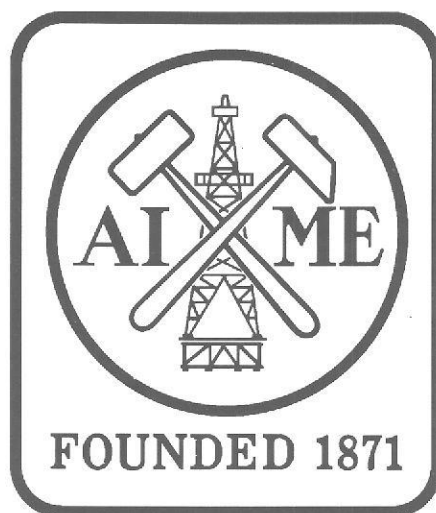
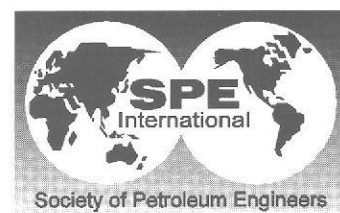


AMERICAN INSTITUTE OF MINING, METALLURGICAL, AND PETROLEUM ENGINEERS, INC.

1997 ANNUAL REPORT



TMS
Minerals • Metals • Materials



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

1997 Annual Report

One hundred and twenty-sixth year

December 1, 1996 - November 30, 1997



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A Founder Society of the

United Engineering Trustees, Inc.

Established in 1904 for

American Society of Civil Engineers

American Institute of Mining, Metallurgical, and Petroleum Engineers

American Society of Mechanical Engineers

Institute of Electrical and Electronics Engineers

American Institute of Chemical Engineers

Report of the 1997 President



Leonard G. Nelson, President – 1997
American Institute of Mining,
Metallurgical, and Petroleum Engineers

The year 1997 recorded several milestones pertaining to the sale of the United Engineering Center and the future of the United Engineering Trustees. In addition, further progress was made in the implementation of AIME's Member-Direct policy and AIME's Long Range Plan. I am pleased to report to the AIME Community on the significant progress made in these areas and other pertinent developments.

1997 ANNUAL MEETING

A highly successful AIME Annual Meeting was held in Denver, Colorado in February hosted by the Society for Mining, Metallurgy, and Exploration. The AIME Keynote Session, moderated by Robert H. Schafer, Vice President for Exploration at Kinross Gold, featured three distinguished speakers and was very well received. The annual banquet served to recognize the recipients of Honorary Membership as well as the other prestigious AIME Awards. An account of the 126th Annual Meeting may be found on page 8, followed by the names of the award winners.

TRADITION

As part of the AIME Long Range Plan, the Board approved the recommendation that the hosting of the AIME Annual Meeting will rotate among the Member Societies to coincide with the presidential rotation, e.g., SME in 1997, ISS in 1998, SPE in 1999 and TMS in 2000. I thank all Member Societies who have so graciously hosted AIME and acknowledge their cooperation in planning for the future.

GOVERNMENT AFFAIRS THROUGH AAES

AIME government affairs activities continued during 1997 through the American Association of Engineering Societies (AAES), located in Washington, DC, after the AIME Board decided at its February meeting to continue its membership in AAES. This decision was prompted by a successful turnaround of AAES' financial position achieved through its *Get-Well Stay-Well* Plan.

AIME efforts in AAES involved a total of ten volunteers, each representing a Member Society, serving on the various AAES Councils, Commissions and Task Forces. During 1997 the Founder Society Presidents, Presidents-Elect and Executive Directors met with members of Congress (leadership in the Science and Technical Committees in both the House and the Senate) as well as with the President's Science Advisor.

I wish to thank Franklin B. W. Woodbury and his Committee for their continued efforts and express AIME's gratitude to all Washington-based volunteers for their active participation in AAES.

OVERARCHING AND MEMBER-DIRECT PROGRAMS

At the August 1994 Board meeting, the Trustees adopted a policy

that provides funding to AIME's overarching programs and member-direct programs. Overarching programs are defined as those that carry out the purposes of the Institute and may include participation by one or more of the Member Societies. Member-Direct programs are those carried out by the Member Societies. Approval of specific programs are those that clearly carry out the purpose of AIME, as described in its bylaws (Article I, Section 2). The selection of specific projects and the balancing of programs is the responsibility of the Board of Trustees. For 1997, the Board approved total funding in the amount of \$685,710.

LONG RANGE PLAN AND BOARD RETREAT

The AIME Board of Trustees, at its November 1995 meeting, approved a Long Range Plan, together with a plan to implement the goals and objectives in the areas of (1) maintaining and enhancing the tradition of AIME, (2) facilitating the sale of the United Engineering Center, (3) developing policies to use income from AIME endowment and formalizing the implementation strategy for the overarching and member-direct program initiatives, and (4) strengthening the interactive working relationships among AIME Member Societies.

I am pleased to report that with the impending sale of the United Engineering Center, the 1995 Long Range Plan has been completed; and on December 16, 1997 the AIME Board held a retreat to commence the next cycle of planning. A follow-up retreat is scheduled for March 1998 at the Toronto annual meeting to complete the strategic thinking and finalize those recommendations to be acted upon by the Board.

INTER-SOCIETY AFFAIRS

United Engineering Trustees

I am pleased to report that on July 30, 1997 the agreement was signed to sell the United Engineering Center and on September 25, 1997 the Supreme Court of the State of New York approved the sale and the distribution of proceeds to the Founder Societies. The Court also approved the reconstitution of the UET into the United Engineering Foundation.

Founder Societies

As part of the plan submitted to the Court, the Founder Societies have concluded that the building at 3 Park Avenue in New York City will be able to house all five Founder Societies. It is planned that such move will be concluded by September of 1998 at which time closing on the UEC sale will take place.

ABET

The Institute also retained its relationship with the Accreditation Board for Engineering and Technology (ABET), as an affiliate body, and AIME is represented by its Executive Director who serves as an official observer at the ABET board meetings.

Finance

You are invited to review the audited financial statement for the AIME Corporation for 1997 (ending November 30, 1997), which includes required new reporting for the endowment funds of not-for-profit orga-

nizations, contained on pages 15-24 of this report. In spite of moderate market conditions, AIME assets increased 2.9% from \$15,380,909 at the end of fiscal year 1996 to \$15,831,728 at the end of fiscal year 1997.

IN MEMORIAM

It is with deep personal sorrow as well as a great sense of ongoing loss to AIME that I note the untimely death of J. Keith Brimacombe, 1999 AIME President. Dr. Brimacombe, a member of the United Engineering Board of Trustees, 1995 ISS President and 1993 TMS President died at age 54 on December 16, 1997, the day of the AIME Board of Trustees Retreat which he was instrumental in organizing.

He was recognized as one of the innovative giants of 20th century metallurgical process engineering. An *AIME News* interview with Dr. Brimacombe appeared in the October 1997 issues of the Journals of the AIME Member Societies.

Perhaps Charles E. Slater, retired ISS executive director, said it best: "Keith possessed a rare combination of intellect, energy and engaging personality, which made him extremely popular and effective as a leader."

IN APPRECIATION

It has been an honor for me to serve as your AIME president, to have had the opportunity to associate with and be assisted by the many fine people who comprise the AIME family, and to have had the privilege of representing AIME on many auspicious occasions. I reflect with great affection on my visits to the local sections and on the opportunity to strengthen AIME's ties with its member societies and with the other Founder Societies.

I appreciate the cooperation of the Board of Trustees of AIME. I also extend my sincere appreciation to the member societies' boards of directors and executive directors, the staffs of AIME and the member societies, committee members and others for their dedicated support during the past year.

I also congratulate and pledge my full support to 1998 President Roy H. Koerner and the new Board of Trustees, all of whom are depicted on the following pages.

Leonard J. Nelson

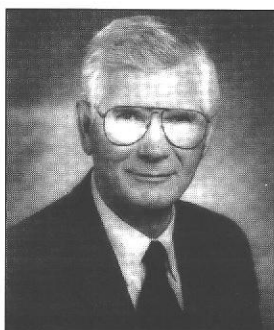
AIME



OFFICERS AND TRUSTEES 1998

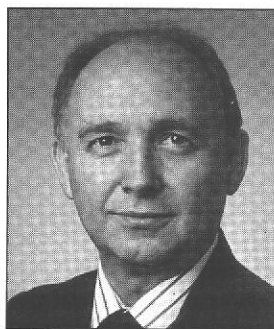
OFFICERS

PRESIDENT AND TRUSTEE



Roy H. Koerner, 1995 SPE President, recently retired from Texaco Exploration Inc. in Denver, Colorado. After earning a BS degree in petroleum engineering from the University of Tulsa in 1958, he joined Texaco as a field engineer and earned his MS degree in petroleum engineering from Louisiana Tech University in 1968. Mr. Koerner held many engineering and management posts during his career including division engineer, assistant to the general manager and division manager. He has held many SPE positions since joining as a student in 1957; he was section chairman in Midland, Texas and was elected to the SPE Board of Directors in 1989. He served and chaired several task forces and subsequently began his three year officer term as president-elect in 1993. Koerner was elected Distinguished Member in 1995 and was elected Vice President of the SPE Foundation in 1996.

PRESIDENT-ELECT AND TRUSTEE



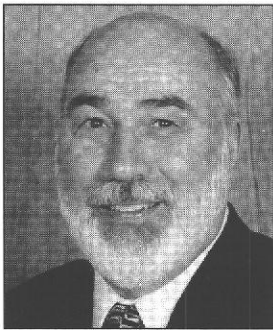
Paul G. Campbell, Jr. is Vice President Operations of Alumax Primary Aluminum Company, one of the world's leading primary aluminum companies. He has been associated with Alumax since 1978 when he joined the management cadre responsible for engineering, construction and startup of the Mount Holly company. Prior to his association with Alumax, he held key management positions with Revere Copper and Brass Corp. Mr. Campbell is a graduate of Clemson University with a BS in chemical engineering and he earned his MBA from Jacksonville State University. He is the author of numerous technical articles, as well as editor of *Light Metals*, technical handbook of the aluminum industry. His industrial honors include service as vice president and director of The Minerals, Metals & Materials Society as well as membership in the American Institute of Chemical Engineers and ASM International. Mr. Campbell is very active in educational and community affairs and in 1993 Governor Carroll Campbell appointed him to a two-year term as chairman of the Board of Regents, "Leadership in South Carolina." He was the 1996 TMS President.

PAST PRESIDENT AND TRUSTEE



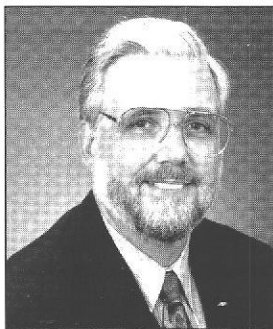
Leonard G. Nelson, Jr. is General Manager, Direct Hot Charge Complex at the Cleveland Works of LTV Steel Co. He joined Republic Steel Corp. in 1959 as a technical trainee; in 1984 with the merger of Jones and Laughlin and Republic Steel he was named general superintendent, Cleveland Works and was responsible for the plant's primary operations. Mr. Nelson has had more than thirty years experience in open hearth, BOF, primary operations and melt, cast and rolling operations. He earned his BS in biology and chemistry from Muskingum College and is a graduate of Republic Steel's Advanced Management Program at the University of Michigan. Mr. Nelson is a lifetime member and Distinguished Member of the Iron & Steel Society; he was President of the Society in 1988; and was an AIME Board Member in 1989. He is also a member of the Association of Iron and Steel Engineers and the American Iron and Steel Institute's sub-committee on steelmaking. Since 1990 he has been Vice President of the ISS Foundation and was an ad hoc member of the Advanced Technology Committee, Human Resource Group. He was the 1997 AIME President.

PRESIDENT-ELECT DESIGNATE AND TRUSTEE

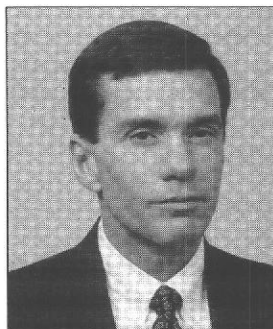


Robert E. Murray is president, ceo and owner of The Ohio Valley Coal Company, Maple Creek Mining, Inc.; Energy Resources, Inc.; American Coal Sales Co.; Powhatan Transportation Center; West Virginia Resources, Inc.; Oneida Coal Co., Inc.; and MonValley Transportation Center, Inc. Mr. Murray is also a passive investor in Ken American Resources, Inc. He served in most supervisory and executive positions with North American Coal Corp. between 1956 and 1987, including president and ceo. He is a graduate in mining engineering from Ohio State University and of Harvard University's Advanced Management Program. He is a past president and director of the Society for Mining, Metallurgy, and Exploration, Inc.; Rocky Mountain Coal Mining Institute, and North Dakota Lignite Council. He is a director of the National Mining Association and National Coal Association and the Pennsylvania and Ohio coal associations.

TRUSTEES



J. Douglas (Doug) Ashton is senior product and service metallurgist, cold rolled and coated products at Stelco Inc. in Hamilton, Ontario. He joined the then Steel Company of Canada in 1972 as a graduate trainee and moved up through positions of increasing responsibility before assuming his present position in 1990. He graduated from the University of Toronto, which he attended on a 4-year scholarship, with a bachelor of applied science (honors) in metallurgy and materials science. He has been a member of the Iron & Steel Society since its inception and has been active within the Mechanical Working & Steel Processing Division for the past 15 years as an author, member and co-chairman of the Flat Rolled Products Committee, Divisional Chairman in 1993, as well as member of the ISS Board of Directors from 1992-94. He is the author/co-author of several published technical papers, a former Kelly Award winner (AISE), former participant on several AISI Auto-Steel Partnership Task Forces, and current member of SAE. Doug was the 1997 ISS President.



Eucl R. Cutshall is manager of the Manufacturing Technology Laboratory of Reynolds Metals Co. He earned his BS in chemistry and mathematics from the University of North Alabama and his PhD in physical chemistry from the University of Florida. At Reynolds Metals his R&D responsibilities include activities dealing with extractive metallurgy, process metallurgy and optimization, process automation, data acquisition and analysis, among others. Prior to joining Reynolds Metals Company he served as an officer in the US Army, trained at the army's chemical school at Fort McClellan. Dr. Cutshall's research interests include the fields of carbon anode technology and environmental science. He was instrumental in developing the Reynolds' spent potliner treatment process. He holds several patents and is the author of numerous articles. He has served as chair of the Light Metals Division of TMS and on the division's Aluminum Committee as well as the Light Metals Division Council. He has also been a member of the Society's Honors and Awards, Membership Development, and Programming Committees. Dr. Cutshall is TMS President-Elect.



Robert C. Freas is senior vice president, sales and marketing, of Franklin Industrial Minerals, Nashville, Tennessee. Mr. Freas joined Franklin in 1985 as Vice President, Marketing and was promoted to his current position in October 1993. Prior to joining Franklin he was director of operations and corporate secretary of Limestone Products Corporation, Sparta, NJ; he was also director of research and corporate development before moving into operations. Mr. Freas' prior experience includes chief geologist for Dravo Corporation, Pittsburgh, PA and worked 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 and was the 1994 President of the Society. He served on the 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, *Mining Engineering* Committee, Membership Committee and was Vice President, Finance 1991 and 1992. Freas 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.



Dennis E. Gregg was vice president of international exploration and production with Conoco Inc. when he retired in 1993. His career with Conoco began in 1950 upon graduation from Colorado School of Mines as a petroleum engineer. Following years in the US Gulf Coast region, he was assigned to international operations in 1966 based first in New York and subsequently in London, Stavanger, Norway and Houston. He was project engineer on Conoco's first overseas development, in Dubai, and general manager of the company's first North Sea oil development. He was president of Conoco Norway, Inc. in 1980-1982. His responsibilities in Houston after 1982 included most of Conoco's overseas exploration and production operations. He has been active in SPE since his student days, serving as section chairman in London, on the Board of Directors and as President in 1986. He was awarded SPE's DeGolyer Distinguished Service Medal in 1996. Gregg was on the AIME Board in 1985-87 and chairman of the Offshore Technology Conference in 1992-1993. He is now treasurer of the SPE Foundation.



Stephen A. Holditch is president and ceo of S.A. Holditch & Associates, Inc., a petroleum engineering consulting corporation organized in 1977. Dr. Holditch is also a professor of petroleum engineering at Texas A&M University and was elected to the National Academy of Engineering in 1995. He has served on numerous committees for the Society of Petroleum Engineers and will serve as treasurer from 1997-2000. He has been an SPE Distinguished Lecturer, has received the SPE Distinguished Faculty Achievement Award, and in 1994 he received the SPE Lester C. Uren Award in recognition of distinguished achievement in petroleum technology by a member before reaching age 45. He was named an SPE Distinguished Member in 1989. Dr. Holditch received his BS in 1969 and his MS in 1970, both in petroleum engineering from Texas A&M. He joined Shell Oil Company in 1970 and worked as a production engineer involved with well completions, workovers, and fracture stimulation design and supervision. He returned to Texas A&M in 1974, earned a PhD and joined the faculty in 1976.



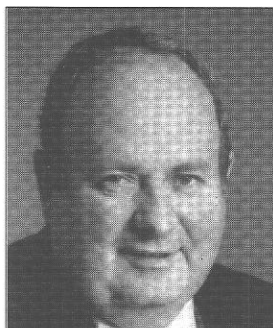
Robert (Bob) J. Jones is superintendent, cold sheet mill at Sparrows Point Division of the Bethlehem Steel Corporation. He joined Bethlehem Steel as a member of the 1966 Looper Program. Mr. Jones held various management positions in the steelmaking departments of Bethlehem Steel's Johnstown and Bethlehem, PA plants. He was named BOF superintendent in 1980 and then manager of technical services at the Bethlehem Plant. In 1983 he became superintendent of the Sparrows Point steelmaking operation and was named to his current position in 1993, responsible for cold rolling and coating operations. He received a BE in mechanical engineering from Villanova University and is a graduate of Stanford University's Executive Program. Mr. Jones serves on the Board of Directors of "Double G Coating." He has been a member of the Iron & Steel Society since 1976 serving as chairman of the Society's Eastern Section, chairman of the Steelmaking Division and as a member of the Board of Directors. He is currently President-Elect of ISS.



Richard R. (Dick) Klimpel is currently president of RK Associates LLC, an engineering consulting and process research company located in Midland, Michigan. He retired in 1995 from the Dow Chemical Company after 31 years of service as research manager of the engineering analysis division and senior research scientist responsible for the company's technology base in particulate process engineering and surfactant chemistry including mining/oil field chemicals. He holds a BS in chemistry and an MS in mathematics from North Dakota State University and a PhD in materials science from Pennsylvania State University. He has received several awards for his invention work in surfactants including Michigan Inventor of the Year and twice Dow Chemical Inventor of the Year. He has been very active in SME and was elected 1997 president of the Society. SME and AIME have recognized his technical contributions to industry by awarding him SME Distinguished Membership, the SME Antoine M. Gaudin and Arthur F. Taggart Awards, and the AIME Robert H. Richards Award and selection as a Henry Krumb lecturer.



Robert H. Wagoner is professor and chairman of Materials Science and Engineering at Ohio State University (OSU) and is a Fellow of ASM International. Prior to Ohio State he worked in the physics department of the E.M. Research Laboratories as staff research scientist from 1977 to 1983 and was an NSF postdoctoral fellow at the University of Oxford in 1976-77. He received BS, MS and PhD degrees from Ohio State. Dr. Wagoner was Maître de Recherche at the Ecole des Mines de Paris in 1990-91 and was named Honorary Professor of the University of Science and Technology, Beijing in 1993. He has received national and international awards for his research, including the Robert Lansing Hardy Gold Medal, Rossiter W. Raymond Memorial Award (the only person to have won it twice), Presidential Young Investigator Award, and Champion H. Mathewson Gold Medal. He is on the TMS Board of Directors, OSU Research Foundation Board, and the Orton Foundation Board of Trustees. He is a member of the permanent (consulting) committee of the Italian Automotive Technical Association. Dr. Wagoner served as the Sheet Forming Coordinator for the Center for Net Shape Manufacturing from 1985-1991. He was 1997 President of TMS.



John K. Hammes, AIME Vice President-Finance, consults in the international mining industry. He retired as chief operating officer and a director of Santa Elina Gold Corporation in July, 1996. He was responsible for Citibank's metals and mining business from 1968 to 1994. From 1965 to 1968 he was employed in the Metal Mining Division of Kennecott Copper. Mr. Hammes received his bachelor's degree from the University of Missouri and his MS and PhD in mining engineering from the University of Minnesota. He is past chairman of the NY Section of SME and has served as AIME Vice President-Finance since 1977. Mr. Hammes was the first recipient of the AIME Distinguished Service Award, presented in 1989. In 1996 he was elected to the United Engineering Board of Trustees.



Alfred Weiss, AIME Executive Director and Secretary, assumed this position in March, 1992, after having served for 13 years as president and chief executive officer of Mineral Systems International in Stamford, CT. His prior experience includes Kennecott Copper Corporation, Exxon Corporation and the US Department of the Interior Bureau of Mines. He received his BS in mining engineering and MS in mining engineering/mineral economics from the Henry Krumb School of Mines, Columbia University, and a DBA in management, marketing and international business from the Lubin School of Business, Pace University. A Distinguished Member of the Society for Mining, Metallurgy, and Exploration (SME) and 1978 recipient of the Daniel C. Jackling Award; Dr. Weiss served as 1981 President of the Society and was named to AIME Honorary Membership in 1987.

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Gary D. Howell, Executive Director

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Telephone: 972/952-9393
Fax: 972/952-9435
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internet: <http://www.spe.org>
Dan K. Adamson, Executive Director

***Report of the 126th Annual Meeting
Denver, CO – February 1997***

AIME CELEBRATED ITS 126TH ANNUAL MEETING in Denver, Colorado, February 24-27, 1997, in conjunction with the Annual Meeting of The Society for Mining, Metallurgy, and Exploration (SME). The Denver Hyatt Regency was the headquarters hotel for both AIME and SME. The Denver Convention Center was the location of the All-Institute keynote session and the SME technical sessions.

Annual Meeting activities designed to appeal to all attendees commenced with the Keynote Session on Monday, February 24 at 2:00 P.M. Corporate Perspectives on a Global Mineral Industry was the focus of attention of the three distinguished speakers:

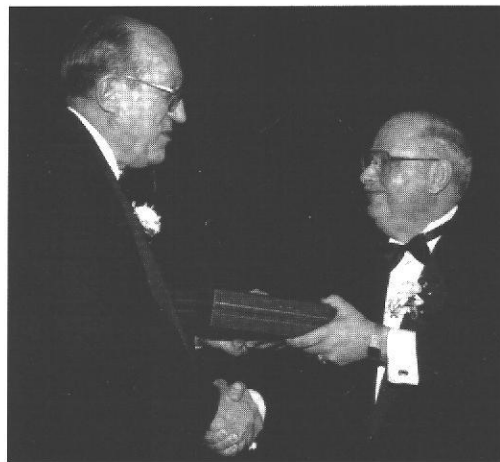
David Williamson, managing director of David Williamson Associates, discussed evolving political, economic and social conditions as they relate to mining. He explained some of the reasons why mining groups are willing to establish a presence in areas that were once considered off base.

Robert Smith, president of Barrick Gold Corporation, described the establishment and growth of Barrick Gold as a major North American gold producer. He presented an in-depth perspective on the evolution of the company's corporate goals and strategic plan as well as what a company does when the decision is made to become a global player.

David Whitehead, director of Gencor International Ltd., related the story of the merger that brought together Billiton International Metals, a diversified, midtier, Anglo-Dutch mineral producer, with Gencor, a major South African mining house to establish union with a unique, multi-cultural approach to the mining business. Whitehead described how both companies' corporate cultures have adapted to each other and to the competitive global business environment.

Robert W. Schafer, vice president for exploration at Kinross Gold, was moderator of the Keynote Session.

The 126th AIME Annual Banquet and Awards Ceremony was held on Monday evening, at the Denver Hyatt Regency Hotel. 1996 President Donald W. Gentry served as master of ceremonies for the awards program during which the major AIME awards were presented and Honorary Memberships were conferred. The winners of honors and awards and the honorary members are listed on the following pages. Following the ceremony, Mr. Leonard G. Nelson was installed as 1997 AIME President.



Dr. Donald W. Gentry, right, presents the
Gavel of Office to
1997 AIME President Leonard G. Nelson

The 127th AIME Annual Meeting will be held in Toronto, Ontario, Canada, March 22-25, 1998 in conjunction with the Annual Meeting of the 81st Steelmaking & 57th Ironmaking Conferences of the Iron & Steel Society (ISS). The AIME Annual Banquet and Awards Ceremony will be held on Monday evening, March 23, in the Dominion Ballroom of the Sheraton Centre.

Recipients of Honors and Awards Presented by AIME in 1997

1996 HONORARY MEMBERS

Robert C. Earlougher, Jr.

Marathon Oil/SPE

"For exceptional quality and volume of his contributions to petroleum engineering technology, especially in the area of well testing; for embodying the highest standards of professionalism in his work and in the expectations of his peers; and in recognition of more than 30 years of distinguished and exemplary service to the SPE at all levels."

Necmettin Mungan

Mungan Petroleum Consultants Ltd./SPE

"For career-long commitment to advancing petroleum engineering technology worldwide, especially in the areas of reservoir interfacial phenomenon and improved oil recovery; for major contributions to SPE meetings and publications programs; and for successful initiatives in developing SPE as a global organization."

JAMES DOUGLAS GOLD MEDAL

Kwadwo Osseo-Asare

Pennsylvania State University/SME

"For his contributions to the fundamental understanding of interfacial phenomena in leaching, solvent extraction, and particle synthesis."

BENJAMIN F. FAIRLESS AWARD

John H. McConnell

Worthington Industries/ISS

"In recognition of his successful founding and development of a major international corporation while conducting its operations in a manner which benefitted its employees and communities."

HAL WILLIAMS HARDINGE AWARD

George S. Austin

New Mexico Bureau of Mines & NM Tech/SME

"For outstanding achievements in clay mineral and industrial minerals research and education. In recognition of exceptional service to numerous local, regional, and national professional societies"

ANTHONY F. LUCAS GOLD MEDAL

John D. Calhoun, Jr.

Texas A&M University/SPE

"In recognition of significant contributions to and innovative leadership in petroleum reservoir management and for setting standards that remain models for the practice of petroleum engineering."

ROBERT EARL MCCONNELL AWARD

Richard L. Lawson

National Mining Association

"A tireless and eloquent spokesman as president of the National Mining Association, advancing appreciation and interests of the nation's mining industry by the public and government."

ERSKINE RAMSAY MEDAL

Evan Morgan Massey

InterAmerican Coal Holding NV/SME

"For his significant achievements and innovation in leading his company and the coal industry in application of advanced technology and modern management techniques."

Honors and Awards

WILLIAM LAWRENCE SAUNDERS GOLD MEDAL

Hugo T. Dummett

BHP Minerals/SME

*"For his pivotal contribution to the discovery of the Northwest Territories diamond deposits
and as a leader in a very successful worldwide BHP exploration team."*

AIME DISTINGUISHED SERVICE AWARD

J. Keith Brimacombe

University of British Columbia/TMS&ISS

*"In recognition of many years of exemplary and dedicated service to AIME as a Trustee,
for leadership efforts in strengthening the Institute and unifying AIME member societies
by introducing the concept of Member-Direct and Overarching Programs."*

ROSSITER W. RAYMOND MEMORIAL AWARD

Ronald G. Iacocca

Pennsylvania State University/TMS

TITLE OF PAPER:

"The Effect of Thermal Cycle on the Microstructural Development of a Powder Metallurgy Superalloy Braze Material"

MINERAL INDUSTRY EDUCATION AWARD

Jan D. Miller

University of Utah/SME&TMS

*"In recognition of his outstanding achievements and dedication as a teacher and mentor of students,
his brilliant seminars, innovative research
and illuminating papers in the field of mineral processing."*

MINERAL ECONOMICS AWARD

Firoze E. Katrak

Charles River Associations Inc./TMS

*"For significantly contributing to the theory and practice leading to a greater understanding of
supply-demand-price interactions in mineral and material markets."*

AIME ENVIRONMENTAL CONSERVATION DISTINGUISHED SERVICE AWARD

Robert T. Richins

Coeur d'Alene Mines Corp./SME

*"For his contribution toward advancing both the regulatory and ecological issues
affecting the mining industry and his
dedication to environmental stewardship and conservation."*

AIME Past Presidents

Active List					
Lloyd E. Elkins	1962	Robert H. Merrill	1981	Donald G. Russell	1990
Walter R. Hibbard, Jr.	1967	Harold W. Paxton	1982	Milton E. Wadsworth	1991
John C. Kinnear	1970	Edward E. Runyan	1983	Roshan B. Bhappu	1992
Wayne E. Glenn	1974	Nelson Severinghaus, Jr.	1984	G. Hugh Walker	1993
Julius J. Harwood	1976	Norman T. Mills	1985	Noel D. Rietman	1994
H. Arthur Nedom	1977	Arlen L. Edgar	1986	Frank V. Nolfi, Jr.	1995
Wayne L. Dowdey	1978	Alan Lawley	1987	Donald W. Gentry	1996
William H. Wise	1979	Thomas V. Falkie	1988	Leonard G. Nelson	1997
M. Scott Kraemer	1980	Howard N. Hubbard, Jr.	1989		

AIME Honorary Members

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.

Active List with Year of Election.

Frank F. Aplan	1991	Robert B. Gilmore	1985	Melvin E. Nickel	1978
Nathaniel Arbiter	1975	Wayne E. Glenn	1979	Earl R. Parker	1982
Charles W. Arnold	1991	William A. Griffith	1986	Harold W. Paxton	1991
Khalid Aziz	1995	H. J. Gruy	1987	Albert J. Phillips	1972
Edmund C. Babson	1985	Michel T. Halbouty	1972	William N. Poundstone	1982
Charles L. Bare	1992	John P. Hammond	1988	Michael Prats	1989
Charles S. Barrett	1979	Julius J. Harwood	1980	Nathan E. Promisel	1974
William E. Brigham	1993	Claude R. Hocott	1974	Joseph G. Richardson	1987
Kermit E. Brown	1989	Howard N. Hubbard	1991	Kenneth W. Robbins	1988
John C. Calhoun, Jr.	1975	William Hurst	1989	Edward E. Runyan	1987
John M. Campbell, Sr.	1993	F. Kenneth Iverson	1995	Donald G. Russell	1986
Ben H. Caudle	1986	James R. Jorden	1994	Harrison H. Schmitt	1972
Morris Cohen	1980	Basil P. Kantzer	1990	Nelson Severinghaus, Jr.	1987
Lawrence B. Curtis	1986	Marvin L. Katz	1992	T. Don Stacy	1990
Donald A. Dahlstrom	1985	Hossein Kazemi	1994	Marshall B. Standing	1990
Wayne L. Dowdey	1983	G. William Kneppshield	1989	Simon D. Strauss	1980
Robert C. Earlougher	1984	M. Scott Kraemer	1983	Michael Tenenbaum	1979
Robert C. Earlougher, Jr.	1996	Charles S. Matthews	1992	Alfred Weiss	1986
Arlen L. Edgar	1988	Alexander McLean	1991	Robert L. Whiting	1987
Lincoln F. Elkins	1977	Sir Ian McLennan	1971	William H. Wise	1984
Lloyd E. Elkins	1969	Robert H. Merrill	1984	M. R. J. Wyllie	1991
Thomas V. Falkie	1995	Norman T. Mills	1987	David A. Zegeer	1987
Morris E. Fine	1995	Necmettin Mungan	1996		
Douglas W. Fuerstenau	1988	Morris Muskat	1971		
Orville D. Gaither	1993	H. Arthur Nedom	1981		

Legion of Honor Fifty-Year Members—Class of 1947
204 Society Members added

Society for Mining, Metallurgy and Exploration – 68 members

Samuel Ash	Morton H. Dorenfeld	Arthur E. Himmebaugh	George E. Morehouse
Stefan Boshkov	James C. Dudley	John S. Holland	Jack McKnight Pardee
H. William Ahrenholz	Reinhart P. Ehrlich	Victor F. Hollister	John Nagy
Albert L. Alexander	Richard C. Enochs	Marshall T. Hunting	Alan P. Ploesser
H. Lyall Ames	Orazio F. Fenzi	Hugh C. Ingle, Jr.	Richard E. Rhoades
Leo Mark Anthony	Warren E. Fenzi	Norton Jackson	John A. Riddle
Frank F. Aplan	John W. Foreman	James R. Johnson	Fred J. Ronicker
Robert J. Armstrong	Edward S. Frohling	Robert M. Johnson	John G. Roscoe
Fredrick N. Bender	Elton W. Geist	Werner R. Joseph	Arthur W. Ruff
Thomas M. Cahill	David D. Gibbens	Robert E. Kendall	William C. Sanborn
Charles W. Campbell	Joseph E. Gordon	William C. Kinnon	John L. Schroder, Jr.
Ronald L. Carmichael	Allen Graber	H.J. Kumer, Jr.	Walter E. Seibert, Jr.
Henry R. Colen	Ted D. Haley	Edmond F. Lawrence	Hale C. Tognoni
Annan Cook	William S. Hannan Jr.	Richard J. Leary	Marion D. Vandellinder
Louis W. Cope	Lewis J. Hash	William W. Little	Merrill Welker
Gabor Dessau	Earl C. Herkenhoff	J. Lindsay McCluggage	James A. Whelan
Richard F. Dewey	August F. Hilleke, Jr.	Richard T. Moolick	Neil A. Wintringham

The Minerals, Metals & Materials Society – 39 members

Hubert Aaronson	Edward Fisher	Richard Leary	Donald Schmidt
Frank Aplan	John Gilman	Hollis P. Leighly, Jr.	Ernest Schoefer
Gotthard E. Bjorling	Gerald Horne	William Leslie	Oleg Sherby
John Brittain	Ernest Kendall	Eugene Lucas	Robert Shinkoskey
Frank Crossley	John Gillman	Patrick J. McGauley	Robert Spinney
William D. Doty	Noel Griffin	Richard Pitler	John Thomas
Austin Dwight	Erik Hagglund	Stephen Poch	Milton Wadsworth
Marion E. Elmore	Gerald Horne	John Pugh	Jack H. Westbrook
Leter Engle	Ernest Kendall	Fred Rosi	Samuel N. Westerfield
George Fischer	Walter Koshuba	Seth Schaefer	

Iron and Steel Society – 10 members

Francis W. Boulger	J.E. Farnsworth	Michael K. Leung	Robert L. Stephenson
Robert Cohen	Erik H. Hagglund	Charles Schulte	
Ralph W. Farley	Richard J. Leary	Bruce M. Shields	

Society of Petroleum Engineers – 87 members

Ross M. Archer	George W. Eaton	John P. Lowe	Ed Saye
Howard Alexander	R.E. Foss	John D. Lowrie	Jack Schrenkel
Carl T. Anderson	Arthur D. Fox	Peter A. MacQueen	Walter C. Sheldon
W. Bruce Barbour	John M.C. Gaffron	W. Obier Martin	William J. Sherry
Jean M. Barrett	Ted M. Geffen	B. David Meltzer	Millard P. Snyder
G. Jack Benge	Thomas E. Goebel	John J. Metzger	Donald W. St. Clair
Glenn F. Bish	John P. Govier	Elmer A. Millz	Todd C. Storer
John S. Boldrick	R.J. Granberry	M.M. Montgomery	Floyd E. Suder
William H. Bowie	Arturo Guerra	Joseph A. Morris	Robert J. Sullivan
Domingo J. Casanova	J.D. Harrington	Thomas D. Mueller	Howard W. Swaim
Pete W. Cawthon	Edward B. Harry	Herman A. Otto	J.E. Swearingen
I.T. Chapman	Willis A. Heath	Warren T. Paynter	John C. Thrash
Charles O. Childress	C.H. Hinton	W.B. Phillips	J.C. Vaughn
George V. Chilingar	Henry Hoffman	Thomas D. Pyburn	Charles G. Weiner
Glynn A. Clark	Elmer T. Ireton	George H. Rabson	Chester L. Wheless
A.P. Claudet	Bernard R. Johnson	Weldon W. Ramseur	Robert L. Whiting
Richard S. Crog	Margaret E.C. Keiles	Fred S. Reynolds	S.A. Wickstrom
Jerry P. Cunningham	Cecil W. Kelley	James Alfred Richardson	Lester Wilkinson
J.R. Dodge	N.G. Kittrell	Robert L. Richardson	T.C. Williams
David L. Dooley	B.B. Lane	Frank Rieber	Lejeune Wilson
John A. Downing	Maurice Lewis	William H. Roe	Robert J. Woodward
Jack D. Duren	A.J. Long	Walter Deane Rose	

The Woman's Auxiliary
to the
American Institute of Mining, Metallurgical and Petroleum Engineers, Inc.
14th Floor, 345 EAST 47TH STREET, NEW YORK, NY 10017-2304
212-705-7692

Report of the WAAIME



Pauline Dolezal, President
1997 WAAIME

At an admissions interview an official asked the better than average candidate to answer a few questions:

1. If two is a couple, and three is a crowd, then what are four and five?
Nine.
 2. How many seconds are in a year? *Twelve*—he meant January 2, February 2...
 3. What two days of the week begin with a "T"? *Today and tomorrow.*
- Not the answers the interviewer was looking for, but good, common sense.

When a university associate who had been doing interviews all day to fill teaching positions commented to me: "I wish we could hire a person who has common sense; we've had some real doozies today, well qualified but no common sense," I shared this story about a well-known military figure and how common sense had helped him get into USC.

At WAAIME we have tried to use common sense to recognize when something is working and when it isn't.

Our number one commitment remains concern about students getting an education, use of our Scholarship Loan Fund (SLF) Program, and having qualified students apply. In 1997 WAAIME awarded scholarship money in the amount of \$162,400 to 39 new applicants and six re-applicants. Thanks to Marjorie Austin (New Mexico-Socorro), National SLF Chairman, for her unending, time consuming job, well done. She has been instrumental in proposing and implementing changes that have streamlined the SLF administrative process.

In two years the world will usher in a new millennium. Are we keeping up with the times? Are we ready for this? We recognize WAAIME is going to have to continue to make changes to remain a viable organization. The Board solicited input from the entire membership, including Board members. We have been listening to the suggestions received and put them together in a proposal, which includes a reorganization plan, that is before the National Board for consideration. There will be more in-depth discussion at the Annual Meeting in Orlando along with further studies on different items. We have new revised bylaws printed in book form which reflect the SLF changes, expanded fiscal responsibility, reorganization and general housekeeping. These bylaws were voted on and passed by our membership with results reported at the Annual Meeting in Denver.

Mining, metallurgical, and petroleum engineering and allied fields aren't the most popular subjects anymore and we continue to read about enrollment drops at universities and technical schools. We at WAAIME are trying to help educate the public about the industry's contributions to society. Ben Franklin said many years ago: "It is a matter of hanging together, or being hanged separately." Hang in there, we will!

Our EFT (Education for Tomorrow)/Library Chairman, Margaret Jensen (Member-at-Large [MAL]) from Bagdad, AZ has done an excellent job this past year. Her presentation at the Denver annual meeting, the mining



Pronounced way me

Report of the WAAIME

stickers and individual help for many of the sections—helping them qualify for EFT grants to provide mining materials for worthwhile projects in their local schools—have been some of her many tasks. I have been impressed with the reports we have gotten from the different sections on what they are doing in their schools and universities to help students and teachers with visual aids, materials and teaching outlines with actual mineral samples for hand-outs.

WAAIMES are involved in so many ways. Violette “Vi” Brown (Arizona-Phoenix), a board member, honored her late husband’s wish to make a lasting gift to his college by giving 14 gold Inca medallions to the South Dakota School of Mines and Technology Foundation for permanent display in the Museum of the school in Rapid City. Vi and Lester Robinson Brown, Jr. (SME member who passed away in 1976), spent many years moving back and forth between Peru and Bolivia at the beginning of their combined life in mining.

It’s been said that mining development will continue to be an exciting challenge overseas. WAAIME has a section in Mexico City and one in Lima, Peru. This past March, accompanied by Dolores Keshner, our New York office administrator, and Gloria Maturo (Peru-Lima), 4th Vice President, I traveled to Mexico City, at their invitation, to attend a Section meeting. It was a delightful trip and we had a very successful meeting with 60 in attendance. The Mexico City section is now paying dues for their members; their group has grown so large, it is rumored they want to organize another section there. Eugenia Lomelin of Mexico City is on the National Board—she is a delight and a real asset; look for her at the annual meeting in Orlando. At the invitation of the Peru-Lima Section, I will be visiting there in April 1998 along with Dolores Keshner and two WAAIME members. We will then travel to Chile to organize a WAAIME section there.

At present WAAIME has 1108 dues-paying members plus we have 28 Life Members and 23 Honorary Members. Mary Lou Nickel (MAL) of Chicago IL, a very deserving lady and a dedicated WAAIME, was inducted into honorary status at the annual meeting in Denver. Each of our 24 Sections has been active with its individual fund raising and EFT/Library projects along with local scholarships, science fairs and other projects.

We have had successful board meetings in Denver, CO; Socorro, NM and Lexington, KY and we appreciate the sections and WAAIME members for their diligent work in setting up meeting places and entertaining us. At our last meeting in October, a new slate of Officers for the year 1998-1999 was presented. May, 1998 will conclude my three years as National President of WAAIME. I appreciate all the board members who have served in various positions during the past three years, for sharing their precious time and talents; and feel that we have accomplished many valuable things. It has truly been a pleasure to serve in this capacity and I hope to continue to be a valuable member of this organization.

Our 1997 directory has been published and sent to the membership. We have had three wonderful, newsy, newsletters published and sent to the membership this year; thanks to our dedicated Newsletter Chairman, Pat McWhorter (West Virginia-Southern).

We still consider ourselves very fortunate to be able to render assistance to our worldwide membership. If you or your spouse want information on how to become a WAAIME, call or write for information to see how you can be part of this dedicated organization.

THE PURPOSES AND GOALS OF WAAIME

The purposes and goals of WAAIME as set forth in its Certification of Incorporation are:

1. To render service to the country and to the community through all that pertains to the interest of the profession of Mining, Metallurgical, and Petroleum Engineering.
2. To promote interchange of ideas and work amongst members.
3. To secure and maintain a fund for the purposes of voluntarily assisting promising young men and women to obtain a technical education in Mining, Metallurgical, and Petroleum Engineering, or allied subjects.

At this time we would like to take the opportunity to thank the AIME staff in New York City for their dedicated service and help to WAAIME. Also the officers and members of all the AIME family and Joette Cross, meetings manager of SME, for continued help and support of WAAIME. We are looking forward to having our Annual Meeting in Orlando in conjunction with SME.

Pauline Salazar



Coopers & Lybrand L.L.P.

a professional services firm

Report of Independent Accountants

To the Board of Trustees of the
American Institute of Mining, Metallurgical,
and Petroleum Engineers, Inc.:

We have audited the accompanying balance sheet of the AMERICAN INSTITUTE of MINING, METALLURGICAL, and PETROLEUM ENGINEERS, INC. ("AIME") as of November 30, 1997 and 1996, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of AIME's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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 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 AIME as of November 30, 1997 and 1996, and the changes in its net assets and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

A handwritten signature in cursive script that reads "Coopers & Lybrand L.L.P.".

New York, New York
January 13, 1998.

Financial Statements

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

Balance Sheet

November 30, 1997 and 1996

ASSETS:		
	1997	1996
Cash and cash equivalents (Note 2)	\$ 912,399	\$ 298,887
Accounts receivable from member societies	10,358	7,689
Accrued interest and dividends receivable	66,022	45,353
Inventory of books	23,001	37,498
Prepaid expenses (Note 6)	194,945	70,232
Loans receivable from member societies (Note 3)	138,079	190,487
Investments at market quotations (Notes 2 and 4)	14,206,133	14,446,353
Advance to United Engineering Trustees, Inc. (Note 5)	265,000	265,000
Equipment, furniture and fixtures, at cost, less accumulated depreciation of \$41,700 and \$31,606	15,791	19,410
Total assets	<u>\$15,831,728</u>	<u>\$15,380,909</u>
LIABILITIES and NET ASSETS:		
Accounts payable and accrued expenses (Note 6)	\$ 87,197	\$ 102,597
Grants payable to member societies (Notes 2 and 7)	592,500	496,300
Loan payable on behalf of United Engineering Trustees, Inc.		14,477
Total liabilities	<u>679,697</u>	<u>613,374</u>
Net assets (Notes 2 and 8):		
Unrestricted	12,517,844	12,332,537
Temporarily restricted	2,225,496	2,026,307
Permanently restricted	408,691	408,691
Total net assets	<u>15,152,031</u>	<u>14,767,535</u>
Total liabilities and net assets	<u>\$15,831,728</u>	<u>\$15,380,909</u>

The accompanying notes are an integral part of these financial statements.

Statement of Activities

For the year ended November 30, 1997 and 1996

	1997	1996
Unrestricted:		
Revenue and gains:		
Investment return (Notes 2 and 4)	\$1,469,777	\$1,762,602
Offshore Technology Conference fees	55,402	46,875
Dues and assessments from member societies	25,207	16,000
Sale of books and publications	45,710	75,267
Royalties and other revenue	63,086	46,219
Net assets released from restrictions (Note 9)	121,802	137,898
	<u>1,780,984</u>	<u>2,084,861</u>
Expenses (Note 10):		
Programs:		
Special projects	706,312	533,033
Federation support	215,910	213,411
Meetings	104,663	100,742
Medals and awards	122,505	112,905
Books and publications	99,747	168,115
	<u>1,249,137</u>	<u>1,128,206</u>
Supporting services-management and general	346,540	339,363
Total expenses	<u>1,595,677</u>	<u>1,467,569</u>
Change in unrestricted net assets	<u>185,307</u>	<u>617,292</u>
Temporarily Restricted:		
Investment return (Notes 2 and 4)	320,991	342,467
Net assets released from restrictions (Note 9)	(121,802)	(137,898)
Change in temporarily restricted net assets	<u>199,189</u>	<u>204,569</u>
Change in total net assets	384,496	821,861
Net assets, beginning of year	14,767,535	13,945,674
Net assets, end of year	<u>\$15,152,031</u>	<u>\$14,767,535</u>

The accompanying notes are an integral part of these financial statements.

Financial Statements

Statement of Cash Flows

For the year ended November 30, 1997 and 1996

	1997	1996
Cash flows from operating activities:		
Change in net assets	<u>\$384,496</u>	<u>\$ 821,861</u>
Adjustments to reconcile the change in net assets to net cash used in operating activities:		
Depreciation	5,094	5,189
Net realized and unrealized appreciation on investments	(1,462,215)	(1,776,492)
Changes in operating assets and liabilities:		
Accrued interest receivable	(20,669)	9,191
Accounts receivable from member societies	(2,669)	46,453
Inventory of books	14,497	91,632
Prepaid expenses	(124,713)	22,381
Accounts and grants payable and accrued expenses	<u>80,800</u>	<u>(90,324)</u>
Net cash used in operating activities	<u>(1,125,379)</u>	<u>(870,109)</u>
Cash flows from investing activities:		
Proceeds from sales of investments	13,682,745	8,708,088
Acquisition of investments	(11,980,310)	(8,036,516)
Repayment of loans receivable from member societies	52,408	54,891
Acquisition of equipment, furniture and fixtures	<u>(1,475)</u>	<u>(5,771)</u>
Net cash provided by investing activities	<u>1,753,368</u>	<u>720,692</u>
Cash flows from financing activities:		
Repayment of loan payable on behalf of UET	<u>(14,477)</u>	<u>(14,620)</u>
Net cash used by financing activities	<u>(14,477)</u>	<u>(14,620)</u>
Net increase (decrease) in cash and case equivalents	613,512	(164,037)
Cash and cash equivalents, beginning of year	<u>298,887</u>	<u>462,924</u>
Cash and cash equivalents, end of year	<u><u>\$ 912,399</u></u>	<u><u>\$ 298,887</u></u>
Supplemental information:		
Interest paid	<u><u>\$ 932</u></u>	<u><u>\$ 1,787</u></u>

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

1. Business:

Organized in 1871, the American Institute of Mining, Metallurgical, and Petroleum Engineers, Inc. ("AIME") is a membership organization formed to advance, record and disseminate significant 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 through its programs and member societies. 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 and Materials Society ("TMS"), the Iron & Steel Society ("ISS"), and the Society of Petroleum Engineers ("SPE"). AIME provides funding for overarching programs (programs conducted by AIME that carry out AIME's purpose) and funding for member-direct programs of the member societies based on their project requirements. The financial statements do not include the accounts of the four member societies.

AIME was one of three societies that founded United Engineering Trustees ("UET"), an organization officially created by an act of the New York State Legislature in 1904 to advance the engineering arts and sciences in all their branches and to maintain a free public engineering library. In addition to AIME, ASME and IEEE, ASCE and AIChE were later added as Founder Societies. The UET owns the United Engineering Center (UEC), a building located on East 47th Street in New York City, leases office facilities to AIME, maintains a free public library, and maintains an engineering foundation fund. UET is governed by a Board comprised of three representatives from each of the Founder Societies.

2. Summary of Significant Accounting Policies:

Net Asset Classifications:

AIME reports information regarding its financial position and activities according to three classes of net assets: permanently restricted, temporarily restricted and unrestricted.

- Permanently restricted net assets contain donor-imposed restrictions that stipulate the resources be maintained permanently, but permit AIME to use the income from the resources for either specified or unspecified purposes.
- Temporarily restricted net assets contain donor-imposed restrictions that permit AIME to use or expend the assets as specified. The restrictions are satisfied by action of AIME.
- Unrestricted net assets are not restricted by donors, or the donor-imposed restrictions have expired. Unrestricted net assets include funds designated by the Board for long-term investment (quasi-endowment).

Cash and Cash Equivalents:

AIME considers all highly liquid investments purchased with maturities of three months or less when purchased to be cash equivalents. Cash and cash equivalents include \$936,821 and \$256,135 designated for long-term investment at November 30, 1997 and 1996, respectively.

Investments:

Investments are carried at quoted market values. Interest and dividend income from investments is recorded on the accrual basis. Gains or losses on sale of investments are determined on the basis of identified cost. Such gains or losses related to permanently restricted net assets are allocated to the individual funds on the basis of their relative book values at the end of each quarter.

Notes to Financial Statements

Grants to Member Societies:

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

Estimates:

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.

Reclassification:

Certain amounts in the fiscal 1996 financial statements have been reclassified to conform with the fiscal 1997 presentation.

3. Loans Receivable from Member Societies:

TMS/ISS Headquarters:

During 1978, TMS/ISS obtained a \$300,055 loan from AIME's quasi-endowment funds, payable over twenty years at a floating interest rate based on the endowment fund's prior year's dividend and interest earnings, net of management fees. At November 30, 1997 and 1996, the balance of the loan was \$19,723 and \$39,101 and bore interest at 2.04% and 2.3%, respectively, per annum.

SME Headquarters:

During 1979, SME obtained a \$467,000 loan from AIME's quasi-endowment funds, payable over twenty years at a floating interest rate based on the endowment fund's prior year's dividend and interest earnings, net of management fees. At November 30, 1997 and 1996, the balance of the loan was \$68,356 and \$101,473 and bore interest at 2.04% and 2.3%, respectively, per annum.

SME Foundation:

During 1992, the SME Foundation obtained a non-interest bearing \$50,000 loan from AIME's quasi-endowment funds. Five years after achieving financial self-sufficiency, and upon request from AIME, the Foundation will repay the \$50,000 on a schedule to be determined at that time. During fiscal 1997, the Foundation's Board approved repaying the loan with payments of \$5,000 in 1997 and 1998 and payments of \$10,000 per year over the four following years.

4. Investments:

Investments consisted of the following at November 30, 1997 and 1996:

	1997		1996	
	Cost	Market Value	Cost	Market Value
U.S. Treasury securities	\$ 1,773,019	\$ 1,776,826	\$1,116,907	\$1,128,960
U.S. Government agencies securities	852,570	872,525	882,612	909,118
Corporate bonds	1,046,735	1,130,232	1,046,735	1,131,410
Equity securities	8,842,017	10,426,550	8,396,800	11,276,865
Total	<u>\$12,514,341</u>	<u>\$14,206,133</u>	<u>\$11,443,054</u>	<u>\$14,446,353</u>

Investment return and its classification in the statement of activities for fiscal 1997 were as follows:

	Unrestricted	Temporarily Restricted	Total
Dividends and interest	\$ 339,945	\$ 74,714	\$ 414,659
Realized gains	2,273,236	500,486	2,773,722
Unrealized losses	(1,072,772)	(238,735)	(1,311,507)
Investment advisory fees	(70,632)	(15,474)	(86,106)
Total return on investments	<u>\$1,469,777</u>	<u>\$320,991</u>	<u>\$1,790,768</u>

Investment return and its classification in the statement of activities for fiscal 1996 were as follows:

	Unrestricted	Temporarily Restricted	Total
Dividends and interest	\$ 352,273	\$ 63,997	\$ 416,270
Realized gains	1,205,124	237,948	1,443,072
Unrealized gains	278,437	54,983	333,420
Investment advisory fees	(73,232)	(14,461)	(87,693)
Total return on investments	<u>\$1,762,602</u>	<u>\$342,467</u>	<u>\$2,105,069</u>

5. Advance to United Engineering Trustees, Inc.:

In accordance with an agreement among the Founder Societies of UET, the Founder Societies were to permanently maintain their respective principal offices in the United Engineering Center (UEC) and pay a pro rata portion of the operating costs of the UEC. AIME's share of these costs during each of fiscal 1997 and 1996 was \$74,804. The agreement also specified that as long as UET remains in existence and performs its corporate functions, the Founder Societies would not have the right to the return of the advances made to the UET (\$265,000 for AIME). Such advances would be payable only upon the dissolution of the UET, and then only out of such portion of the reserve fund of the UET as may be appropriated for such purpose by the UET Board. AIME's advances to the UET bear interest at 4%.

In fiscal 1996, the UET Board passed a resolution to sell the UEC and AIME and the other Founder Societies amended the UET bylaws regarding the procedure on dissolution so that, a portion of the proceeds from the sale of the UEC would be distributed equally among the Founder Societies, after repayment to the Founder Societies of their respective initial contributions, any outstanding loans and their respective unamortized capital improvement expenditures, as defined.

In fiscal 1997, the UET entered into an agreement to sell the UEC for \$53,500,000. Pursuant to the agreement, which was approved by the Attorney General of the State of New York in September 1997, AIME's share of the sale proceeds is approximately \$8,500,000. The purchaser made a down payment of \$5,350,000 which has been deposited in an escrow account. If the purchaser defaults under the agreement, UET has the right to retain the deposit. If the UET is unable to convey title to the UEC, subject to certain permitted exceptions, and subject to certain conditions, the agreement will be deemed terminated and the purchaser entitled to a return of the deposit. The closing is estimated to occur on or about September 30, 1998.

6. Retirement Income Plan:

The AIME Retirement Income Plan ("Plan"), a defined benefit retirement income plan, covers substantially all full-time employees. Eligible employees receive a non-contributory benefit based on a standard dollar amount per month, irrespective of the amount of compensation, multiplied by the years of benefit service, or may elect to contribute a percentage of their compensation to the Plan and receive an increased benefit. The contributory benefit is based on years of benefit service and the employee's compensation.

The Retirement Income Committee has contracted with Connecticut General Life Insurance Company ("Connecticut General"), through a Group Annuity Contract, to maintain the assets of the Plan and pay pension benefits to the annuitants. The Plan participates in various investment accounts of Connecticut General and Loomis, Sayles & Company, L.P. Plan assets are invested in growth common stocks and fixed income securities.

The funding policy of AIME is to contribute such amounts as are necessary on an actuarial basis to meet the minimum ERISA requirements to fund the benefits expected to be paid to annuitants or their beneficiaries.

The following tables set forth AIME's share of the Plan's funded status and the amounts recognized in AIME's balance sheet at November 30, 1997 and 1996:

	1997	1996
Accumulated benefit obligation, including vested benefits of \$680,169 and \$634,593, respectively	\$ 681,822	\$ 636,074
Projected benefit obligation	693,355	661,222
Plan assets at fair value	668,204	592,748
Plan assets (less than) projected benefit obligation	(25,151)	(68,474)
Unrecognized prior-service cost	31,421	39,281
Unrecognized net loss	89,829	35,187
Unrecognized net assets at December 1, 1986 being recognized over 12 years	(10,124)	(20,254)
Additional minimum liability recognized		(29,066)
Prepaid (accrued) retirement income plan cost included in accrued expenses	\$ 85,975	\$ (43,326)

Net retirement income plan cost for fiscal 1997 and 1996 included the following components:

	1997	1996
Service cost	\$ 5,874	\$ 7,788
Interest cost	50,661	44,676
Projected return on plan assets	(47,237)	(47,936)
Amortization of unrecognized prior-service cost	7,860	7,860
Amortization of transition asset	(10,130)	(10,130)
Additional one-time expense - enhanced benefit to an individual	—	46,000
Amortization of net loss	1,737	—
Net retirement income plan cost	\$ 8,765	\$ 48,258

For fiscal 1997 and 1996, the projected benefit obligation was determined at a weighted-average discount rate of 7.5% and an assumed rate of increase in future compensation of 5.5%. The expected long-term rate of return on plan assets was 8.5%.

7. Grants Payable to Member Societies:

Grants payable to member societies consisted of the following at November 30, 1997 and 1996:

	<u>1997</u>	<u>1996</u>
SME	\$ 53,500	\$ 40,300
TMS	—	138,200
ISS	104,000	117,800
SPE	<u>435,000</u>	<u>200,000</u>
	<u>\$592,500</u>	<u>\$496,300</u>

8. Net Assets:

Net assets consisted of the following at November 30, 1997 and 1996:

	<u>1997</u>	<u>1996</u>
Unrestricted net assets:		
Undesignated	\$ 1,160,469	\$1,020,550
Board designated for overarching programs	—	201,678
Board designated for long term investment	<u>11,357,375</u>	<u>11,110,309</u>
	<u>12,517,844</u>	<u>12,332,537</u>
Temporarily restricted net assets for the following purposes:		
Medals and awards	770,643	676,635
Books and publications	753,604	732,931
Scholarships	<u>701,249</u>	<u>616,741</u>
	<u>2,225,496</u>	<u>2,026,307</u>
Permanently restricted net assets are restricted to:		
Investment in perpetuity, the income from which is		
expendable to support:		
Scholarships	176,363	176,363
Books and publications	146,000	146,000
Medals and awards	75,862	75,862
Unrestricted purposes	<u>10,466</u>	<u>10,466</u>
	<u>408,691</u>	<u>408,691</u>
Total net assets	<u>\$15,152,031</u>	<u>\$14,767,535</u>

9. Net Assets Released from Restrictions:

Net assets were released from donor restrictions due to the passage of time or by incurring expenses satisfying the restricted purposes specified by the donor as follows for fiscal 1997 and 1996:

	<u>1997</u>	<u>1996</u>
Books and publications	\$ 57,272	\$100,000
Medals, awards and scholarships	30,646	37,898
Other	<u>33,884</u>	<u>—</u>
	<u>\$121,802</u>	<u>\$137,898</u>

10. Functional Allocation of Expenses:

Fiscal 1997 expenses have been classified as programs and supporting services as follows:

	1997					1996		
	Programs					Supporting Services		
	Special Projects	Federation Support	Meetings	Medals, Awards & Scholarships	Books and Publications	Total Programs	Management and General	Total
Member-direct								
program's grants	\$647,589					\$ 647,589	\$ 647,589	\$ 471,720
Payroll and employee benefits	15,444	\$ 61,776	\$ 36,680	\$ 27,027	\$ 15,444	156,371	\$128,786	285,157
Audit and legal services	7,952	31,808	18,886	13,916	7,952	80,514	76,764	157,278
Rent	3,782	15,128	8,983	6,619	3,782	38,294	36,510	74,804
Federation support		71,796				71,796		71,796
Awards				59,530		59,530		59,530
Publication expenses					57,272	57,272		57,272
Supplies, postage, maintenance and repairs								
AIME Board activities	2,645	10,579	6,281	4,628	2,645	26,778	25,530	52,308
Insurance	678	2,711	1,610	1,186	678	6,863	6,541	13,404
Meetings	90		4,416		90	4,596	4,416	9,012
Overarching programs	22,749					22,749		22,749
Free books					6,473	6,473		6,473
Depreciation		1,170	690	450		2,310	2,784	5,094
Sundry expenses	235	345	200	138	262	1,180	814	1,994
Other	5,148	20,597	12,230	9,011	5,149	52,135	49,709	101,844
Total	\$706,312	\$215,910	\$104,663	\$122,505	\$99,747	\$1,249,137	\$346,540	\$1,595,677
								\$1,467,569

AMERICAN INSTITUTE OF MINING, METALLURGICAL,
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In Memoriam
J. Keith Brimacombe



Dec. 7, 1943 – Dec. 16, 1997

1999 AIME President

UET Trustee

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Contributions may be sent to:

The Brimacombe Foundation

c/o Dr. Indira V. Samarasekera

The Centre for Metallurgical Process Engineering

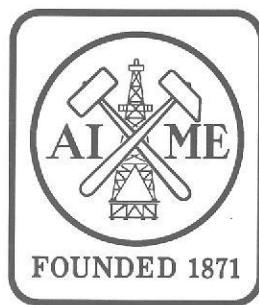
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