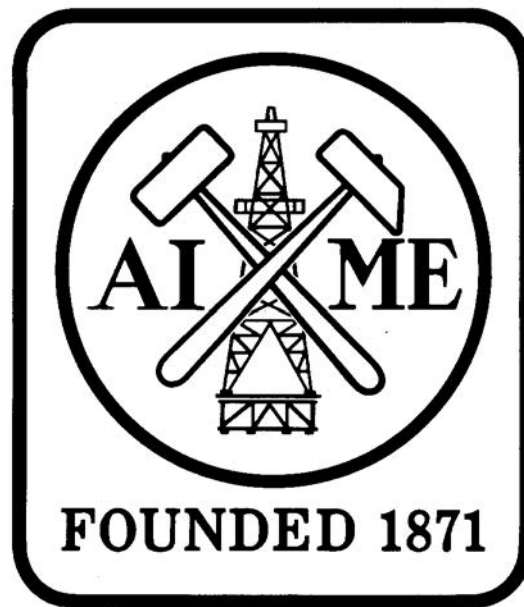


American Institute of Mining, Metallurgical, and Petroleum Engineers, Inc.

2004 ANNUAL REPORT



TMS





Report of the 2004-2005 President

Robert C. Freas

In 2004 AIME continued to build on the successes and efficiencies of its new streamlined Board, staff, and operations. The Board operated effectively with 8 members (versus 12 formerly) two conference calls and one face-to-face meeting (versus two face-to-face meetings before) and only two ad-hoc committees beginning in 2004. Additionally, all AIME awards were handed out at individual Member Society Award Banquets by the AIME President and Executive Director.

Staff reengineered internal accounting procedures and systems, freeing up time to begin purging old files and archiving essential corporate documents. This allowed for office space to display information about AIME awards and scholarships and historical photos. The staff also began inventorying the AIME library in-house to determine whether the periodicals would be better suited at the Linda Hall Engineering Library with other AIME archives or at the offices of one of the Member Societies so that they can be more easily referenced by members. This work is scheduled to be completed in 2005.

The AIME website took on a new look, enhanced content, and improved navigability via the following:

- a private, integrated Trustees Only section for delivery of Board meeting documents and important corporate records
- improved awards and scholarships information to recognize recipients, encourage nominations, and ease award committee work
- meetings and events calendar process automation
- a charitable giving page and an industry links page.

Perhaps most significantly, though, AIME was successful in negotiating an increase in the proceeds from one of its endowment funds from a few thousand dollars a year to just over \$15,000 a year. The additional income has directly increased the amount available for the Eavenson award and scholarship administered by AIME Member Society, the Society for Mining, Metallurgy, and Exploration (SME).

Due to the continual improvement in operating efficiencies and a positive investment climate, AIME's funds have bounced back from a low of just below \$8,000,000 in recent years to just over \$10,000,000. In 2004, the AIME Board also approved a new submission process and allocation formula in preparation for distribution of future surpluses to Member Society-Direct projects.

The year also included a few "firsts":

- On January 1, 2004, former AIME Member Society, the Iron & Steel Society (ISS) merged with the Association of Iron and Steel Engineers (AISE) to form AIME's newest member, the Association for Iron & Steel Technology (AIST). This year AIST held their first expanded annual meeting in Charlotte, NC, and AIME was in attendance.

- Due to a new bequest from former AIME member and noted mining engineer, John S. Marshall, and his wife, Doris, AIME established the John S. Marshall Memorial Scholarship for undergraduate mining engineering students. With the help of SME's existing Mining & Exploration Division Scholarship Committee, AIME selected its first recipients, Mason Dale Bishop of the University of Utah, and Thomas Allen Wagner of the Colorado School of Mines. Each student received a \$4,000 check along with their award at the beginning of spring semester in 2005. Going forward the timing of the award will coincide with AIME's other scholarship, the Henry DeWitt Smith Scholarship, for graduate students in mining, metallurgy, or petroleum. Both will be awarded prior to the fall semester.
- The AIME Board created the Honorary Member Emeriti status to allow each Member Society to have at least one vacancy for 2005 Honorary Member Award nominations.

In Memoriam

It is with a great sense of loss to AIME that I note the death of the oldest living AIME Past President (1962) and Honorary Member (1970), Mr. Lloyd F. Elkins, in December 2004. Other AIME Honorary Members that were laid to rest include William E. Brigham (1994), Michael T. Halbouty (1973), and M. Scott Kraemer (1984 and AIME President 1980). Their personalities and contributions to the industries will be missed.

Personal Notes

It has been a very special privilege to serve as your AIME President and to work with each of our outstanding trustees, staff, and associates that make AIME the unique professional institution that it is. It was a particular pleasure to work with the new AIST organization and to see the merged organization mature. It has also been an honor to represent AIME on the United Engineering Foundation (UEF) Board and to participate in the Engineering Foundry Society sponsored events. As I look back on the year, I especially appreciate the support of the AIME trustees, staff, and Member Society Executive Directors as we made adjustments to AIME policies and procedures to accommodate other potential future Member Society mergers. I am especially grateful to Past President, Rob Wagoner, for his leadership as we worked through and completed the AIME transition, as well as implementing the changes made in AIME's representation on the UEF Board of Trustees. I also want to express my deep appreciation to Rick Rolater and Michele Gottwald for all of their help and support but, most of all, their friendship. As I pass the gavel to President-Elect, Dr. Alan Cramb, I wish him the very best for a most successful year and pledge my support as he leads the Institute in 2006.

A handwritten signature in black ink, reading "Robert C. Innes". The signature is written in a cursive style with a large, stylized initial "R".

AIME 2005 Officers and Trustees

PRESIDENT AND TRUSTEE



Alan W. Cramb

(AIST – Term ends 2007)

Alan W. Cramb is the Posco Professor of Iron and Steelmaking and Head of the Department of Materials Science and Engineering at Carnegie Mellon University (CMU). Dr. Cramb received his PhD from the University of Pennsylvania in 1979 and was employed first by the Inland Steel Company (1979-81) and then by the Bethlehem Steel Company at the Homer Research Laboratories (1981-86). In 1986 he joined Carnegie Mellon University and became a co-director of the Center for Iron and Steelmaking in 1990. His research interests include casting processes, solidification, clean steel manufacture and the processing of titanium alloys. He is the author of over 140 publications, holds 2 patents, was the recipient of the AISI Medal in 1985 and 1986, and the Robert Woolston Hunt Award of ISS in 1987. He was named an Iron and Steel Society Professor in 1992 and was awarded the Benjamin Richard Teare Award at CMU for excellence in engineering education in 1995. Dr. Cramb was the recipient of the Posco Chair for Iron and Steelmaking in 1997 and was President of the Iron & Steel Society in the year 2000. Most recently, he was made a Fellow of the Iron & Steel Society (2000) and named the John Elliott lecturer in 2002.

PRESIDENT-ELECT AND TRUSTEE



James R. Jordan

(SPE – Term ends 2008)

Jim Jordan has worked with Quicksilver Resources, Inc., a technology-driven oil and gas production company, as a consultant in formation evaluation since 1998. Jordan received a BS degree (with honors) in petroleum engineering from the University of Tulsa in 1957 and joined Shell Oil Co. upon graduation. He held petrophysical engineering positions of increasing responsibility, as well as several management positions prior to retiring from Shell in May 1995. Jordan joined the Society of Petroleum Engineers in 1956. He has held over 30 Society-wide positions on both technical and administrative

committees. Jim was elected SPE President in 1984 and SPE Foundation President in 1996-1997. He was a member of the AIME Board of Trustees during 1983-1985 and 2000-2002. Jorden holds two patents, has written several published articles in the petroleum engineering technology field, and is co-author of Well Logging I and Well Logging II, parts of the SPE monograph series. In 1985, he was inducted into the University of Tulsa College of Engineering Hall of Fame. Jim received the Society of Petroleum Engineer's Distinguished Service Award in 1988, DeGolyer Distinguished Service Medal in 1991, and AIME/SPE Honorary Membership in 1995. He has served on industry advisory committees for the petroleum engineering departments at both the University of Tulsa and Colorado School of Mines. Following retirement from Shell, Jorden resumed academic studies and earned a Master of Arts in Theological Studies from Austin Presbyterian Theological Seminary in May 2004.

PRESIDENT-ELECT DESIGNATE AND TRUSTEE



Dan J. Thoma
(TMS – Term ends 2009)

Dan J. Thoma received his BS degree in Metallurgical Engineering from the University of Cincinnati. During that time, he worked at NASA-Lewis Research Center in Cleveland, OH. He continued his education at the University of Wisconsin at Madison, where he received his MS and PhD degrees in metallurgical engineering. Dr. Thoma has been employed at Los Alamos National Laboratory since 1992, where he is currently the team leader and project leader for Alloy Design and Development within the Metallurgy Group in the Materials Science and Technology Division. Dr. Thoma is very active in professional society activities. He is a current member of TMS, ASM, MRS, and ACerS. Within TMS he has served two terms on the Board of Directors as programming director. In addition, he is the chair of the Solidification Committee and serves on the Powder Materials Committee and the Nuclear Materials Committee. He has also served on the Education Committee and MPMD. Dr. Thoma is the 2003 TMS president.

PAST PRESIDENT AND TRUSTEE



Robert C. Freas

(SME – Term ends 2006)

Robert C. Freas is Vice President-Corporate Development of Franklin Industrial Minerals, Nashville, TN. Prior to joining Franklin Industries in 1985 he was director of operations and corporate secretary of Limestone Products Corporation. Mr. Freas' prior experience also includes chief geologist for Dravo Corporation and work as an engineering geologist. He holds a BS in geology from Baldwin-Wallace College, an MS from Miami University, and an MBA from Rutgers University. He has been an active member of SME for almost 30 years and was the 1994 President. He served on the SME Board of Directors from 1986-1989 and 1991 to the present, was chairman of the Industrial Minerals Division in 1986; was chairman of the GEM Committee, the Mining Engineering Committee, Membership Committee and was Vice President, Finance 1991 and 1992. Mr. Freas served on the AIME Board from 1998-1999. He has also been an active author for SME and other technical publications including co-authoring three chapters in the 6th Edition of Industrial Minerals and Rocks. He is a registered professional geologist and an active member of several professional associations.

OTHER TRUSTEES



DeAnn Craig

(SPE – Term ends 2006)

DeAnn Craig is presently a PhD student at the Colorado School of Mines. Ms. Craig started her professional career in 1989 as a petroleum engineer at Mobil Oil Corp. and Phillips Petroleum Corporation. From 1989-1992 she was West Area Operations Manager at Phillips Petroleum, then from 1992-1994 she became Manager, Worldwide Drilling and Production, and President, Phillips Petroleum Resources Ltd (1994-1996). From 1996-1999 Ms. Craig was Federal Relations Representative, Phillips Petroleum Company, in Washington, DC. Ms. Craig received BS degrees in mineral engineering chemistry and chemical and petroleum refining engineering from Colorado School of Mines in 1973 and 1980, respectively, a Masters of business administration from Regis University, and MSc degrees in international political economy and mineral economics and business, also from the Colorado School of Mines. Ms. Craig is a member of SPE, the American

Economic Association, and the Colorado School of Mines Alumni Association. She was the 1998 President of SPE. In 1987, Ms. Craig received the SPE Young Member Service Award; president of the Colorado School of Mines Alumni Association in 1988, Visiting Committee, Colorado School of Mines Chemistry Department (1997, 1999); and Distinguished Achievement Medal (1999).



Gregory J. Hildeman

(TMS – Term ends 2007)

Gregory J. Hildeman is a Program Manager for Technology Transfer and has been with Alcoa at the Alcoa Technical Center in Pennsylvania for 26 years. He is currently responsible for deployment of casting technology to international locations. Greg was Manager of the Ingot and Solidification Division for 15 years and was responsible for leading Alcoa's research in recycling, melting, metal treatment, casting and solidification. During

his career, Greg has learned to think globally about development and transfer of technology and best practices to Alcoa's plants as well as to performing this work in a safe and environmentally friendly manner. Greg Hildeman has a BS in metallurgical engineering from University of Wisconsin-Madison, an MS degree in metallurgical engineering from UW-Milwaukee and received an ScD degree in Metallurgy from the Massachusetts Institute of Technology. He is the author or co-author of 16 papers in the field of metallurgical engineering, editor of two books and holds 11 patents in areas such as aluminum powder metallurgy alloys and processing, cathodes for electrolysis, and ingot casting processes. Greg has been an active member of TMS since 1981. He has recently served as the TMS Financial Planning Officer and has been a member of the Financial Planning Committee, Public and Governmental Affairs Committee, Chair of the Powder Metallurgy Committee, a JOM Advisor and member of the Publications Coordinating Committee.



Donald E. Ranta

(SME – Term ends 2008)

Don has over 30 years of experience primarily in the exploration for and development of mineral deposits in North and South America, Africa, the Southwest Pacific, and the CIS. He has served in executive positions with Echo Bay Mines and Phelps Dodge Corp. and in managerial positions with AMAX, Climax Molybdenum, Gulf Mineral Resources, and Kennecott. From 1993 through

1997, he was Vice President of Echo Bay Mines where he managed the global exploration program with a professional staff of 40 geoscientists. His exploration teams have been responsible for the discovery or acquisition of a number of major ore deposits. From 1997 through 2002, he worked as a founding partner and officer of both Union Hill and NRX Global, two entrepreneurial companies providing financial and technical services to the mining industry. Don holds three degrees in Geological Engineering--a BS from the School of Mines and Metallurgy/University of Minnesota, an MS from the Mackay School of Mines/University of Nevada, and a PhD from the Colorado School of Mines. He was the President of the Society for Mining, Metallurgy, and Exploration (SME) for the year 2000.



Theodore F. Lyon
(AIST – Term ends 2009)

Theodore F. Lyon began his career with Conoco, Inc. in the petroleum refining and petrochemicals business, in which he held various maintenance, operations, and project management positions. He has held various operations, management, and executive positions, including Vice President of Eichleay Engineers & Constructors, Inc. Ted is currently Managing Director of Operations - Iron and Steel for Hatch Associates Consultants, Inc. In this capacity, he has global responsibility for operations for the Iron and Steel Business Unit of Hatch. This involves project development, process design, operations support, and project delivery for steel industry projects around the world. Additionally, Ted has responsibility for the operations of Hatch's Pittsburgh, PA office. Lyon earned both his B.S. degree in mechanical engineering (1980) and an M.B.A. (1993) from the University of Pittsburgh. He is a registered professional engineer in Pennsylvania, Michigan, Mississippi, and Louisiana.



J. Rick Rolater
AIME Executive Director and Secretary

J. Rick Rolater, AIME Executive Director, began this assignment on April 1, 2003. Since 1996, he has been a self-employed as a dealer in collectible mineral and fossil specimens as owner of Splendor of Nature Gallery. His prior experience includes founding and serving as CEO of several companies including Discovery Channel Stores, Provident Bancorp of Texas, Paragon Communication

Systems, and Rolater, Ducote & Company CPAs. Following graduation from the University of North Texas with a BBA in Accounting, he worked as a CPA with Arthur Young & Co. and as a financial advisor.

AIME Past Presidents (Active List)

2003 – Robert H. Wagoner	1978 - Wayne L. Dowdey
2002 - George H. Sawyer	1977 - H. Arthur Nedom
2000 - Robert E. Murray	1976 - Julius J. Harwood
1999 - Paul G. Campbell, Jr.	1974 - Wayne E. Glenn
1998 - Roy H. Koerner	1967 - Walter R. Hibbard, Jr.
1997 - Leonard G. Nelson	1962 - Lloyd E. Elkins
1996 - Donald W. Gentry	
1995 - Frank V. Nolfi, Jr.	
1994 - Noel D. Rietman	
1993 - G. Hugh Walker	
1992 - Roshan B. Bhappu	
1991 - Milton E. Wadsworth	
1990 - Donald G. Russell	
1989 - Howard N. Hubbard, Jr.	
1988 - Thomas V. Falkie	
1987 - Alan Lawley	
1986 - Arlen L. Edgar	
1985 - Norman T. Mills	
1984 - Nelson Severinghaus, Jr.	
1983 - Edward E. Runyan	
1982 - Harold W. Paxton	
1981 - Robert H. Merrill	
1979 - William H. Wise	

Report of the 133rd Annual Meeting Santa Fe, NM – June 2004

AIME celebrated its 133rd Annual Meeting in Santa Fe, NM, June 5 and 6, 2004. The meeting venue was Inn of the Anasazi. Following the meeting, Mr. Robert C. Freas, SME, was installed as 2004 AIME President.

AIME no longer holds a separate Annual Banquet and Awards Ceremony. AIME awards are presented at the Member Society Awards Banquet of the recipient. 2003 President, Robert H. Wagoner, attended the SME, TMS, and AIST banquets to confer the AIME awards, while 2004 President, Robert C. Freas, attended the SPE banquet to confer the AIME awards. The winners of the honors and awards and AIME honorary members are listed on the following pages. The AIME keynote session was held at the TMS annual meeting (the Society of the AIME President at the time). The following is from the TMS Annual Meeting Program regarding the AIME Keynote Session:

TMS 2004 Materials Processing & Manufacturing Division's Fifth Global Innovatoin Symposium:
Trends in Liga, Miniaturization, and Nano-scale Materials, Devices and Technologies

TMS/AIME Keynote Session:

Perspectives on Nanosciences and Nanotechnology

M.S. Dresselhaus, *Institute Professor and Professor of Physics and Electrical Engineering
Massachusetts Institute of Technology*

Nanoceramics, Nanotubes and Nanocomposites Paving the Way for Nanotechnology Revolution - A review of the Industry and Markets

Dr. Thomas, Abraham, *Vice President of Research,
Business Communications Company*

The Difficult Transition from Technology to Commercialization - Using the Events of the Past 50 Years to Exploit the Future

Keith A. Blakely, *CEO
NanoDynamics, Inc.*

Materials Processing and Manufacturing at the Nanoscale: Fundamental Research and Commercialization Opportunities

Harris Doumanidis
National Science Foundation

Nanoscale Integrated Circuits and Future Materials Challenges

C. Michael Garner,
Intel Corporation

Nanostructured Ceramics: Processing Applications and Commercialization

Bernard Kear, *Director of Center for Nanomaterials Research
Rutgers University*

The 134th AIME Annual Meeting will be held in St. Michael's, MD in August of 2005.

Recipients of Honors and Awards Presented by AIME in 2004

2004 Honorary Members

George H. Sawyer **SPE**

In recognition of exceptional service and distinguished leadership to AIME and SPE, his personal and professional integrity and his profound impact on the petroleum engineering profession.

Donald W. Peaceman **SPE**

For his significant technical and scientific contributions to petroleum engineering in the fields of reservoir engineering and simulation and for his dedicated services as a volunteer leader.

James Douglas Gold Medal

James Evans **TMS**

For his outstanding contributions in research and education in the mathematical and physical modeling of metallurgical processing operations.

William Lawrence Saunders Gold Medal

Paul C. Jones **SME**

In recognition of his service to the public and the minerals industry in legislative and political as well as technical matters, exemplified by his role as Chair of the Summitville Task Force.

Charles F. Rand Memorial Gold Medal

K. Terry Koonce **SPE**

For his excellent management and executive skills and contribution to technology.

Anthony F. Lucas Gold Medal

Gary A. Pope **SPE**

No citation received

Erskine Ramsay Medal

Fredrick D. Palmer **SME**

For his outstanding work in the legal and political arenas, as an advisor, operator and counsel, championing the efforts to ensure that decisions regarding the future of fossil energy are based upon sound science and economics."

Robert H. Richards Award

Bhupendra K. Parekh **SME**

For his contributions to the science of treating and dewatering coal fines and the advancement of related process technologies."

Benjamin F. Fairless Award

Oleg Ostrovski **AIST**

For innovative research in thermodynamics, kinetics and mechanisms of metallurgical processes, and devotion to training of new metallurgists.

Recipients of Honors and Awards Presented by AIME in 2004

Hal Williams Hardinge Award

A. Frank Alsobrook

SME

In recognition of his contributions in the areas of mineral exploration and development, mineral processing, and market research; and distinguished service to the Society for Mining, Metallurgy and Exploration, and longstanding support and dedication to the Industrial Minerals Division of SME and other professional organizations.

Robert Earll McConnell Award

William L. Fisher

SPE

For his significant contributions to numerous atlases and geological surveys containing invaluable advice on oil and gas recovery technology and energy and mineral resource assessment.

AIME Distinguished Service Award

No 2004 Recipient

Environmental Conservation Distinguished Service Award

Nockolas J. Themelis

TMS

For his outstanding contributions in the research and development of superior technologies for environmental conservation and in recognition of his distinguished career as an educator.

Frank F. Aplan Award

Larry G. Twidwell

TMS

Through his teaching, consulting, and research efforts, he has contributed in the implementation of metallurgical processes resulting in more environmentally benign and responsible metals production.

Mineral Economics Award

No 2004 Recipient

Mineral Industry Education Award

Stanley M. Howard

TMS

Inspiring teacher and accomplished scholar; implementer of innovation in learning; and instructor and counselor to many who have risen to leadership within the mining industry.

Rossiter W. Raymond Memorial Award

David P. Hoydick

AIST

Influence of Batch Annealing Soak Temperature on the Structure and Properties of Fully Stabilized and High Strength, Full Stabilized Steels

Recipients of Honors and Awards Presented by AIME in 2004

Henry DeWitt Smith Graduate Scholarship

Saurabh Puri

Mining Engineering

The University of Utah

The Lewis E. and Elizabeth W. Young Scholarships

Paul T. Bouvy

Petroleum Engineering

Pitt University

Justin Bushneck

Mining Engineering

West Virginia

Kristen Dahl

Mining Engineering

Virginia Tech

Nancy Dorsett

Mining Engineering

West Virginia

Gary Galley

Mining Engineering

Penn State

Adam Haywood

Mining Engineering

Virginia Tech

Brady Johnson

Mining Engineering

Virginia Tech

Jessica Keane

Mining Engineering

Virginia Tech

Kelly L. Killcrece

Petroleum Engineering

Pitt University

James Leyh

Petroleum Engineering

West Virginia

Robert Little

Mining Engineering

Virginia Tech

Michael Mullins

Mining Engineering

West Virginia

Daniel Narayan

Mining Engineering

Virginia Tech

Lucas O'Neal

Mining Engineering

West Virginia

Courtney Shade

Earth Science

Vanderbilt

Kara Smith

Mining Engineering

Virginia Tech

Samantha J. Stahle

Mining Engineering

West Virginia

Stephen Statham

Mining Engineering

Virginia Tech

Jackie Lee Toombs

Mining Engineering

West Virginia

Paul Vuljanic

Mining Engineering

Penn State

Christian Warfield

Mining Engineering

West Virginia

Brandon Williamson

Mining Engineering

West Virginia

James Young

Mining Engineering

Virginia Tech

AIME Honorary Members (Active List with Year of Election)

Honorary Membership is awarded in appreciation of outstanding service to the Institute or in recognition of distinguished scientific or engineering achievement in fields embracing, broadly speaking, the activities of AIME and its Member Societies.

Donald W.	Peaceman	2004 SPE	Arlen L.	Edgar	1989 SPE
George H.	Sawyer	2004 SPE	Douglas W.	Fuerstenau	1989 SME
Peter D.	Gaffney	2003 SPE	H.J.	Gruy	1988 SPE
Rajagopal S.	Raghavan	2003 SPE	Norman T.	Mills	1988 AIST
Jacques	Bosio	2002 SPE	Joseph G.	Richardson	1988 SPE
Edgar C.	Capen	2002 SPE	Edward E.	Runyan	1988 SPE
John P.	Hirth	2002 TMS	Nelson	Severinghaus, Jr.	1988 SME
Sadad I.	Al-Husseini	2001 SPE	Robert L.	Whiting	1988 SPE
W. John	Lee	2001 SPE	David A.	Zegeer	1988 SME
Donald W.	Gentry	2000 SME	Ben H.	Caudle	1987 SPE
John L.	Gidley	2000 SPE	Lawrence B.	Curtis	1987 SPE
Dennis E.	Gregg	2000 SPE	William A.	Griffith	1987 SME
Noel D.	Rietman	1999 SPE	Donald G.	Russell	1987 SPE
R. Lyn	Arscott	1998 SPE	Edmund C.	Babson	1986 SPE
John K.	Hammes	1998 SME	Donald A.	Dahlstrom	1986 SME
Arlie M.	Skov	1998 SPE	R. Charles	Earlougher	1985 SPE
Robert C	Earlougher, Jr.	1997 SPE	Robert H.	Merrill	1985 SME
Necmettin	Mungan	1997 SPE	William H.	Wise	1985 AIST
Khalid	Aziz	1996 SPE	Wayne L.	Dowdey	1984 SME
Thomas V.	Falkie	1996 SME	William N.	Poundstone	1983 SME
Morris E.	Fine	1996 TMS	H. Arthur	Nedom	1982 SPE
James R.	Jorden	1995 SPE	Morris	Cohen	1981 TMS
Hossein	Kazemi	1995 SPE	Julius J.	Harwood	1981 TMS
John M.	Campbell, Sr.	1994 SPE	Wayne E.	Glenn	1980 SPE
Orville D.	Gaither	1994 SPE	Michael	Tenenbaum	1980 TMS
Charles L.	Bare	1993 SPE	Melvin E.	Nickel	1979 AIST
Marvin L.	Katz	1993 SPE	Nathaniel	Arbiter	1976 SME
Charles S.	Matthews	1993 SPE	John C.	Calhoun, Jr.	1976 SPE
Frank F.	Aplan	1992 SME, TMS	Nathan E.	Promisel	1975 TMS
Howard N.	Hubbard, Jr.	1992 AIST	Harrison H.	Schmitt	1973 SME
Alexander	McLean	1992 AIST	William	Fraser	1947
Harold W.	Paxton	1992 TMS, AIST			
M.R.J.	Wyllie	1992 SPE			
Basil P.	Kantzer	1991 SPE			
T. Don	Stacy	1991 SPE			
Marshall B.	Standing	1991 SPE			
Kermit E.	Brown	1990 SPE			
G. William	Knepshield	1990 AIST			
Michael	Prats	1990 SPE			

Legion of Honor 50-Year Members – Class of 1954

AIME is particularly proud to honor the following people whose membership in the Institute spans a fifty-year period. To all of these people, AIME owes gratitude for their loyalty and appreciation for their faith in its standards. Many have held high office in the AIME ranks and have devoted their time and talents to its continued growth and prestige. They stand to serve as outstanding inspirations for all members. This year 161+ Society members have been added to the Legion of Honor Fifty-Year Members.

Society for Mining, Metallurgy, and Exploration (SME)

Ernst H. Ahrens
George E. Aiken
Joseph H. V. Alexis
Thomas J. Allen
Stanley S. Amdurer
Donald H. Bailey
Roshan B. Bhappu
H. Michael Breza
Donald A. Brobst
Charles K. Brown
Michael A. Buchan
Harry K. Burke
David L. Caldwell
D. Kelly Campbell
J. J. Carlin
David B. Coghlan
William T. Cohan
Thomas E. Congdon

Harry M. Conger
Marsh A. Cooper
Russell H. Crouse
Walter L. Crow
Leonard C. De Jong
Paul K. Edwards
Thomas R. Edwards
J. Duff Erickson
Ted H. Eyde
Thomas V. Falkie
Richard E. Guth
G. Irving Haines
Bertram J. Hamilton
Montagu Hankin, Jr.
J. Wylie Harris, Jr.
Robert A. Hildebrand
Earl R. Hoskins
Leonard Jacob, Jr.

Andrew W. Jenike
Samuel M. King
Arthur H. Kinneberg
L. Daniel Langfeldt
Donald F. Lowe
C. C. Lyford
Robert W. MacCannon
Michael D. Martin
Christian W. Matthews
James F. McDivitt
Frank E. McGinley
Joseph B. McKean
Kenneth W. Nickerson
Robert T. Reeder
Roscoe Richter
Robert L. Root
Ora H. Rostad
Robert E. Schaaf

John I. Schumacher
Robert Seklemian
Joseph F. Shirley
Julian E. Simpson
Ross W. Smith
T. J. Stewart
Bruce W. Stoddard
Richard J. Stoehr
John F. Sulzbach
Charles R. Tatman
James G. Tilton
C. Kenneth Vance
Warren N. Warhol
Stefan Wleklinski
Robert J. Wright

The Minerals, Metals, and Materials Society (TMS)

Clyde Adams
Carl Altstetter
David Armant
Robert Aspden
Robert Bird
Kenneth Brickner
Walter Brytczuk
Francois D'heurle

Paul Farrar
Nathan Fuller
Wayne Hazen
Mats Hillert
Floyd Hoffman
Andrew Larson
George Mccaskey
Bernard Morrison

Darrell Munson
Takeshi Nagano
John Ong
James Orr
Richard Reddy
Amedee Roy
William Smith
Kingo Sudo

Harold Templeton
John Thomas
Harold Timm
William Uptegrove
Ben Wilcox
Richard Wolfe

Association for Iron and Steel Technology (AIST)

Luiiz Antonio De Araujo
Mr. Stanley S. Burns
Mr. Charles W. Dunn
Mr. Harold B. Emerick
Mr. Robert W. Engelbert
Mr. Francis E. Fairman
Mr. Paul H. Fickenscher
Mr. David H. Fleming
Mr. Klaus W. Forster
Mr. Richard E. Garner
Mr. Alfred B. Glossbrenner
Mr. Richard B. Greenwalt
Mr. Erik H. Hagglund
Mr. Robert D. Harrington
Mr. Gerald R. Heffernan

Mr. George J. Herpich
Mr. W. C. Higdon
Mr. Robert W. Joseph
Mr. Peter O. Kirchhoff
Mr. William J. Korey
Mr. Robert A. Kraus
Frederick C. Langenberg
Mr. Joseph LaPorte
Mr. Edward C. Levy, Jr.
Mr. Frank W. Luerssen
Mr. Warren M. Mahan
Mr. George E. Maley, Jr.
Mr. John B. Manni
Mr. William S. Mast
Mr. Hugh S. Maxwell

Mr. Anthony J. Merry
Mr. R. S. Miltenberger
Mr. Herman E. Muller
Mr. Stephen Muryn
Mr. George Myers
Mr. Melvin E. Nickel
Mr. James W. Owens
Harold W. Paxton
Mr. Francis J. Plumer
Mr. John D. Pryce
Mr. E. A. Randich
Mr. Richard L. Reddy
Mr. Robert D. Reilly
Mr. Jimmie J. Remley
Mr. Clyde A. Roberts, Jr.

Mr. Philip Scarola
Mr. William F. Scherer
Mr. Robert B. Schnure
Mr. Herbert D. Sellers, Sr.
Mr. Robert G. Shelley
Mr. Bruce M. Shields
Mr. John W. Thompson
Ethem T. Turkdogan
Mr. Edward M. Wallace
John H. Walsh
Mr. R. J. Wean, Jr.
Mr. William G. Wilson
Mr. Frank Zupancic

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Society of Petroleum Engineers (SPE)

Mr. Paul S Ache Jr.	Mr. Roger S Frazier	Mr. B. J. McEver	Mr. H W Stack
Mr. Gordon F. Ahalt	Mr. J. V. Fredd	Mr. James M McGee	Mr. Frank B. Stahl
Mr. Rollin M Albers	Mr. James D. Freese	Mr. Maxwell S. McKaye	Mr. Jan D Steber
Mr. John D Albright	Mr. Burlin E Freeze	Mr. Jerry A McKnight	Mr. Robert M Stephens
Mr. Dov Amir	Mr. Orville D Gaither	Mr. Kenneth D McPeters	Mr. Floyd L Stewart
Mr. E. D. Anderson	Mr. J. L. Gamble	Mr. Peter R McStravick	Mr. James F Stewart
Mr. James C Anderson	Mr. John E Garrett Jr.	Mr. William C Miller	Mr. Vernon R Stewart
Mr. Lonnie L Anderson	Mr. Raymond E George	Mr. Gustave A Mistrot III	Dr. Herbert L Stone
Mr. D. Olin Atkinson	Mr. W. K Ghauri	Mr. Mario R Monroy	Mr. Virgil D. Stone
Mr. John H Atterbury Jr.	Mr. W. N Gillespie	Mr. Oscar P Morgan Jr.	Mr. Burrell G Taylor
Mr. John A Bailey	Mr. Orlando R Gomez	Mr. Richard M Morrow	Mr. Michael K Taylor
Mr. Richard W Baldwin	Mr. James E Goodson	Mr. Leonard E Morti	Mr. C. E. Thomas Jr.
Mr. Lawrence E Barrett	Mr. Sidney H. Gottlieb	Mr. John R Murphey Jr.	Mr. Jack L Tindall
Mr. Robert J Boren	Mr. Kenneth E. Gray	Mr. C. Wayne Nance	Mr. J. C. Todd
Mr. Marvin D Boswell	Mr. Albert R. Greer	Mr. Harold O Neff	Mr. W. H. Tompkins
Mr. Will E Boyd	Mr. Raymond H Greutert	Mr. C. M Netherland	Mr. William J. Turner
Mr. L. R. Brammer Jr.	Mr. Fred R Grote	Mr. W. E. Nolan	Mr. J. O Upchurch
Mr. C A Brashear	Mr. Derrel G Gurley	Mr. John D Ochsner	Mr. K. C Vaughan
Mr. Samuel B Bristow	Mr. M. H. Halderson	Mr. Robert S Padboy	Mr. Edward J Veazey
Mr. Fred A Brooks Jr.	Mr. J. D. Hicks	Mr. John M. Parker	Mr. Bruce Vernor
Mr. George H Bruce	Mr. Harry B Hill Jr.	Mr. Charles J Parker Jr.	Mr. Joseph E Warren
Mr. F Martin Caylor	Mr. Robert W Hines	Mr. Donald W Peaceman	Mr. C. A Watts
Mr Charles A Champion	Mr. Bill R Hise	Mr. Robert F. Penner	Mr. W. P. Weatherby
Mr. Charles M Cole	Mr. George W Hoffman Jr.	Mr. Jack P Phillippe	Mr. Carl L Weatherford
Mr. Stanley E Coombs	Mr. Alfred D Hollis	Mr. Richard M Pitcher	Mr. Kenneth F Wells
Mr. Ralph F Cox	Mr. Donald L Horton	Mr. Robert R Polk	Mr. Robert V. West Jr.
Mr. Paul B Crawford	Mr. Harley N. Hotchkiss	Mr. E. A. Polumbus Jr.	Mr. Robert E Whitson
Mr. Lawrence B Curtis	Mr. John V Howard	Mr. V. L Powell	Mr. Herald W Winkler
Mr. James M David	Mr. W. F Huddleston	Mr. Michael Prats	Mr. John R Zimmerman
Mr. Hubert E Davis	Mr. Donald W. Jackson	Mr. Clarence H Prihoda	
Mr. Jerry B Davis	Mr. Joseph W. Jean Jr.	Mr. John L Proctor	
Mr. Russell J. Davis III	Mr. Jesse P Johnson	Mr. Thomas D Pugh Jr.	
Mr. Bill J. Delap	Mr. J. J Johnston	Mr. Leon H Robinson Jr.	
Mr. Ronald T Dickson	Mr. R N Johnston	Mr. Robert E Rogers	
Mr. John E Diller	Mr. Lawrence M Jones	Mr. Allen H Rubbert	
Mr. Bryan P Dixon	Mr. Byron L Keil	Mr. Edward E. Runyan	
Mr. S. E Duerr Jr.	Mr. Thomas E Kelly	Mr. Maynard W Russell	
Mr. Joseph R Dunbar	Mr. Gore Kemp	Mr. Jerry L Sales	
Mr. Cleo C Dunlap	Mr. John W Kenneday	Mr. Henry A Salisch	
Mr. Arthur J Dyson	Mr. Buford R Koehler	Mr. Amir M S Sarem	
Mr. C D Ehrhardt Jr.	Mr. Newton L Lang	Mr. George H Sawyer	
Mr. H V Eicher Jr.	Mr. James T Laws	Mr. Robert W Scarth	
Mr. James D Elliott Jr.	Mr. Richard F. Lemon	Mr. Robert L Schmidt	
Mr. William H Elliott Jr.	Mr. Leonard Leon	Mr. F. N Schneider	
Mr. J. H. Northrop Ellis	Mr. Bill J Lindsey	Mr. Frank J Schuh	
Mr. Edward A Ernst	Mr. Hal S. Lobree	Mr. W. Phil Schultz	
Mr. Herbert S Erskine	Mr. Alfred B Long	Mr. William F Shelton	
Mr. Morris L Etheredge	Mr. Richard R Loring	Mr. Robert B Sheppard	
Mr. Richard G Fagin	Mr. Elias N Makhuli	Mr. W. P. Sims	
Mr. D. H Falkingham	Mr. S. S Marsden Jr.	Mr. H. C Slider	
Mr. W. E Findley Jr.	Mr. William L. Mason	Mr. H. B Smith	
Mr. Alfred O Fischer	Mr. Lee M Mathews	Mr. John T Smith	
Mr. Walter O. Ford Jr.	Mr. Lloyd R. McBride	Mr. O. Lewis Smith Jr.	
Mr. Frank E Frawley Jr.	Mr. Leo E McCloskey	Mr. William C. Smith Sr.	



***The Woman's Auxiliary to the American Institute of Mining,
Metallurgical, and Petroleum Engineers, Inc.***

**P.O. Box 270728
Littleton, Colorado 80127-0013**

**Tele: 303-948-4263 Fax: 303-948-4264
E-mail: waaime@aimehq.org**

October 2004

President's Report

The move from the New York City office was completed. This move has lowered our in-kind rent to about \$3,000 a year. We employed an office administrator at about one-half the salary and benefits of the New York personnel.

The SLF records have been computerized and upgraded. The overdue loans of SLF were at almost a million dollars. The change to monthly invoicing has really increased the amount of repayments (2004-2005 \$140,837 as of May 11; 2003-2004 \$158,027; 2002-2003 \$71,587; 2001-2002 \$68,555). This is extremely important because the monies repaid by loan recipients go directly to the students who are presently in school. By having a large monetary amount repaid by students, WAAIME does not have to take a large amount from our endowment funds.

Our national Board meetings have been no more than one day instead of three-day marathons.

We continue to support the Colorado Mining Association summer teacher education program by supporting teachers who apply for assistance.

The essay contest has been very successful. It is an effort to educate young students about the minerals industry.

We support the scholarship programs in South America and Mexico. We give annual grants of \$10,000 to the Lima and Cajamarca sections of Peru, the section in Santiago, Chile, and the Mexico City and Torreon sections in Mexico. This program allows these sections to distribute SLF in their particular currency. It is a program with a life span of five years, until those sections become self-sufficient.

Going forward, WAAIME will be addressing diminishing membership in the United States and ensuring that the organization is financially sound to continue its goals of service and scholarship aid.

Respectfully submitted,
Helen W. Steele, President

*AMERICAN INSTITUTE OF MINING,
METALLURGICAL,
AND PETROLEUM ENGINEERS, INC.*

FINANCIAL STATEMENTS

December 31, 2004

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**Board of Directors
American Institute of Mining, Metallurgical, and
Petroleum Engineers, Inc.
Littleton, Colorado**

Independent Auditors' Report

We have audited the accompanying statement of financial position of the American Institute of Mining, Metallurgical, and Petroleum Engineers, Inc. (AIME) as of December 31, 2004, and the related statements of activities, statement of changes in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the American Institute of Mining, Metallurgical, and Petroleum Engineers, Inc. as of December 31, 2004, and changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

March 16, 2005

BONDI & Co. LLC

AMERICAN INSTITUTE OF MINING, METALLURGICAL, AND
PETROLEUM ENGINEERS, INC.

STATEMENT OF FINANCIAL POSITION

December 30, 2004

ASSETS

Cash and Cash Equivalents	\$ 110,633
Accounts Receivable	24,083
Prepaid Expenses and Other Assets	98,505
Loans Receivable from SME Foundation (Note 5)	15,000
Investments - At Fair Value (Note 2)	10,049,751
Property and Equipment, Net (Note 3)	5,730

TOTAL ASSETS 10,303,702

LIABILITIES AND NET ASSETS

Liabilities

Accounts Payable and Accrued Expenses	18,796
Pension Liability (Note 4)	408,201

Total Liabilities 426,997

Net Assets

Unrestricted	6,868,058
Temporarily Restricted (Note 6)	2,410,724
Permanently Restricted (Note 7)	597,923

Total Net Assets 9,876,705

TOTAL LIABILITIES AND NET ASSETS \$ 10,303,702

AMERICAN INSTITUTE OF MINING, METALLURGICAL, AND
PETROLEUM ENGINEERS, INC.

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2004

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2004</u>
REVENUES AND GAINS				
Investment Income (Note 2)	\$ 639,902	\$ 263,801	\$	\$ 903,703
Offshore Technology Conference Fees	124,872			124,872
Dues from Member Societies	16,000			16,000
Copyright and Other Revenue	13,188			13,188
Endowment Income			164,121	164,121
Net Assets Released from Restriction (Note 6)	33,381	(33,381)		
Total Revenues and Gains	<u>827,343</u>	<u>230,420</u>	<u>164,121</u>	<u>1,221,884</u>
EXPENSES				
Program Services				
Special Projects and Grants	104,597			104,597
Medals and Awards	99,457			99,457
Meetings	156,034			156,034
Total Program Services	360,088			360,088
Supporting Services				
Management and General	132,746			132,746
Total Expenses	<u>492,834</u>			<u>492,834</u>
CHANGES IN NET ASSETS	<u>\$ 334,509</u>	<u>\$ 230,420</u>	<u>\$ 164,121</u>	<u>\$ 729,050</u>

AMERICAN INSTITUTE OF MINING, METALLURGICAL, AND
PETROLEUM ENGINEERS, INC.

STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended December 31, 2004

	<u>Unrestricted</u>		<u>Temporarily</u>	<u>Permanently</u>	<u>Total</u>
	<u>Pension</u>		<u>Restricted</u>	<u>Restricted</u>	<u>2004</u>
	<u>Liability</u>				
Net Assets December 31, 2003	\$ 6,847,234	\$ (398,323)	\$ 2,180,304	\$ 433,802	\$ 9,063,017
Change in Pension Benefit Obligation - 2004	<u>84,638</u>				<u>84,638</u>
	6,847,234	(313,685)	2,180,304	433,802	9,147,655
Change in Net Assets December 31, 2004	<u>334,509</u>		<u>230,420</u>	<u>164,121</u>	<u>729,050</u>
Net Assets December 31, 2004	<u>\$ 7,181,743</u>	<u>\$ (313,685)</u>	<u>\$ 2,410,724</u>	<u>\$ 597,923</u>	<u>\$ 9,876,705</u>

AMERICAN INSTITUTE OF MINING, METALLURGICAL, AND
PETROLEUM ENGINEERS, INC.

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2004

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash Received from Members and Customers	\$ 129,977
Cash Paid to Suppliers and Employees	(571,059)
Dividends and Interest Income	82,578

Net Cash Used by Operating Activities (358,504)

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from Sales of Investments	236,460
Proceeds from Endowment	164,121
Purchase of Equipment	(2,136)
Repayment of Loans from Member Societies	5,000

Net Cash Provided by Investing Activities 403,445

INCREASE IN CASH AND CASH EQUIVALENTS 44,941

CASH AND CASH EQUIVALENTS, Beginning of Year 65,692

CASH AND CASH EQUIVALENTS, End of Year 110,633

RECONCILIATION OF CHANGE IN NET ASSETS
TO NET CASH USED BY OPERATING ACTIVITIES:

Change in Net Assets 729,050

ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS
TO NET CASH USED BY OPERATING ACTIVITIES:

Depreciation	6,452
Endowment Income	(164,121)
Unrealized Gain	(821,125)
Change in Unfunded Pension Liability	(105,234)
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable from Member Societies	(24,083)
Decrease in Prepaid Expenses and Other Assets	26,944
Increase in Accounts Payable	(6,387)

Net Adjustments (1,087,554)

NET CASH USED BY OPERATING ACTIVITIES \$ (358,504)

AMERICAN INSTITUTE OF MINING, METALLURGICAL,
AND PETROLEUM ENGINEERS, INC.

STATEMENT OF FUNCTIONAL EXPENSE

For the Year Ended December 31, 2004

	Program Services				Supporting Services	
	Special Projects and Grants	Medals and Awards	Meetings	Program Services Total	Management and General	Total
Payroll and Employee Benefits	\$ 10,260	\$ 39,481	\$ 99,003	\$ 148,744	\$ 98,763	\$ 247,507
Medals, Awards and Scholarships	92,542	50,735		143,277	784	144,061
Meetings		1,897	36,199	38,096	2,442	40,538
Audit, Legal and Professional Services	1,014	4,056	10,140	15,210	10,140	25,350
Supplies, Postage, Maintenance and Repairs		163	318	481	12,804	13,285
Rent	513	2,054	5,135	7,702	5,135	12,837
Depreciation	258	1,032	2,581	3,871	2,581	6,452
AIME Board Activities			2,560	2,560		2,560
Other	10	39	98	147	97	244
Total	\$ 104,597	\$ 99,457	\$ 156,034	\$ 360,088	\$ 132,746	\$ 492,834

AMERICAN INSTITUTE OF MINING, METALLURGICAL AND
PETROLEUM ENGINEERS, INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2004

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Organized in 1871, the American Institute of Mining, Metallurgical, and Petroleum Engineers, Inc. (AIME) is a professional organization organized and operated to advance and disseminate, through the programs of the Member Societies, knowledge of engineering and the arts and sciences involved in the production and use of minerals, metals, energy sources and materials for the benefit of humankind, and to represent AIME and the Member Societies within the larger engineering community.

AIME is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

AIME's four member societies are the Society for Mining, Metallurgy, and Exploration (SME), The Minerals, Metals & Materials Society (TMS), the Association for Iron & Steel Technology (AIST) and the Society of Petroleum Engineers (SPE). When sufficient funds are available, determined by formula, AIME provides funding for overarching programs (programs conducted by two or more member societies that carry out AIME's purpose) and funding for member-direct programs of the member societies based on their project requirements. The AIME financial statements do not include the accounts of the four member societies.

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with the AICPA's Audit and Accounting Guide, *Not-for-Profit Organizations*.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

AMERICAN INSTITUTE OF MINING, METALLURGICAL, AND
PETROLEUM ENGINEERS, INC.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
December 31, 2004

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Method of Accounting

AIME has adopted Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, AIME, Inc. is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Unrestricted net assets of the operating fund are supported by resources which the governing board has discretionary control. Temporarily restricted net assets are restricted by donors for various uses including scholarships and awards. Permanently restricted net assets represent AIME's endowment.

Contributions

AIME, Inc. has adopted FASB No. 116, Accounting for Contributions Received and Contributions Made. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

Cash and Cash Equivalents

For purposes of the cash flow statement, AIME considers all highly liquid investments purchased with maturities of three months or less when purchased to be cash equivalents.

Investments

Investments are valued at fair value, which is the prevailing market value at year-end with the resulting change in unrealized gains or losses included in the statement of activities.

Property and Equipment

Acquisitions of property and equipment of \$1,000 or more are capitalized. Donated equipment is recorded at fair market value at the date of the donation. Purchased equipment is recorded at cost.

AMERICAN INSTITUTE OF MINING, METALLURGICAL, AND
PETROLEUM ENGINEERS, INC.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
December 31, 2004

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment (Continued)

Depreciation of furniture and equipment is being provided for by the straight-line method over the estimated useful lives of three to seven years.

Member Grants

Grants for member-direct programs of the member societies are accrued when approved by the board.

NOTE 2: CASH AND INVESTMENTS

Market values at December 31, 2004 classified by major investment type are summarized as follows:

	<u>Market Value</u>
Mutual Funds	
Cash Equivalent	\$ 30,593
Bonds and Notes	
Taxable	2,620,154
Alternative	280,188
Equity Securities	
US Large Cap	3,529,439
US Small Cap	936,744
Non-US Developed Markets	1,658,602
Non-US Emerging Markets	334,206
Alternative Equity	659,825
Total	<u>\$ 10,049,751</u>

AMERICAN INSTITUTE OF MINING, METALLURGICAL, AND
PETROLEUM ENGINEERS, INC.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
December 31, 2004

NOTE 2: CASH AND INVESTMENTS (Continued)

The alternative investments consist of mutual funds which invest in hedge funds. Each hedge fund holds indirect derivatives that allow the investments to borrow and leverage securities against poorly performing securities. The value of these funds is determined by monthly by a review of the underlying limited partnerships. Based on the internal rules of the fund, AIME will not have the ability to completely liquidate in alternative investment holdings until December 2005.

Of the total investments noted above five funds hold approximately 72% of the market value.

Investment income and its classification in the statement of activities for the year ended December 31, 2004 are as follows:

Dividends and Interest	\$ 224,957
Realized Loss	(86,906)
Unrealized Gains	821,125
Investment Advisory Fees	<u>(55,473)</u>
 Total Investment Income	 <u>\$ 903,703</u>

NOTE 3: LAND, BUILDINGS AND EQUIPMENT

Property and equipment balances as of December 31, 2004 consists of the following:

	<u>12/31/2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2004</u>
Furniture & Equipment	\$ 35,017	\$ 2,136	\$ (2,000)	\$ 35,153
Accumulated Depreciation	<u>(24,971)</u>	<u>(6,452)</u>	<u>2,000</u>	<u>(29,423)</u>
Net Furniture & Equipment	<u>\$ 10,046</u>	<u>\$ (4,316)</u>	<u>\$</u>	<u>\$ 5,730</u>

Depreciation expense was \$6,452 for the year ended December 31, 2004.

AMERICAN INSTITUTE OF MINING, METALLURGICAL, AND
PETROLEUM ENGINEERS, INC.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
December 31, 2004

NOTE 4: PENSIONS

AIME has a defined benefit retirement income plan (the Plan). The benefits are based on years of service and the employee's compensation. The Plan operates on November 30 fiscal year end.

In August 2002, the AIME Board of Directors passed a resolution to freeze participation in the Plan. Effective February 14, 2003, the eligibility for membership provisions of the plan were amended. Membership in the plan was closed to new employees hired after February 14, 2003. Also effective December 1, 2002, the normal retirement benefit formula changed.

AIME has contracted with Prudential Retirement Services, through a Group Annuity Contract, to maintain a portion of the assets of the Plan and for payment of pension benefits to the annuitants. The Plan participates in the S&P 500 Index Fund and the Guaranteed Deposit Fund.

The funding policy of AIME is to contribute amounts as are required to meet the benefits expected to be paid to annuitants or their beneficiaries. The most recent actuarial valuation on the Plan, performed as of December 1, 2003 for the plan year ending November 30, 2004, disclosed a \$408,201 unfunded accumulated benefit obligation.

Management estimates the net accrued pension liability as of November 30, 2004 is \$313,685.

Contributions are intended to provide only for benefits attributed to service to date as the plan is currently frozen. Contributions made in 2004 by the employer were \$100,000.

The following table sets forth the Plan's funded status based on actuarial reports for the plan year ended November 30, 2004:

AMERICAN INSTITUTE OF MINING, METALLURGICAL, AND
PETROLEUM ENGINEERS, INC.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2004

NOTE 4: PENSIONS (Continued)

Change in Benefit Obligation:

Benefit Obligation at Beginning of Year	\$ 752,686
Service Cost	32,219
Interest Cost	47,871
Benefits Paid	(82,826)
Change in Actuarial Assumptions	<u>(57,272)</u>
Benefit Obligation at End of Year	<u><u>692,678</u></u>

Change in Plan Assets:

Fair Value of Plan Assets at Beginning of Year	351,493
Actual Returns of Plan Assets	53,793
Employer Contributions	60,000
Benefits Paid	(82,826)
Administration Expense	<u>(3,467)</u>
Fair Value of Plan Assets at End of Year	<u><u>378,993</u></u>

Funded Status

Accumulated Benefit Obligation	(692,678)
Fair Value of Assets	<u>378,993</u>
Unfunded Accumulated Benefit Obligation	<u><u>(313,685)</u></u>

Unfunded Accumulated Benefit Obligation

Reflected in the Financial Statements:

Prepaid Pension Cost	94,516
Additional Liability	<u>(408,201)</u>
Pension Liability	<u><u>(313,685)</u></u>

Components of Net Periodic Pension Cost Include the Following:

Service Cost	32,219
Interest Cost	47,871
Expected Return on Plan Assets	(30,675)
Change in Actuarial Assumptions	<u>31,181</u>
Benefit Obligation at End of Year	<u><u>\$ 80,596</u></u>

AMERICAN INSTITUTE OF MINING, METALLURGICAL, AND
PETROLEUM ENGINEERS, INC.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2004

NOTE 4: PENSIONS (Continued)

For fiscal year 2004, the projected benefit obligation was determined at a weighted-average discount rate of 6.50, down from 6.75% in the prior year, and an assumed rate of increase in future compensation of 0%. The expected long-term rate of return on plan assets was 7.75% for the fiscal year 2004.

AIME has receipt of satisfactory IRS determination letters approving the plan's qualified status under Section 401(a) of the Internal Revenue Code of 1986, as amended.

AIME also participates in a contributory multiple employer defined contribution employee savings plan covering all full-time employees of AIME and three of the four member societies. AIME contributed \$2,700 on behalf of its employees to the plan for the year ended December 31, 2004.

NOTE 5: TRANSACTIONS WITH AFFILIATES

As of December 31, 2004, AIME had a loan receivable from Society for Mining, Metallurgy and Exploration, Inc. (SME) of \$15,000. In addition, AIME has amounts owed to affiliate organizations totaling \$11,726 included in accounts payable on the statement of financial position.

AIME also rents office space from SME. Total rent expense recognized in the financial statements is \$12,837 for the year ended December 31, 2004.

AIME remitted \$40,000 to member societies in 2004 for assistance with their annual meetings.

NOTE 6: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets fulfilling time and other restriction requirements were released in the amount of \$33,381, as of December 31, 2004.

Temporarily restricted net assets at December 31, 2004 have been restricted by donors and Board appropriations for special projects to be spent as follows:

AMERICAN INSTITUTE OF MINING, METALLURGICAL, AND
PETROLEUM ENGINEERS, INC.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
December 31, 2004

NOTE 6: TEMPORARILY RESTRICTED NET ASSETS (Continued)

Medals & Awards	\$ 922,758
Scholarships	783,133
Specific Use	<u>704,833</u>
Total	<u>\$2,410,724</u>

NOTE 7: PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets are investments in perpetuity, the income from which is expendable to support the following programs:

Scholarships	\$ 340,484
Specific Use	146,000
Medals & Awards	<u>111,439</u>
Total	<u>\$ 597,923</u>

NOTE 8: LEASE COMMITMENTS

In June of 2003, AIME entered an operating lease with SME for office space through 2008. The lease requires monthly payments of \$967 per month. Rental payments will increase annually based on the Consumer Price Index. The lease can be terminated by either party with 1 year notification. Lease expense paid for the year ended December 31, 2004 was \$12,837.

Future minimum lease payments are as follows:

<u>Year</u>	<u>Lease Payment</u>
2005	\$ 11,604
2006	11,604
2007	11,604
2008	<u>6,769</u>
Total Future Payments	<u>\$ 41,581</u>

Member Societies:

Society for Mining, Metallurgy, and Exploration
8307 Shaffer Parkway, PO Box 277002, Littleton, CO 80127-7002
Phone: 303-973-9550, Fax: 303-973-3845

Internet: www.smenet.org
E-mail: sme@smenet.org

The Minerals, Metals & Materials Society
184 Thorn Hill Road, Warrendale, PA 15086-7528
Phone: 724-776-9000, Fax: 724-776-3770

Internet: www.tms.org
E-mail: tmsgeneral@tms.org

Association For Iron and Steel Technology
186 Thorn Hill Road, Warrendale, PA 15086-7528
Phone: 724-776-6040, Fax: 724-776-1880

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E-mail: info@aistech.org

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PO Box 833836, Richardson, TX 75083-3836
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