



Mining and Metallurgical Society of America

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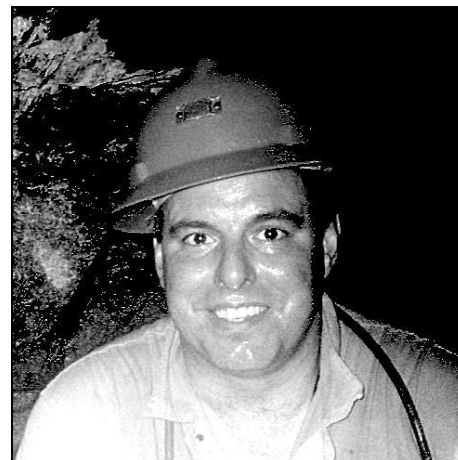
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Alan K. Burton

President's Message:

Prior to providing you with an update on the plans and activities of MMSA, I wish to thank the membership for responding to the request to vote to modify the by-laws and create a new membership class, the Qualified Professional member or QP. Although the vote was a strong mandate with a tally of 12:1 voting in favor of the change, a number of meaningful comments and questions were raised. Your responsiveness tells the Executive Committee that the members truly care about the current and future state of MMSA, and for that we are appreciative. I believe that with this mandate we now have brought a new service to our members and to the mining industry, adding new relevance to the organization that compliments our longstanding support of education,



Robert W. Schafer, President

effect on December 31, 2005. Similarly, application for international recognition was placed with both the Australian Institute for Mining and Metallurgy (AusIMM) and the South African Insti-

Be sure to follow passage of the 2005 Budget Reconciliation Bill which contains measures of importance to the Mining Industry. See Debbie Struhsacker's comments in Government Affairs, on Page 4.

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charitable giving and reasoned analysis of issues relating to our industry.

With the establishment of our QP member class, formal applications for international recognition were presented to the securities of commissions of each of the Canadian provinces. With their acceptance, the application was placed on a parliamentary bill for government approval, which was provided in early October and will go into

tute for Mining and Metallurgy (SAIMM). Although we await formal letters of recognition, a verbal (email) notification has been received from AusIMM that our QP program meets their ROPO (Recognized Overseas Professional Organization) criteria and an official letter will be forthcoming. This set of actions leads to some obvious questions:

- What can a QP member do? A Qualified Professional member of

MMSA can oversee, and carry out technical activities for public mining and exploration companies that are listed on U.S., Canadian and Australian stock exchanges. Just as importantly, an MMSA QP may be cited in news releases pertaining to these activities and provide reports on their results to both the governing securities commission as well as the investing public.

- What doesn't the QP member class do? Perhaps most notably, it does not replace State registration or licensure for Professional Engineers or Geologists (P.E. and P.Geo.) if such is required by local law. The QP endorsement is a credential for assuring the investing public that estimates of ore reserves and resources, mining and exploration programs, metallurgical tests or environmental preservation programs are carried out properly, and that reporting these results is complete and accurate.
- What does this now mean to U.S.-based mining professionals and the MMSA? First, it means now that there is now a single U.S.-based organization whose endorsement lets U.S. technical experts effectively render professional services on a global basis. Now MMSA QP geologists, mining and geologic engineers, ore reserve specialists, metallurgists and environmental and sustainability geoscientists can compete on equal footing with similar professionals around the world. For MMSA, it means a daily acknowledgement of its relevance and positive impact on our industry into the future.

To implement the Qualified Professional program a new Membership Committee is to be assembled, headed by the President, who will evaluate applicants. Also, an Ethics Committee is being put together, which will be overseen by the Past-President. This committee will address and act upon alleged Code of Ethics violations by

Qualified Professionals. It will have the power to reprimand, suspend or eject QP members who have been found to be in violation of the Code, depending upon the severity of the infraction.

A new membership application form has been developed for MMSA membership. Persons wishing to apply as a Member will provide information and endorsement letters, the same as in the past. New QP Members will be required to provide an original university or college transcript that verifies expertise, an up-to-date resume and three letters of support, one of which must be provided by a current or former supervisor that vouches for the candidate's abilities and work history.

A current MMSA Member who wishes to be recognized as a QP member will need to provide a letter to the Admissions Committee stating this intent, specifying the technical area(s) in which he/she is qualified to act as a Qualified Professional, and make a statement reinforcing his/her commitment to the Code of Ethics.

One very important point needs to be made, upfront. There will no difference in status between a Member of MMSA and a Qualified Professional Member within the MMSA in terms of possible differences in benefits, ranking, and ability

to hold office or any other conceivable membership benefit. The QP Member class was established solely as a benefit for our members and for the minerals industry. The qualifications to become a Member or a Qualified Member of MMSA remain almost identical.

I refer all of you to our website to review the newly modified by-laws, to re-acquaint yourselves with the Code of Ethics, to view the new membership application form (form not yet available on-line), and to consider becoming a Qualified Professional Member if your professional activities suggest that you may be advantaged in the workplace by holding this credential.

Another topic of current discussion within the Executive Council is a proposal for MMSA to merge with the Society for Mining, Metallurgy and Exploration, Inc. (SME). Under the current proposal, MMSA would continue its current agenda and assume responsibilities currently overseen by the SME Foundation.

We continue to receive, and to encourage, input from members on arguments, both for and against, a merger. We have sought counsel from Past Presidents and other current and former officers. We will continue to readily seek and accept your rec-

Membership Applications:

The following individuals have submitted membership applications and have either received approval of the Admissions Committee or are awaiting receipt of endorsements from their sponsors:

Alan Edwards, Apex Silver, Denver, CO

Sponsors are Jeff Clevenger, Mac DeGuire and Keith Hulley

Glenn E. Hoffman, Midrex Technologies Inc., Lancaster, SC

Sponsors are Ed Dowling, Len Harris and Pat Taylor

If any member of MMSA has good cause to believe that any of the above applicants should not be granted full membership in the Society, you are requested to make known your objections, in writing, to **Gene E. McClelland**, 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.

ommendations regarding how we should proceed with this important issue which could have tremendous impact on the future of the Society. The reasons for a change of this magnitude must be persuasive and compelling. It is not something we take lightly and we must be certain that MMSA is moving in the proper and correct direction before making any definitive recommendations.

Finally, I hope that many of you will begin making plans to attend the Annual Meeting of MMSA, which is to be held in St. Louis in conjunction with the SME meeting in late March, 2006. We are planning to present an overview of the new QP program as well as a banquet supper to which spouses and guests are invited. It will be a pleasure to answer your questions regarding the future of the Society.

MMSA Annual Meeting:

As usual, our annual meeting will be held in conjunction with the SME Meeting and Exhibit. If you have not already done so, make note of the fact that it is one month later than usual, for 2006. The SME Meeting will be held in St. Louis, MO on March 26 – 30, 2006. **The MMSA will hold its Annual Meeting on Monday evening March 27, 2006.** That is, at the same relative time, during the SME Meeting as we have done for the past couple of years. This year, both the meeting and the annual dinner will be held in one of the major St. Louis hotels. The events will be publicized by SME in their meeting brochure and they will collect dinner payments as part of the SME registration process. The meeting is expected to commence at about 5:30 pm, followed by a reception and dinner at about 7:00 pm. You may also make a reservation for the Dinner through the MMSA office, if you prefer, but please do not leave it until the last minute, for organization and scheduling reasons. Additionally, the Dinner will be open to both members and their guests as it was last year. The dinner price, which will include table

wine, is not fixed yet, but is expected to be around \$50. More information will be made available as it becomes available.

Behind the Scenes:

Debbie Struhsacker, MMSA's Government Affairs Chair, Laura Skaer and I am sure many more members have been working hard to get The 2005 Budget Reconciliation Bill through Congress. This Bill currently contains various measures which will go a long way towards updating the 1872 Mining Law in what amounts to a win-win situation for everybody. The house version of the Bill has been on the brink of a vote for almost a week now and it could come as early as tomorrow, November 16. Even if it passes the House, which is far from certain, it will still need to be steered through the Senate. So, keep your eye on its passage through the congressional shoals, read Debbie's excellent summary of the mining issues contained in it and do anything you can to help successful passage of this important piece of legislation.

Bob Schafer has eloquently covered recent developments on the QP program in his presidential com-

Membership Changes:

The following changes in membership have taken place, since the February 2005 Newsletter.

Additions:

John G. Mansanti
Steven C. Potter

Deletions:

Sydney Hay, Unpaid

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.

ments. However, this is a work in progress and by the time of the annual meeting more information is bound to be available. Rest assured that QP activities will be a major topic of conversation and ample time will be allowed for what we expect to be a lively discussion and exchange of ideas.

This is your Society, be involved.

NWMA Annual Meeting:

The Northwest Mining Association will hold its 111th. Annual Meeting and Exposition in Spokane WA, December 5-9, 2005. Complete details are available on their website at <http://www.nwma.org/>

Your attention is directed particularly to a Tuesday, December 3, Short Course **"NI 43-101—The Rules are Changing"**. This workshop, co sponsored by MMSA deals with changes in Canada affecting disclosure, report preparation and cross border issues. This is particularly relevant to Bob Schafer's discussion on the QP program in his presidential remarks and the work we are doing in that regard.

Mining Hall of Fame Awards:

The 23rd. Annual American Mining Hall of Fame Awards Banquet sponsored by the Mining Foundation of the Southwest will be held at the Tucson Marriott University Park Hotel, Tucson, Arizona on Saturday, December 3, 2005. Tickets are available from Mining Foundation of the Southwest (520) 577-5719, Fax (520) 577-7073, e m a i l mfsw@dakotacom.net.

The Mining Foundation of the Southwest is a non profit organization, working to educate the public about the mineral industries, and reporting outstanding accomplishments in the fields of mining and the earth sciences. This year's inductee, guest of honor and featured speaker at the banquet will be Pierre Lassonde, President of Newmont Mining Company and President of the World Gold

Council. He is one of Canada's leading gold analysts and the author of "The Gold Book". In addition, Medals of Merit will be awarded to Larry McBiles and Wayne Hazen. Also, as representatives of mining heritage, the Hall of Fame will induct Forbes Wilson and Charles Meyer.

Last year MMSA was recipient of "The Industry Partnership Award" and this year we are most happy to see it go to the Northwest Mining Association (NWMA)

Government Affairs:

On October 26, 2005, the House Resources Committee passed some favorable (i.e., pro-industry) mining law amendments in their portion of the Budget Reconciliation bill. The mining law amendments included in the House Resources Committee's Budget Reconciliation bill accomplish the following:

1. Comprehensively and permanently eliminate the problematic administrative measures enacted during the Clinton Administration, including the Solicitor's opinion on ancillary use, which severely threatens the right to use and occupy public land for mineral exploration and development;
2. Repeal the 12-year long patent moratorium and raise the patent fee to \$1,000/acre, or fair market value, whichever is higher;
3. Create a new process that allows claim holders to purchase pre- and post-discovery mining claims and millsites at \$1,000/acre, or fair market value, whichever is higher;
4. Raise the claim location fee to \$100/claim and replace the current claims maintenance fee of \$125/claim with a graduated fee schedule that starts at \$35/claim; and
5. Prohibit BLM from implementing the recent rulemaking to increase fees for processing Plans of Operation, conducting mineral validity examinations and performing

other administrative functions.

If these provisions are enacted into law, they will be enormously helpful to all sectors of the mining industry — big companies, juniors, and explorationists alike because they will eliminate the land tenure uncertainties that have chilled investment in domestic mineral exploration and development for over a decade. Additionally, exploration companies will benefit from the dramatically reduced claims maintenance fees (\$35/claim for the first five years, \$70/claim for years six through ten, and escalating thereafter to a maximum of \$150/year for non-producing claims held longer than 16 years.) Companies with advance-stage projects and mining operations will be able to purchase their claims and the non mineralized ground needed for mine development activities. Once privatized, companies could use their land for other commercial purposes if they choose to do so. The land privatization provisions in the bill will promote redevelopment and benefit rural mining communities by increasing the private property tax base, and by allowing project infrastructure (e.g., power facilities, pipelines, roads, buildings, etc.) to remain on the land.

This bill represents the best opportunity the industry has had in a decade to update the Mining Law, and will go a long way towards ending the mining law reform debate. Even if the industry has to negotiate a royalty in the future, we will be in a far stronger position to do so having removed the "\$2.50/acre public land giveaway" soundbite that has so much resonance with the public and some policy makers.

The rules of engagement for the budget reconciliation legislative process present the industry with an attractive and strategic legislative tool for passing pro-industry amendments. Because the mining provisions raise significant revenue, they enjoy a certain amount of protection going forward. The Congressional Budget Office estimates the mining law provisions will generate \$158 million over

the next five years. A substitute amendment would have to raise an equivalent amount of revenue.

The next step in the legislative process is for the House floor vote on the entire Budget Reconciliation Bill. As of this writing, the vote is scheduled for November 15th.

Although the mining provisions are controversial among anti-mining activists, they are not the focus of the debate about the bill. Cuts in social programs are currently at the center of the controversy. As originally sent from the House Resources Committee to the floor, the bill authorized drilling in the Arctic Natural Wildlife Refuge (ANWR). However, the ANWR amendments and equally controversial measures dealing with offshore oil and gas production proved to be too contentious and were pulled from the House bill at the last minute. The vote is expected to be very close because some Republicans still do not support the bill, despite the removal of the ANWR provisions, and no Democrats are expected to vote in favor of the bill.

If the House passes the bill, (and the mining amendments are kept in the bill) it will then have to be negotiated in conference with the Senate. The budget reconciliation rules prohibit Senate filibusters, which provide another significant strategic reason to put these mining law amendments in the budget reconciliation bill.

The Senate's Budget Reconciliation bill does not contain mining law provisions. Thus, the next challenge will be to develop support in the Senate for the House mining law amendments.

So stay tuned. If the mining amendments make it out of the House, the industry will have to come together in a focused, cooperative lobbying effort to advance our interests in the Senate.

Necrology:

The Society records with sorrow the death of Robert A. Wilson on September 23, 2005.