

Eldorado the parties shall in good faith negotiate for an extension of the contract term and at prices that are mutually acceptable, taking into account the fact that the unit price specified in this agreement includes full amortization of the estimated capital cost of the required production facilities, assuming delivery of the total quantity of U_3O_8 in concentrates specified herein.

- (ii) In the contracts negotiated after the modification of the special price formula in September 1956, the option reads as follows:

Notwithstanding anything contained herein, Eldorado shall have an option to be exercised on or before March 31, 1961, to extend the contract and to purchase a quantity of U_3O_8 in concentrates thereunder not in excess of an amount determined by multiplying . . . pounds by a number of days between the date of completion of deliveries of . . . pounds or March 31, 1963, whichever is earlier, and December 31, 1966. The exercise of this option shall be accompanied by a written notice from Eldorado to the producer which shall specify the additional quantity of material to be purchased, the period of the contract extension, and any other variations from the terms and conditions of the contract herein stipulated in connection with the exercise of the option. In the event that this option is exercised, deliveries will be at an approximate rate of . . . pounds per month and shall be completed on a date specified in such notice which shall be not later than December 31, 1966, it being understood that the contract shall be extended by a period sufficient to allow completion of deliveries at said monthly rate. In such event, the price per pound to be paid by Eldorado for U_3O_8 in concentrates meeting the specifications of the United States atomic energy commission under its domestic uranium concentrates procurement program announced May 24, 1956, shall be the price in U.S. currency which the United States Atomic Energy Commission guarantees under the said program to domestic producers for similar purchases, as reflected in contracts being executed at April 1, 1962, and shall be payable in U.S. funds, it being understood that if such contracts normally contain provision to allow the producers generally to benefit from possible subsequent increases in the said guaranteed price, a similar provision will be included in the contract extension with the producer made by the exercise of this option. For concentrates failing to meet these specifications, there shall be an appropriate price adjustment. All the provisions hereof shall apply so far as applicable and with all necessary changes in respect of concentrates delivered pursuant to the exercise by Eldorado of the option provided for in this article.

It will be noted that in the first option there is no requirement as to the date on which the option must be exercised, the price to be paid, or the period during which deliveries will be accepted; whereas, the second option is specified on these three points. Later, all contracts not having the second option were amended to include it.

62. Early in 1956 the United Kingdom atomic energy authority expressed an interest in obtaining some of its uranium requirements from Canada over the period up to March 31, 1962—i.e., 11,000,000 pounds. Prior to that time the United Kingdom atomic energy authority had been obtaining its uranium from the Belgian Congo, Portugal, the Union of South Africa and Australia, under a joint purchasing arrangement with the United States atomic energy