers from production and inventory amounted to an estimated 8000 t, valued at \$588 million, some 55% from four producers in Ontario and the rest from two producers in Saskatchewan; final shipments for 1977 were reported at 5787 t, valued at \$349,219,143. Further increases in production can be expected as a result of expansion and the probable development of several new operations. Based on known deposits, Canada could be producing some 12500 t of elemental uranium a year by 1985.

Uranium exploration expenditures in Canada continued at a high level in 1978, with activity in all provinces and territories. It was expected that expenditures would exceed the \$72 million reported for 1977 on the basis of a survey of uranium exploration activities conducted by EMR. Some 294000 m of exploratory drilling were reported; more than half was carried out in Saskatchewan where several significant discoveries have been made since 1975.

A uranium resource appraisal group in EMR completed its fourth annual assessment early in 1978. Resource estimates are divided into categories reflecting different levels of confidence in the quantities reported, and subdivided into two levels of economic exploitability related to the current market price of uranium. In the 1977 assessment, the lower price category was bounded by the uranium market price estimated at \$110/kg U in September 1977 and the higher price category spanned the \$110-\$160/kg U interval.

Three categories (measured, indicated and inferred) are used to allocate domestic responsibility among Canadian producers, as required under Canada's uranium export