

*Seen April 19/58*

# Nickel Mine Lifts Hope to Prosperity

## Faith of Col. Spencer Justified As History of Adversity Ends

By CHRIS CROMBIE  
Vancouver Sun Business Writer

Mining may be in the economic doldrums in British Columbia, but a nickel-copper property on the Choate Mountain has turned Hope, B.C., into a \$60,000 a month boom town.

While a number of B.C. mines have been forced to cease production in the face of declining world metal markets, the Western Nickel Limited mine, about 10 miles out of Hope at the mouth of the Fraser Canyon, has opened up shop on a major scale.

The result has been a 10 per cent boost in Hope's 2,500 population and an estimated \$60,000 monthly payroll to bolster the community's economy.

Some 50 new homes have been built at Hope in the last year because of the mine, according to village clerk Stuart Stearn.

"The mine has been our salvation," said Bob Cornwall, Hope's only banker. "Without it, we would have had a pretty grim winter."

Logging and lumber production have been Hope's economic mainstays. In recent years, heavy construction has helped keep the town prosperous, too.

## Long Road to Prosperity

Hotel keeper H. L. Woods put it this way:

"We've come through some good years. We had the pipeline crews here and the logging industry was booming.

"But when the logging industry fell to pieces, and the pipeline was completed we



COL. VICTOR SPENCER  
... his faith justified

But town officials point out that logging has come to a virtual standstill and sawmills have been operating on a part-time basis.

duction in mid-January some 30 or 40 railway cars of concentrate have been shipped to the Sherritt Gordon refinery at Fort Saskatchewan, Alberta.

Ore reserves are estimated at close to 1,200,000 tons averaging 1.4 per cent nickel and 0.4 per cent copper.

looked for a very quiet winter, but the mine has made all the difference. The village is still booming."

The mine behind the boom is a romance story in itself.

Today a 250-man crew is turning out some 600 tons daily of nickel and some copper at the mine on Choate Mountain.

Western Nickel Limited has a three-year contract to produce substantial quantities of nickel for delivery to European buyers.

A 1,000-ton capacity mill has been built at the mine site and since the mine went into pro-

It's been a long and rocky road of economic adversity to the mine's new position today.

Discovered in the early 1920s by prospector Carl Zofka, more than \$5,000,000 has been spent on the property in the intervening years.

Originally known as B.C. Nickel, the property was acquired by a financial group headed by Col. Victor Spencer. In the early 1930s the group poured close to half a million dollars into the venture attempting to develop a new industry for B.C.

## Refuses to See Defeat

It didn't work, but Col. Spencer wasn't ready to give up, and mining men point out that if it hadn't been for his faith in the property, the mine might not be paying off today.

He reorganized the company and formed Pacific Nickel, which today is still the only public company associated with the producing mine. Development and exploration work was carried out and proven reserves of just over a million tons of merchantable ore were established.

The company ran into a major snag about this time. International Nickel Company

held patents on the only known process for extracting nickel from ore, and as a result nobody could refine outside of Finland and Japan.

In 1937 a shipment of above-grade raw ore was sent to Japan and travelling with it was University of B.C. professor Frank Forward.

He set up a small pilot refinery in Japan based on the Inco system and refined the ore on the spot, and the first bar of nickel he presented to the Emperor of Japan.

"The Japanese were all for making a deal, but when it came down to financing, Japan was unable to get any dollar credit," he recalls.

## War Ends Barter Deal

"They ended up offering a barter deal—silk and cotton in exchange for nickel—but then war broke out and that was that," he added. "It was the nearest the mine ever got to production."

After the war Newmont Mining Corporation became interested in the property. Negotiations blew hot and cold for about two years but finally Western Nickel was incorporated with three shareholders—Pacific Nickel, Sherritt Gordon and Newmont.

Pacific sold the mine to Western but still retains an interest in Western.

Newmont, in return for exploration and development work, also got an interest in

Western Nickel, and Sherritt Gordon, which by this time had a revolutionary new method of refining nickel developed by Dr. Forward, was given an interest in return for processing the ore.

Newmont then started looking for buyers and just over a year ago a three-year contract was negotiated with European buyers, (reportedly in Italy and West Germany) at a premium rate that justified putting the mine into operation.

Retained to manage the mine operation was Granby Consolidated Mining and Smelting which moved most of its men and equipment from Copper Mountain, closed last spring, to the new mine.



THE GOVERNMENT OF  
THE PROVINCE OF BRITISH COLUMBIA

DEPARTMENT OF LABOUR  
OFFICE OF  
THE DEPUTY MINISTER  
VICTORIA

IN ANY COMMUNICATION RELATING  
TO THIS FORM PLEASE REFER TO

No. ....

February 28th, 1955.

## SECOND REQUEST

### STATISTICS OF WAGE-EARNERS EMPLOYED IN TRADES AND INDUSTRIES, ETC., 1954

We mailed, on January 5th last, Statistical Forms to cover your operations for the year 1954, to be returned to the BUREAU OF ECONOMICS AND STATISTICS, VICTORIA, B.C., not later than January 31st, 1955.

I regret that at this date we have not received the completed form, and therefore request that you attend to this matter at your earliest convenience.

Your attention is respectfully directed to section 14, "Department of Trade and Industry Act," and to section 8 of the "Department of Labour Act" which appears on the front page of the form enclosed.

Yours truly,

A handwritten signature in cursive script that reads 'W. H. Sands'.

*Deputy Minister of Labour.*

Encl.

# WESTERN NICKEL GETS U.S. HELP

## Washington Will Advance Major Funds If Ore Found In Return for Contract

After months of negotiation, agreement has been reached by Western Nickel, Mines, Ltd., and Defence Materials Procurement Agency of the United States whereby millions of dollars may be provided for the development of the Pacific Nickel (formerly the B.C. Nickel) mine at Choate, B.C. The expenditure is dependent of course on the new low development of the mine being successful in proving the existence of a substantial quantity of nickel ore.

The signing of the contract looking toward the production of up to 56,000,000 lbs. of nickel was announced last week by Edmund S. Mansure, administrator of DMPA.

"This contract," said Mr. Mansure, "brings us another long step closer to our goal of meeting all future nickel requirements for defense and other essential uses."

The new project is to be undertaken by Western Nickel, a wholly-owned subsidiary of Pacific Nickel Mines Ltd., of Vancouver, and Newmont Mining Corp. New York, and will involve expenditures possibly totalling \$4,750,000.

At its own expense, the company will continue exploration of an indicated orebody. This work, begun on Oct. 1, 1952, is to be completed by Sept. 30, 1953, and is expected to cost, in all, about \$425,000.

Upon completion of the exploration program, the company will proceed immediately with the development of the property for large scale mining. The work is to be completed by May 31, 1954, and is expected to cost \$750,000. Half of this sum will be advanced by the U.S. government.

Upon completion of the development program, if the company and the government agree to go ahead with production, the government will advance up to \$2,625,000 and the company will put up \$950,000 of its own funds for the necessary facilities.

### Terms of Contract.

All government advances are repayable with interest as production proceeds.

Production is scheduled to start Mar. 1, 1955, and is to continue at the rate of 6,000,000 lbs. of refined nickel per year for the next seven years. The contract provides that all of this nickel — a total of 42,000,000 lbs. — will be sold to the U.S. government. The government will pay the market price, time of delivery, f.o.b. Port Colborne, Ont., but will accept delivery at the Fort Saskatchewan plant of Sherritt Gordon Mines in Alberta. Sherritt Gordon will do the refining.

Should production run over 6,000,000 lbs. a year, the company has an option to sell to the government an additional 2,000,000 lbs. a year, and the government has an option to buy an additional 1,000,000 lbs. a year, in the event the company does not exercise its option. These options run for seven years at market price or 56.5¢ a lb., f.o.b., Fort Saskatchewan, whichever is higher.

### Work Progress

Some 1,600 ft. of a projected main-haulage drive of 7,000 ft. has now been advanced. Diamond drill stations are being established at regular intervals to permit deep drilling to confirm the persistence of the known orebodies to depth.

092HSW004

Northern Miner  
18-6-53

On "Northern Miner"  
May 8, 1958  
Concordia Tacoma after



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OFFICE OF  
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VICTORIA

IN ANY COMMUNICATION RELATING  
TO THIS FORM PLEASE REFER TO

No. ....

March 31st, 1955.

## THIRD REQUEST

### STATISTICS OF WAGE-EARNERS EMPLOYED IN TRADES AND INDUSTRIES, ETC., 1954

The "Department of Labour Act," section 4 (d), requires this Department to collect such statistical and other information as may be deemed necessary.

For this purpose we mailed you a form on January 5th, 1955, and a second request on February 28th, 1955, to cover your operations for the year 1954, and at this date we have not received the completed form.

If the form mailed you has been lost or mislaid, another will be mailed on request. When requesting another form please give the number in the top right corner and address your request to:—

THE BUREAU OF ECONOMICS AND STATISTICS,  
VICTORIA, B.C.

Yours truly,

A handwritten signature in cursive script that reads 'D. H. Sands'.

*Deputy Minister of Labour.*