

APPENDIX A

United States Atomic Energy Commission
Press Release of November 24, 1958

United States Atomic Energy Commission
Washington 25, D.C.

The United States Atomic Energy Commission: Notice is hereby given of modification of the 1962-1966 domestic uranium concentrate procurement program.

1. On May 24, 1956, the Atomic Energy commission announced that it would guarantee the purchase of U_3O_8 in concentrates produced and delivered during the period April 1, 1962—December 31, 1966. The commission will carry out its May 24, 1956, commitment with respect to ore reserves developed prior to this date in reliance upon the May 24, 1956, announcement by negotiating for the purchase of appropriate quantities of concentrates derived from such ore reserves during the 1962-1966 period. Such purchases will be at the previously established price of \$8.00 per pound for U_3O_8 in an acceptable concentrate.

2. By issuance of this announcement the Atomic Energy Commission hereby withdraws prospectively the concentrate purchase program announced May 24, 1956. With respect to new ore reserves developed after this date, the commission will make contracts to purchase concentrates to the extent that requirements dictate and on such terms and conditions and at such prices as the commission may from time to time agree upon. Future programs will give due consideration to the adequacy of domestic ore reserves, the need for exploration and development, the maintenance of the domestic uranium industry, and other factors which may be important to the atomic energy program.

3. The effect of this modification will be to provide the domestic uranium industry with a substantial continuing market for the period 1962-1966 for concentrates derived from already developed ore reserves and, at the same time guard against overproduction.

4. Under this revised program, the commission's 1962-1966 domestic uranium concentrate purchases from ore reserves already developed will be limited to:

- (a) Current milling contracts;
- (b) Appropriate extensions of current milling contracts to the extent the commission determines that the milling facilities are needed for the presently existing mining operations and developed ore reserves;
- (c) New milling contracts or amendments to existing contracts which may be executed pursuant to the commission's April 2, 1958, announcement of the limited expansion of the domestic uranium procurement program;
- (d) New milling contracts or contract amendments which may be negotiated for the purchase of appropriate quantities of concentrates in the 1962-1966 period from ore reserves developed between November 1, 1957, and the date hereof.

5. The action taken today is to guard against serious overproduction which might occur under an unlimited purchase program if very large additional uranium discoveries are made. The commission's action recognizes the need for placing definite limitations on annual deliveries of concentrate and