



New Relevance for MMSA:

The QP Member

Mining and Metallurgical Society of
America

A Little Background

- ▶ "... dedicated to increasing public awareness and understanding about mining and why mined materials are essential to modern society and human well being."
- ▶ Not a technical organization; instead members are dedicated to the ideals of improving the condition of society by focusing on areas of education and public policy

Fulfilling These Goals

In the Past:

- ▶ Advancing research and education through grants from the Jackling Fund to students, universities and in cooperation with other institutions
- ▶ Educating policy-makers and regulators or agencies through testimony, issue papers, dialog

In the Future: (in addition to continuing the above)

- ▶ Technical programs in conjunction with SME to educate members and interested parties
- ▶ Providing oversight to public reporting of technical information by mining professionals through the certification of "Qualified Professionals" ("QPs")

The New Regulatory Environment and the Mining Industry

- ▶ New responsibilities for all representatives of public companies that oversee and/or communicate the state of the corporation resulted from Sarbanes-Oxley legislation
- ▶ Public disclosures must be signed off by an executive or expert and understood to be true by the senior corporate executives
- ▶ In technical reporting, a qualified/competent expert takes on additional responsibility for public statements that may influence investment decisions ... Hence, the "QP".

So, What is a "QP"

- ▶ "An individual who is an engineer or geoscientist with at least 5-10 years of experience in mineral exploration, mine development, operations or project assessment, including experience relevant to the subject matter of the project or report, and is a member in good standing of a recognized professional organization."

QP Responsibilities

- ▶ For all scientific and technical matters relating to the design, implementation, and assessment of a mineral exploration, development program or a mining operation, including the procedures and practices implemented, using industry standards;
- ▶ The estimation and classification of reserves and resources;
- ▶ The review, approval and certification, where required, of technical or scientific reports and disclosures for public or regulatory purposes.

So, How Does One Become a QP?

- ▶ Become “certified” by a “Recognized Professional Organization” in one or more mining-related disciplines (exploration, operations, mining, metallurgy, ore reserve estimation, environmental science and sustainability).
- ▶ Many in the USA are turning to non-US based organizations to be certified as a mining QP, such as AusIMM, BECAUSE THERE WAS NO ORGANIZATION IN THE USA THAT CERTIFIES MINING PROFESSIONALS for all disciplines!

New Relevance for MMSA

- ▶ MMSA recognized an opportunity to become that organization.
- ▶ By becoming a body that certifies mining professionals, MMSA would expand from an organization that talks of ideals to one that “walks the walk” by actively ensuring that the industry is represented to the public by technically capable, ethical professionals

What was Needed?

- ▶ Adopt a formal name for the certified professional – “Qualified Professional Member” (abbreviated “QP”)
- ▶ Define the disciplines to be certified
- ▶ Establish qualifications: minimum education, minimum experience, nomination process, references
- ▶ Acceptance of MMSA certification by similar global oversight organizations (AusIMM, CIM, IMM, etc.)
- ▶ Code of Ethics and Enforcement

So, Where are We?

- ▶ MMSA has a Code of Ethics (see the website)
- ▶ MMSA has mechanisms for disciplining unethical professional practice (censure, expulsion)
- ▶ MMSA has minimum membership requirements equivalent to admission standards acceptable globally
- ▶ MMSA now has a “QP Admission Committee” and a “QP Ethics Committee” for governance
- ▶ MMSA has obtained global reciprocal recognition of its certified professionals

Code of Ethics

- ▶ The responsibility of members for the welfare, health and safety of the community shall at all times come before responsibility to the profession, to sectional or private interests, or to other members.
- ▶ Members shall act so as to uphold and enhance the honor, integrity and dignity of the profession.
- ▶ Members shall perform their work only in areas of competence.
- ▶ Members shall build their professional reputation on merit and shall not compete unfairly.

Code of Ethics (2)

- ▶ Members shall apply their skill and knowledge in the interest of their employer or client for whom they act in professional matters as faithful agents or trustees.
- ▶ Members shall only give evidence, express opinions or make statements in an objective and truthful manner and on the basis of adequate knowledge.
- ▶ Members shall continue their professional development throughout their careers and shall actively assist and encourage their fellows and those under their direction to advance their knowledge and experience.
- ▶ Members shall comply with all laws and government regulations relating to the minerals industries.

What Have We Done

- ▶ We have updated our By-laws and established a QP Member class, with member vote approval
- ▶ We are constituting a QP Admissions Committee of 5 professionals, headed by the President
- ▶ We are constituting a QP Ethics Committee of 5 professionals, headed by the Past-President
- ▶ We have applied for, and received international recognition in Canada and Australia
- ▶ Awaiting South Africa

What Disciplines Will be Certified for QP Member Recognition

- ▶ Mining and Geological Engineers
- ▶ Exploration and Mine Geologists
- ▶ Ore Reserve Specialists
- ▶ Metallurgists and Metallurgical Engineers
- ▶ Environmental and Sustainability Geoscientists
- ▶ Others, as they may become necessary

Some Subtleties

- ▶ QP endorsement of technical programs and public releases of information is required for Canadian, Australian, South African and London news releases and filings
- ▶ QP endorsements are not required by the SEC; it's the responsibility of the CEO
- ▶ This may change in the foreseeable future
- ▶ Barney Guarnera is spearheading our communications with the SEC on this matter

What You Need to Do

If you are a current MMSA member:

- you probably fit all of the requirements to be a QP Member
- write a letter to the newly-formed QP Member Admissions Committee stating your desire to be a QP member and the discipline(s) for which you qualify and practice
- attach an up-to-date resume or C.V.

What You Need to Do

If you are not a current MMSA Member:

- Go to the MMSA website (www.mmsa.net)
- Determine whether you qualify for admission
- Download the application and fill it in
- Get 3 Letters of Reference (2 from current MMSA members and one from a current or past supervisor)
- attach a copy of your diploma, endorsed by your primary sponsor as accurate
- Put them all together and send to the QP Admissions Committee

MMSA Qualified Member Class

Two Points to Realize:

1. MMSA Members and QP Members hold identical status within the organization
(we are doing this as a service to our industry, not to establish hierarchies)
2. QP Members will incur an annual overhead cost to maintain their status