



Mining and Metallurgical Society of America

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Presidents Message:

The election has passed, all the rhetoric has died to a dull hum and now it's on with business. The latest Newsweek magazine (November 15, 2004) shows all the reasons why the President was re-elected and an exclusive list of detailed information and reasons why Kerry lost. As Bill O'Reilly recently pointed out, "Where was all this data and info before the election?" Obviously, the information was not just discovered after Kerry conceded the election. If you recall, the Newsweek/New York Times poll would weekly display Kerry with a substantial lead over President Bush, right up to the night before the election. As the media continues to talk about their obligations to report to the public (albeit very one-sided), one would seem swayed to believe that the media in this case has made an internal pact to make the race close when it was not, in order to maximize profits. Typical election spending for media advertisements would have been considered profitable at \$500 million; however, in this election advertisers forked out over \$1.6 billion. Now the CBS/Rather debacle and other highlights of the campaign start to bring the real agenda into focus. Under the new Sarbanes-Oxley laws being imposed on corporate America (thank you Enron, Qwest, etc, etc,) where the average employee is being bombarded with



K. Marc LeVier, President

rules and regulations that border on the ridiculous, where are the Codes of Conduct and Ethics for the media companies who falsely report or make mountains out of mole hills in order to maximize their profits? Looks like a SOX violation to me!

However, those of us in the mining industry need no formal introduction or education on the media and biased reporting. Recent articles written by the New York Times on the alleged pollution by Newmont of Buyat Bay, in Indonesia, demonstrate the lack of accuracy in the media, irresponsible journalism by the Times reporter and the editorial staff that allowed publication of these unfounded allegations. This article correlates very nicely with the CBS/Rather incident in identifying that the agenda is not an obligation of

professionalism in journalism or an obligation to inform the public. Rather, their obligation is to their personal agenda at all cost—even if that involves lying. In the case of the New York Times, the Times contributed to the unnecessary incarceration of 4 Newmont employees by the Indonesian national police for more than 30 days.

I believe that the time has come for the mining industry to play hard ball with these organizations and take them to task. We have all talked about the NGO's and how they can say and do what they want. They do not have to tell the truth or issue comment with a factual basis or supported by scientific fact and data. If we all know that to be the case, then should not the organization be held accountable and liable? Would not a firm, consistent policy over a period of time cause a cessation of nebulous and frivolous lawsuits and comments which continue to blacken the eye of the mining industry? We talk about the bad image of mining in the world and how to refocus attention onto the positive impacts of mining. Obviously, the image of big corporate litigation against the "innocent, poor little NGO" would conjure up visions of the corporate ogre. However, if the NGOs were found liable and held accountable along with a balanced promotion of the positive impacts of mining, I believe that the tide would turn. Perhaps there should be an in-depth analysis of each of the NGOs, who they are, and how they are funded, (i.e. by whom). Maybe increasing public awareness about the inner details of these groups would diminish their "holiness and attractiveness" as white knights.

Additionally, the mining industry must be prepared to admit to the "sins of our past and present"

and to provide the necessary policing action of our industry on a global basis. The expectations of the public and the regulatory agencies should only be exceeded by our own. Collaboration between the numerous mining industry professional organizations and associations, worldwide, is essential to the success of any image improvement project. All stakeholders need to be valued and to be part of the project in order to speak with a unanimous voice.

The problem remains serious, but continuing to sit back and do nothing will only continue to bear the same dried fruit.

SME/MMSA Sponsored Session

The SME Annual Meeting in Salt Lake City, February 28-March 2, 2005 will again have a MMSA sponsored session on minerals education. There is an outstanding lineup of speakers, as you will see in the program guide. The last session in Denver was the best attended session of the meeting with standing room only. The session has international speakers and is sure to draw lots of attention on this critical subject. The task force that was formed last year has continued

to make progress and the committee has gained approval from the SME Board to move under the SME banner, where Dave Kanagy, the Executive Director will continue to grow the team members and set new goals and objectives. The current discussion is focused on a possible minerals education workshop in the summer of 2005.

SEC Competent Person

The guidelines for a U.S. style MINVAL continue to be formulated within SME and coordinated by JM Rendu. The issue of an SME "Competent Person" membership category is being examined and both MMSA and SME are discussing a working partnership in establishing the necessary guidelines and criteria. MMSA is an elective society and has an established Code of Ethics both of which are components of the new regulatory environment. SME is not structured to incorporate these needs and does not have the ability to sanction membership. This activity is revving up and will be explored in closer detail with SME over the next year. My, expected, worthy replacement, Bob Schafer, will be taking on this coordination activity with SME.

Membership Applications:

The following individual has submitted a membership application and has either received approval of the Admissions Committee or is awaiting receipt of endorsements from her sponsors:

Mary M. Poulton, University of Arizona, Tucson, AZ

Sponsors are Hugh Miller, Paul Jones and Tom O'Neil

If any member of MMSA has good cause to believe that any of the above applicant should not be granted full membership in the Society, you are requested to make known your objections, in writing, to **Robert V. Washnock**, Secretary, within 21 days from issue of this Newsletter. In the absence of any objections, the candidate members and tentative candidates whose endorsement forms are in order will be admitted to full membership, as provided by the bylaws.

My excitement is increasing as I finish this newsletter, and I realize, I only have to write a final “swan song” and Mr. Burton will never have to bug me again! See you in the New Year!

MMSA Annual Meeting:

The 2005 Annual Meeting will be held, as usual, in conjunction with the SME Annual Meeting and Exhibit. The next SME meeting will take place in Salt Lake City, February 28-March 2, 2005. **The MMSA Annual Meeting will be held in the Alta Club, 100 East South Temple in Salt Lake City, on Monday February 28, 2005. Full details have not yet been worked out, but it will be an evening meeting, commencing at about 5:30 pm and will be followed by dinner and presentation of a Gold Medal. Dinner will be open to members and their guests. A meeting/dinner notice will be sent out with the 2005 dues notices, early in December.**

The Alta Club reports that it has a limited number of hotel style rooms available, which are comparable with major downtown hotels in terms of price and quality. Since the Alta Club is well located, it is suggested that, if any members would like to stay there, they should contact the Alta Club direct at 801-322-1081 or www.altaclub.org

There has always been a conflict of priorities between SME and MMSA during the annual meetings. For this reason the Executive Committee decided, last year, to hold the Annual Meeting on the Monday evening so as to minimize conflicts with SME events. Most members endorsed this move and it was generally deemed to have been a success. Some members, particularly those from out of town, further

suggested that the evening should be opened to spouses and guests. In an attempt to accommodate this request we have, this year, invited spouses and guests to the dinner. Lets see how that works. Another change this year is to eliminate the Tuesday Luncheon. It was felt that all legitimate business could be completed at the Monday evening meeting/dinner, thereby making the Tuesday Luncheon redundant.

NWMA Annual Meeting:

The Northwest Mining Association will hold its 110th. Annual Meeting and Exposition in Spokane WA, December 6-11, 2004. Complete details are available on their website at www.nwma.org

This will be the largest mining convention in the West this year. With stronger metal prices and an exciting program it is sure to be a great success.

Membership Changes:

The following changes in membership have taken place, since the August 2004 Newsletter.

Additions:

Mark R. Baker, Reinstated
Amy E. Jacobsen (Jacobs)

Deletions:

None

Appropriate additions, deletions and routine changes to the Society's data base and member biographies are accessible through the member only page in our web site, at www.mmsa.net This data base is updated continuously, as information is made available and is the best source if you want information on any particular member. Changes to your own personal data entry may also be made on the Member Only page.

Mining Hall of Fame Awards:

The 22nd. Annual American Mining Hall of Fame Awards Banquet sponsored by the Mining Foundation of the Southwest will be held at the Westin La Paloma in Tucson, Arizona on Saturday, December 4, 2004. Tickets are available from Mining Foundation of the Southwest (520) 577-5719, Fax (520) 577-7073, email mfsw@dakotacom.net.

This year's inductee, guest of honor and featured speaker at the banquet will be J. Stephan Whisler Chairman and CEO of Phelps Dodge Corporation. In addition, Medals of Merit will be awarded to Joaquin Ruiz and Ed Frohling. Also, as representatives of mining heritage, the Hall of Fame will induct Georges Ordonez and Frank Archibald.

Saving the best until last, the Industry Partnership Award will be presented, this year, to our own Society, MMSA. President K. Marc LeVier plans to attend the function and receive the award on behalf of MMSA.

The Mining Foundation of the Southwest was incorporated in 1993 by combining the Mining Club of the Southwest and the Mining Club of the Southwest Foundation. The purpose of the Foundation is to promote public understanding and education related to the mining industry. Toward this goal, the Foundation has been able to fund a number of projects from donations and fund-raising activities.

Government Affairs:

Colorado, with its own strong anti mining movement, continues to look over its shoulder at Montana and its mining problems. These looks are not likely to get any less following Montana's failure to overturn the

cyanide ban. Nevertheless, Debbie Struhsacker, Government Affairs Chairman, finds more good news than bad coming out of our November 2 elections.

“Well the dust has settled from the November 2nd elections and by all accounts, the U.S. mining industry had a very good day – except in Montana. The reelection of President Bush will be generally good for U.S. businesses. The Republican gains in the House and the Senate is also a positive development for business. The National Mining Association has noted that hardrock and coal mining communities played a significant role in reelecting President Bush, especially in the four battleground states of Nevada, Ohio, West Virginia, and New Mexico.

When the 109th Congress convenes in January 2005, the partisan dynamics in the House will stand at 231 Republicans, 202 Democrats, and one Independent (a Republican gain of at least two seats, with two races still too close to call). In the Senate, Republicans gained four seats, bringing the totals to 55 Republicans, 45 Democrats, and one Independent. It is important to understand that these Republican gains do not categorically signal smooth sailing for a pro-business agenda, and certainly do not mean it will be easy to achieve mining-friendly legislation in the 109th Congress. The mining industry will need to work hard to build bipartisan coalitions in both the House and the Senate to be successful. However, the election results certainly create a new and more favorable setting in which to pursue pro-mining legislation.

In addition to the changes on the Republican side of the aisle, November 2nd also produced some significant developments for De-

mocrats who are likely to play a pivotal role in future mining legislative proposals. First and foremost, Harry Reid, Nevada’s senior Senator, almost certainly will replace Tom Daschle (D-SD) as Senate Minority Leader. (Senator Daschle lost his reelection bid to Republican John Thune.) Senator Reid, who is currently Minority Whip, is a consummate Senate insider and a staunch supporter of the Nevada mining industry and hardrock mining in general. Senator Reid has said that Mining Law Reform is one of his key objectives for the 109th Congress. Reid’s ascension to his party’s top position in the Senate may enhance his ability to achieve this heretofore illusive goal.

The election of Colorado’s Attorney General, Ken Salazar, to the Senate is another change for the Democrats that may be significant to the mining industry. Mr. Salazar is very familiar with mining issues. He may thus emerge as one of the Senate’s leading mining experts in future legislative debates about mining.

On a down note, Montana voters defeated I-147, the ballot initiative to overturn the cyanide ban. This initiative, which would have allowed new mining projects in Montana to use cyanide to process gold and silver ores, was defeated by a 59 percent to 41 percent margin. This is obviously a significant defeat for mining in general in Montana and a stinging blow to Canyon Resources Corporation, the principal proponent of I-147. This loss means Canyon Resources will not be able to pursue development of their McDonald Meadows property near Lincoln, Montana using conventional cyanide processing methods. In response to the I-147 election results, Canyon Resources announced they would research the

feasibility of using other processing technologies.

It remains to be seen whether Montana voters’ validation of the cyanide ban will resonate in other mining states. However, it is not a stretch to speculate that mining industry critics are likely to use the I-147 defeat to try to advance their anti-mining agenda by proposing cyanide bans in other locations.”

Stuart Sanderson, President of the Colorado Mining Association reports that the Summit County District court granted, on November 5, the motion to intervene, filed by the Sierra Club and the Alliance for Responsible Mining. Intervention is entirely within the discretion of the court; now, the case, which had been stayed pending the ruling on the motion, may proceed toward judgment. CMA is preparing a motion for summary judgment and brief that it will file within the near future.

Necrology:

The Society records with sorrow the Death of Joseph F. Shirley in January 2003. Our apologies go out to friends and relatives that Joe’s passing is only now being recorded.