



Mining and Metallurgical Society of America

P.O. Box 810, Boulder, CO 80306-0810

Phone: (303) 444-6032

Web site: www.mmsa.net

OFFICERS:

*President, Barney Guarnera
 Vice President, Michael Blois
 Secretary, Amy Jacobsen
 Treasurer, Chris Wyatt
 Ex-Officio, Matt Bender*

COUNCILORS:

At-Large

*Dayan Anderson
 James L. Hendrix
 Donald Cameron
 John Wiebmer
 Will Wilkinson*

Colorado Section

*Jurgen Brune
 Kirk McDaniel
 Mark Nesbitt
 Susan Wager*

Nevada Section

Jack McPartland

Utah Section

Tony Troutman

SECTION CHAIRS/CONTACTS

*Arizona: Ben Sternberg
 Colorado: Robert Cameron
 Nevada: Jack McPartland
 Utah: Tony Troutman*

EXECUTIVE DIRECTOR:

*Betty L. Gibbs
contactmmsa@mmsa.net*

President's Message
UNCERTAIN TIMES

By Barney Guarnera

Since my term as president ends in February this will be my last letter to MMSA's members. It has been a privilege to serve as your president, and I truly appreciate the support you have shown to me and more importantly, to MMSA. I believe we have achieved some positive results during the past 21 months, and I have greatly enjoyed the opportunity to meet so many of our members during my travels.

I have also enjoyed writing this quarterly letter. I realize that some of my comments may have been controversial as I have strong opinions, but I wanted the letters to be thought-provoking. Hopefully, they provided food for thought to many of you. So, as I leave you with this last letter, I leave you in uncertain times.

We have experienced the unexpected several time this year, most prominently Brexit and the U.S. election. In both cases the "deplorables" overcame the elites, and in each case the elites are trying to overturn the result. This of course leads to uncertainty and volatility in economic and geopolitical areas. In the mining arena, uncertainty reigns.

Will the SEC modify its proposed reporting rules for mining companies?



Bernard J. Guarnera
 MMSA President, 2015-2016

Will paper money cease to exist leading to a rush into precious metals? Will India and other countries ban the importing of gold? Will the Chinese successfully control the global mining arena? What affect will a Trump administration have on our industry? The answer to each of these questions will affect each of us in different ways, as some issues are local while others are global.

Some facts are clear, both in positive and negative ways. For example, if the SEC modifies its rules, it would be a boon to our domestic industry potentially resulting in more mining companies listing in the U.S.; if they remain as proposed, a mining company would be foolish to consider listing in this country. As I noted in a prior letter, either option will have a significant impact on MMSA's QPs.

| Inside This Issue: | <i>Page</i> |
|--|-------------|
| President's Message | 1 |
| MMSA News | 3 |
| Summit on Reasonable Expectations for Mine Closure | 3 |
| Other Items | 4 |

In Iceland, there is talk of eliminating all paper currency from circulation. In Sweden, Switzerland, the European Union, and India the largest bank notes have been removed from circulation using "fighting money laundering" as the excuse.

Going a step further, India is also in the process of confiscating people's wealth not only by eliminating large bank notes, but by placing limits on the amount of the large notes that can be converted to lower-denominated notes. Why? Because of the fear that due to the negative interest rate environment and printing of fiat currency, people would hoard large bank notes and convert their money to precious metals. These actions will be positive for the precious metal industry.

India holds an estimated 20,000 tonnes of gold; the great bulk of it in private hands. India is considering a

ban on the importation of gold. The result is that gold in India is now trading at 50% above spot prices. These factors portend good things for the precious metal industry.

China has large mineral resources; but many, particularly coal and iron ore, are of poor quality. Thus, to maintain an annual 7% growth rate, China is avariciously acquiring mineral projects on a global scale, outbidding potential rivals. Recently, a small Chinese company made an unexpected, over the top, bid for Barrick Gold's share of the Kalgoorlie super pit in Australia.

Nothing happens in the Chinese mining industry without prior political approval and funding. This is in keeping with China's desire to control the gold market. Eventually, unless it is stopped, China will control most commodity prices. This does not bode well for our industry.

Finally, the unexpected victory of Donald Trump in the U.S. has resulted in a boom in the stock markets and in most metal prices. Precious metals, on the other hand have tanked as the flight to the dollar and potentially higher interest rates has drawn in risk averse money. Trump's election will likely result in the repeal or easing of many of the restrictions put on our natural resource industries by the prior administration. This does bode well for the U.S. mining industry.

So, in my final message I leave you with a mixed outlook with many uncertainties. One thing, however, is certain - the demand for mineral commodities will continue to increase and the demand for professionals meeting MMSA's QP standards will increase accordingly. MMSA will prosper as well and continue to attract high quality professionals.

Michael Blois is up for election as president, and if elected will succeed me in February. I will continue to serve on the executive council and be there to support him. I know that you will welcome him and support him as well.

Thanks for your support and friendship,

Barney Guarnera

Membership Applications

New Regular and QP Member Applications:

The following individual(s) have submitted membership applications and or changes to their membership status. They have either received approval of the Membership Committee as candidates or are currently under review:

If any member of MMSA has good cause to believe that any of the applicant(s) should not be granted Regular membership or QP membership, as appropriate, you are requested to make known your objections, in writing, to **Betty Gibbs**, Executive Director, within 30 days from issue of this Newsletter. In the absence of any objections and after receiving approval of the various committees, the candidate members and those members requesting a change of status will be confirmed as Regular Members or QP Members, as provided by the ByLaws.

Applicant

Endorsers

No new applications read for announcement

QP Applications

Endorsers

Area of Special Expertise

No new applications

MMSA News

Dues invoices have been mailed. If you did not get yours yet, you may have moved this year and need to update your information. If you have not received your dues invoice, contact the MMSA office.

The MMSA Annual Meeting and Dinner will be held on February

20 at the University Club in Denver. The SME Annual Meeting is February 19-22. MMSA will have a booth again in the Exhibit Hall. Watch for more information about the MMSA main event of the year.

Committees. The three committees working on MMSA improvements are scheduling meetings in the fall after taking a break during the summer. You will be hearing more about their activities soon.

The *Nominating Committee* is working on selecting those who will lead MMSA for the next two years. At least one officer and two Councilors

will be nominated.

The *Gold Medal Committee* is in place, but no news yet if there will be a recipient in 2017.

If you have suggestions for any of the committees contact the MMSA office and your ideas will be passed to the respective committee chair(s).

Summit on Reasonable Expectations for Mine Closure

The Summit was held at the Colorado School of Mines on November 17, 2016.

“The focus for this summit is on successful mine closure of abandoned, historic U. S. mines, primarily (but not solely) in the western US. The summit will focus on the reasonable closure expectations, motivated by the problem of the geological, environmental, social, and economic impact of these abandoned, historic mines. The environment and community sustainability must be important components of closure and reclamation – something that has not always been true in the past.”

Four panels were organized to present ideas and possible solutions to the problem, especially, of abandoned mine lands.

Panel 1 included presentations about how reasonable and unreasonable expectations were encountered during closure and how expectations might have changed.

Panel 2 explored issues that need further refinement for successful closure. Question: What is “Clean Enough”?

Panel 3 discussed stakeholder expectations and what public involvement should be.

Panel 4 was about how to frame and implement a “Good Samaritan” statute and whether the end product

should be set only by regulations or are other stakeholder expectations more important.

Time was also allowed for questions. A suggestion for future events like this would be to make more time for networking.

Those who attended were from government, mining companies, NGOs, university, and a few from impacted communities among others.

Some of the interesting points made by the panelists include:

- A baseline environmental statement isn’t constant.
- Projects are often a struggle between regulations and common sense. Reasonable vs. perfect.
- Think to perpetuity.
- What does the community want? It may be different than expected.
- Liability is major problem with Good Samaritan proposals. Volunteers can be incentivized without perpetual liability.

The Colorado Section December 9 meeting will host Jessica Smith from CSM, one of the organizers of the conference. The meeting will be on Friday, December 9 at the University Club in Denver. To reserve a space, contact Bob Cameron at rcam69@gmail.com.

Membership Update

The following changes in membership have taken place since the last newsletter, with the authority of the respective membership committees.

Regular Member Additions:

Myron Benda
Adam House
Mick McCaslin

QP Members Confirmed:

Myron Benda, Geology
Adam House, Metallurgy/Processing

Membership Deletions:

Francis H Brown (Resigned)
Alan K Burton (Resigned)
William J. Pennstrom (Deceased)
Richard DeJ. Osborne (Resigned)
David L Watson (Deceased)

MMSA presently has a total of **349** members, **3 in process**. Currently, **197** members are QP members

Additions, deletions and routine changes to the Society’s data base and member biographies are accessible through the Members Only page in our web site, at www.mmsa.net This data base is the best source for information on any particular member.

National Mining Hall of Fame Inducts Stan Dempsey and Honors Women’s Mining Coalition.

The National Mining Hall of Fame biggest event of the year was their annual banquet and gala held in Las Vegas on September 24, 2016. Stan Dempsey, an MMSA member since 1987, was inducted into the Hall of Fame as Inductee #233. It was an exciting night for Stan and everyone there to see Stan honored in this very special way. Most of Stan’s family were there to see him receive the award. Visit <https://www.youtube.com/watch?v=W74aOA43w5Y> to see the video about Stan and his contributions to the mining industry.



Stan Dempsey and family, September 24, 2016.

The Women’s Mining Coalition was given the 2016 Prazen Living Legend of Mining Award for demonstrated ongoing, innovative work educating the public, policy makers, educators, or related institutions about the importance of the mineral and mining industry to our everyday lives. . This is a prestigious award and honors over 23 years of mining women who have spent a week every year telling people in Congress about how regulations affect the mining industry. Visit <https://www.youtube.com/watch?v=keogjrLOPao> to see the video about WMC and the work they have done. MMSA is a supporter of the WMC yearly Fly-Ins to visit members of Congress and aides in Washington DC.



Women’s Mining Coalition Founders receiving Prazen Living Legend of Mining Award. Kathy Benedetto, Ruth Carraher and Debra Struhsacker. With Devyn Hartmann and Gary Goldberg, Presenters.

Other Items

Some Members of Congress are looking for stories about how regulations are affecting your business. Particular interest is for sage grouse and Good Samaritan activities. If you have ideas and stories to share, contact the MMSA office.

Gary Prazen has died. He is well known in the mining industry for the bronze statues honoring so many mining traditions.

QP seals are available from MMSA.

The seal comes as a self-inking rubber stamp and the stamp is about 1 high by 2.6 inches wide. The stamp has the MMSA logo, member name, and member number. The cost is \$35, including shipping. To order a QP seal, contact the MMSA office or order directly from the MMSA Web site (www.mmsa.net/payments). The QP seal is in the Products category.

2008 MMSA Centennial Medallions are available for the great price of \$40. The coin has 1 oz of silver and 24 carat gold plating.

