

Press Release: February 27, 1963

Vanadium Corporation of America today announced that it will close its uranium milling plant in Durango and its Concentrator plant in Naturita because of continued high cost and unprofitable operations. The company's mining and ore purchases in the Colorado Plateau area will not be affected.

G. LaMonte Weissenburger, Chairman and President of Vanadium Corporation says that the two plants will be closed soon after March 1, 1963. "This unhappy decision was forced on us by the excessive costs of operating these facilities and by the absence of any chance of early improvement in the situation," he said.

Operations at the two plants will be shifted to Shiprock, New Mexico, to a new plant which is being purchased, together with related mines, from Kerr-McGee Oil Industries, Inc.

Affected by the shutdown will be about one hundred fifty employees at Durango and about thirty five employees at Naturita, some of whom will be transferred to the new operations. Severance pay will be provided for terminated employees.

In his announcement, Mr. Weissenburger stated that since 1958, when AEC contracts were revised to provide for reduced payments for uranium concentrates, the company's operations on the Colorado Plateau have shown increasing losses. The losses have been aggravated by continually increasing mining and processing costs, coupled with lower grade ores and reduced availability of ore. Increasing costs of providing adequate safe-guards against radiation hazards have also been experienced, he added.

Due to the combination of these many adverse factors, and despite substantial capital investments in milling and concentrating facilities

Press Release (Continued)

in an effort to improve operating results, Vanadium Corporation's losses have continued to grow, he said.

The high efficiency of the newer mill in Shiprock, New Mexico, plus the additional mine, makes it economically attractive when combined with the company's own mining sources and purchased ores. The combination also forms the basis for negotiations being undertaken with the AEC calling for consolidation in stretch-out of uranium production and mining beyond the present termination date of December 31, 1986.