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MEMO TO: File

DATE: February 28, 1980

FROM: G. S. W. Bruce

SUBJECT: Project 117 -- Swab claims, et al

Because of the total embargo on uranium exploration and mining in British Columbia for the next 7 years, as announced in the Globe and Mail this morning, (see attached clipping), a decision was made to cancel the proposed percussion drilling programme on the Swab Group. This was discussed with Cam Stephen on this date, Cam being in the midst of negotiating a percussion contract.

On the Swab Group we were also interested in the molybdenum geochemistry and had planned to follow it up a bit further in the 1980 field season. We will still do this in an attempt to have it done by the assessment work due date (July ?). If there is molybdenum interest as a result of this programme, we will not declare the property to be a uranium prospect so that we may continue to follow up the molybdenum indications.

In the case of the NIT, BIN and Greer Groups, Stephen and I agreed that we would designate them as uranium properties. As a result, we will not have to do assessment work for the next 7 years (as a result of the embargo), and the claims would remain in good standing.

If the molybdenum indications on the Swab Group are not of interest, we will then consider whether or not we will designate the Swab Group as a uranium prospect.

G. S. W. Bruce

GSWB:rn  
Attachments

c.c.: D. R. Stone  
K. D. Watson

*Rita*

*please make copies for  
Dr. Watson and Mrs Stone.*

*WB-*

# Blizzard venture is put in limbo by uranium ban

By LAWRENCE WELSH

The decision by the British Columbia Government to place a seven-year moratorium on uranium mining and exploration in the province has caught mining executives by surprise.

While most uranium prospects in the province are largely in the exploration stage, the mining ban puts into limbo the proposed development of the Blizzard uranium deposit near Kelowna, where reserves are estimated at about 10.5 million pounds of uranium oxide.

Norcen Energy Resources Ltd. of Toronto, as manager-operator of the Blizzard program, leads a joint venture group, including E and B Explorations Ltd. of Calgary, Lacana Mining Corp. and Campbell Chibougamau Mines Ltd., both of Toronto, and Ontario Hydro.

Last November, Norcen-Lacana and E and B Explorations signed a tentative sales contract each to supply Korea Electric Co. with about seven million pounds of uranium oxide over an 11-year period beginning in 1983. Although the participants declined to discuss prices, values were estimated at around \$294-million.

Completion of the contracts was awaiting the report of a British Columbia royal commission that was to have set out guidelines for the approval of uranium development projects.

However, as a result of the Government's decision, the royal commission inquiry has been immediately terminated. It was to have completed its public hearings in April, so that its final rulings were not expected until late this year.

E. C. Bovey, Norcen chairman, said he was surprised by the Government's decision, which was announced by Premier William Bennett in Victoria. "However, we have no comment until we've had a

chance to fully study the information."

E. G. Thompson, Lacana vice-president, described the moratorium as a "political move and not a decision with a scientific basis." He said he was "disappointed" that the royal commission "was not allowed to proceed to its logical conclusion before a decision was made."

The Norcen-Lacana sales contract was for deliveries of slightly more than four million pounds to the South Korean utility from 1983 through 1993, with Lacana's share at about one million pounds.

Mr. Thompson said that the joint venture had expected to receive clearance for its sale contract from the B.C. Government, based on recommendations made by the royal commission, plus the required approval of the federal Atomic Energy Control Board, some time in 1981. "Obviously, we won't be able to proceed with the contract now."

J. E. Wyder, president of E and B Explorations, said the company will use uranium from its U.S. sources in New Mexico and Utah to meet its sale commitment to Korea Electric. Its contract calls for deliveries of 2.2 million pounds over the 11-year period.

The contract was made by E and B Explorations and affiliated Geomex Resources Ltd. of Calgary, a unit of Sedmex KG of West Germany.

G & M.

Feb 28, 1980

# 7-year B.C. ban on uranium mines hailed by critics

G & M.  
Feb 28 / 1980

By ROBERT WILLIAMSON  
Globe and Mail Reporter

VANCOUVER — A seven-year moratorium clamped on uranium exploration and mining in British Columbia yesterday is being hailed as a major victory by the anti-nuclear movement.

"It is clearly the mood of the people of this province that they are not prepared to live with uranium mining at this time," said Premier William Bennett — a sudden convert to such a view.

The freezing of B.C.'s nickel-and-dime chips in the national nuclear stakes leaves Ontario and Saskatchewan to take care of domestic and export markets.

West Coast environmentalists are ecstatic. A boisterous party broke out at noon in the offices of the Canadian Scientific Pollution and Environmental Control Society, best known by its acronym SPEC.

Spokesmen for the mining industry, the province's No. 2 economic sector, were surprised.

"It's astonishing. It's clearly political," said Rick Higgs, manager of the B.C. and Yukon Chamber of Mines.

"It puts us back in the days of ignorance and superstition. Which commodity in which resource sector is next? Does one just listen to the babble of an ignorant mob? We're convinced that the public that is concerned wants answers to uranium issues but now the process of information gathering will cease for seven years."

Nearly \$7-million was spent on uranium exploration in B.C. last year as companies scrambled to hit on to a gilt-edged world market.

Last November Norcen Energy Resources Ltd., which with several partners — including Ontario Hydro — has the province's biggest uranium deposit, near Kelowna and virtually in Mr. Bennett's backyard,

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## Uranium mines blocked in B.C.

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signed a contract with Korea Electric Co. for four million pounds of uranium. It would have given the province its first mine. The contract stipulated that all necessary licencing for the mining was to be completed by next year. Presumably, the deal evaporated yesterday.

"We were caught by surprise. We really haven't had time to find out the implications," a Norcen spokesman said.

The mining and exploration of uranium had become a political minefield in recent years in what is probably Canada's most environment-conscious province. The governing Social-Credit Party found itself on the wrong side of public opinion.

In 1978 it imposed a moratorium on mining while it set up a royal commission to study the issues. The commission's interim report last summer called for stricter controls on continuing exploration. The commissioners, though, were coming under increasing pressure from public groups to slap an outright ban on exploration.

A coalition of anti-nuclear groups was planning a rally in Victoria tomorrow to coincide with the opening of a new session of the Legislature. It's a session in which the Socreds, unable to muzzle B.C. Hydro Chairman Robert Bonner, who maintains that nuclear power must be considered a future option for B.C., could be cast as the friends of mining interests by the Opposition New Democrats.

"The Government has read a poll, it's got scared

and it's backed off," crowed NDP Leader David Barrett.

Mr. Bennett's abrupt action also kills the royal commission. Having already spent \$2-million, it was just preparing to examine environmental and ethical issues related to uranium exploitation. The anti-nukes were loaded for bear.

Commission chairman Dr. David Bates, former dean of the faculty of medicine at the University of B.C., was caught off in Australia by the Premier's move.

British Columbia, with hydro dams already generating 95 per cent of its electricity, has the luxury of natural gas and vast coal deposits and wood wastes to permit it to turn its back on nuclear power for at least

another decade. Environmentalists claim forever.

David Garrick, coordinator of SPEC's nuclear awareness program, said he had been ready to call a range of witnesses, from a Japanese geneticist to a Navajo medicine man, to give the Bates commission evidence of uranium hazards.

The sudden end of the commission will limit the potential impact of its work, he said.

But in seven years B.C. could be well established as a model non-nuclear society through conservation and development of alternative energy sources.

Premier Bennett said companies now holding rights to uranium deposits throughout B.C. will have them protected, to be reviewed by some future provincial administration.

"In the next seven years man's knowledge of the handling of uranium may have progressed to the point where its mining is acceptable in B.C."

He acknowledged concerns being voiced that mining and exploration could cause irreversible harm to individuals and the environment. While there is scientific evidence to refute many of the concerns, the fears being expressed, he said, are "too real to be ignored."

The province does not need uranium for its development, and in any case only two small ore bodies worth mining have been located.

B.C.'s uranium reserves have been estimated at 7,500 metric tons, about 1.7 per cent of the Canadian resources. Major deposits are in the Kamloops and Kelowna regions of the southern interior.