

~~CONFIDENTIAL~~  
**SECURITY INFORMATION**

FRC 41  
OR 2027  
BN 19 #1

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MAR 26 1953

On December 17, 1952 Mr. Verdussen, in a conversation with Mr. A. J. Taylor of the Commission's New York Office, requested that we advise you formally of our plans to undertake the development of a method to recover the residual uranium contained in certain residues which by our contracts we are required to hold for you, and in certain residues of our own. It is our intent that this letter shall be made available to you through the Commission and Chemico, as furnished in accordance with paragraph 4 of article III of the agreement which provides, among other things, that we notify you of the substance of the contract which we are entering into with Chemico by furnishing you with a copy. We have done so on February 27, 1953 and not on January 27, 1953 as stated in your letter of February 27, 1953. You will note that the copies of the contract are captioned "A" and "B". We have not included in the copies of the contract any material which is of any use to you.

**MATERIALS** 13 U

~~At (30-1) 1-1-53~~

**SPECIAL REREVIEW**  
**FINAL DETERMINATION**  
**UNCLASSIFIED**

PP:AJB:ms

**African Metals Corp.**  
88 Broad Street  
New York 6, N.Y.

By: *J. P. Brown* 11/6/80  
Date: *P.F. Brown 10-70-80*

Attention: Mr. M. H. Bowman  
Subject: **CONTRACT WITH THE CHEMICAL CONSTRUCTION CORPORATION**  
**STUDIES ON RESIDUES HELD FOR AFRICAN METALS CORPORATION**

nickel and cobalt. You will recall that during previous conversations, we have mentioned that the Commission was considering plans to enter a contract with the Chemical Construction Corp. (Chemico) for the development of a method to recover the residual uranium contained in certain residues which by our contracts we are required to hold for you, and in certain residues of our own. We noted the possibility that the cobalt, nickel, etc. which are contained in several of the former residues might also be recoverable. In your letter of October 30, 1952, you expressed interest and approval, in principle, regarding this proposed undertaking. Mr. J. A. Verdussen, too, during his recent visit expressed interest in the aforementioned plans. You will recall that the New York Operations Office, at Mr. Verdussen's request, arranged for a meeting between the mining company visitors and Chemico personnel (held on December 13, 1952), where this development undertaking and other matters were discussed.

The residues which we are holding for African Metals referred to above, are residues from D-9 and D-10 tailings and the Q-20 ore (currently identified in our records as the L-20(D-7), L-30(D-7), and P-23 residues respectively), which were processed by the Linda Air Products Company during the war years and which are now stored at the LOR site and the raffinate cake (A-7) produced by the Ballinacree Chemical Works which is stored at St. Louis. It is not planned to conduct any studies on the E-20 sludge due to their low uranium content and high radioactivity.

We will appreciate that to conduct the work mentioned by the contract...

~~RESTRICTED DATA~~

OFFICE	Process Dev't	Branch	Production	Riv. of Raw Mat'ls.	ASST GEN COUN
SURNAME	Beyer	Brown	Belmont	P. L. Merritt	BISTYGALEDVIN
DATE	1/28/53	1/28/53			

On December 12, 1952 Mr. Verdussen, in a conversation with Mr. A. J. Boyer of the Commission's New York Office, requested that we advise you formally of our plans to undertake the aforementioned development undertakings. It is our intent that this letter shall be such advice. This letter, which also transmits to you three copies of Contract AF(30-1)-1485 between the Commission and Chemico, is furnished in accordance with paragraph 4 of Article VII of the agreement which provides, among other things, that we notify you of the existence of the contract within thirty days after its execution by furnishing you with a copy. The contract was executed on February 27, 1953 and not on January 27, 1953 as stated in the preamble. You will note that the copies of the contract do not contain copies of Appendixes "A" and "B". We have not included them because we do not believe it would serve any useful purpose to do so.

As was discussed at the meeting at the Chemico office on December 12, 1952, it is a primary intent of our contract with Chemico to determine the applicability of certain processes which are known to Chemico to the selective recovery of uranium from various residues. Certain of these processes are now being utilized commercially for the selective recovery of cobalt, nickel and other metals from ore or ore concentrates. There is a definite possibility that the Chemico studies will ultimately result in the establishment of a method for processing some of the residues which will enable not only the recovery of the uranium but also the recovery of other elements to which you have title, such as cobalt and nickel. Although our present contract with Chemico provides only for studies on uranium, discussions on December 12 between Messrs. J. A. Verdussen, A. J. Boyer and E. S. Roberts (Vice-President and Chief Engineer of Chemico) lead to an informal understanding that Chemico would investigate, for its own account and cost, the practical feasibility of recovering cobalt, nickel, etc. from those residues which contain such metals in economically attractive quantities.

In the event the Chemico work under the aforementioned contract is successful in developing a practical and economic process for recovering the residual uranium from the various residues and the Commission should then determine that it desired to operate a facility for this purpose, the Commission wishes to assure you that it will inform you of its plans, will be prepared to undertake to demonstrate to your satisfaction that your equity in the various residues which are held for you will be suitably protected and will solicit your concurrence in the undertaking before proceeding with it. In the event that the Chemico work demonstrates that various valuable metals such as cobalt and nickel may be recovered to economic advantage from one or more of the residues, we trust that we may be able to consider together plans for proceeding jointly in a processing operation for our mutual advantage. It is our understanding from your letter of October 30, 1952, that you are agreeable in principle to such an approach.

You will appreciate that to conduct the work envisioned by the enclosed contract, it will be necessary to use relatively small amounts of the

Special Review  
Final Determination  
Unclassified  
by: K. A. Walter  
date: 1980  
T. F. Davis

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DATE ▶					

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various residues in the development program. He estimate that not more than 1,000 pounds of each of the several residues will be required. In view of the hereinbefore noted expressions of your interest in and approval of this undertaking, we understand you will not object to the use (and possible dissipation) of such quantities of the various residues referred to above.

Very truly yours,

Phillip L. Merritt  
Assistant Director  
Division of Raw Materials

Enclosure:

5 copies of Cont. AT(30-1)-1485

CC: S. H. Brown w/o enc.  
F. M. Belmore w/o enc.  
P. L. Merritt w/o enc.  
J. H. Berger, Chemico w/o enc.  
J. C. Johnson, Div. Raw Mat'ls., Wash. w/o enc.  
J. A. Hall, Office of Special Proj., Wash. w/o enc.  
Mail & Records w/o enc.

Special Rereview  
Final Determination  
Unclassified

By: K. A. Walter  
Date: 1980  
T. F. Davis

*AK*  
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