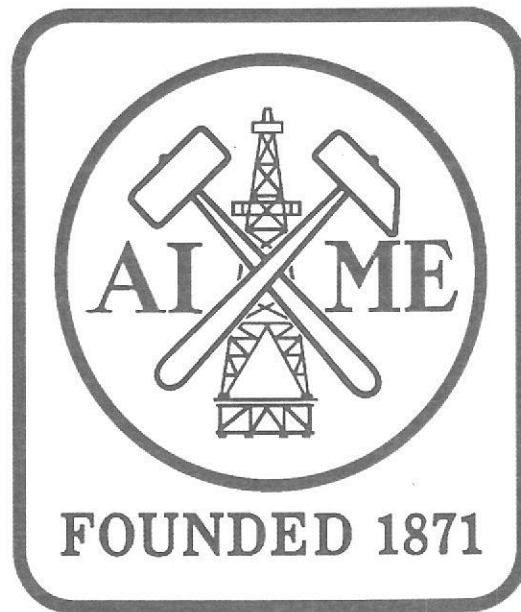


AMERICAN INSTITUTE OF MINING, METALLURGICAL, AND PETROLEUM ENGINEERS, INC.

2001 ANNUAL REPORT



TMS
Minerals • Metals • Materials



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

2001 Annual Report

One hundred and thirtieth year

December 1, 2000 - November 30, 2001



Contents

Report of the President	1
Board of Trustees.....	4
Report of the 130th Annual Meeting.....	8
Honors and Awards.....	9
Past Presidents and Honorary Members.....	11
Legion of Honor – Fifty-Year Members	12
Report of the WAAIME (Woman’s Auxiliary to AIME).....	13
AIME Meetings 2001	14
Statement of Independent Accountants.....	15
Financial Statements	16
Notes to Financial Statements.....	19

A Founder Society of the

United Engineering Foundation, Inc.

Established in 1904 for

American Society of Civil Engineers

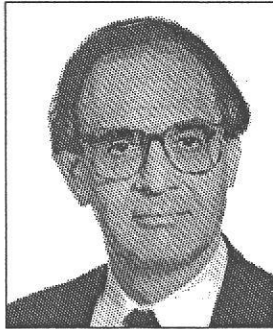
American Institute of Mining, Metallurgical, and Petroleum Engineers

American Society of Mechanical Engineers

Institute of Electrical and Electronics Engineers

American Institute of Chemical Engineers

Report of the 2001 President



Grant P. Schneider
President – 2001
American Institute of
Mining, Metallurgical,
and Petroleum Engineers

The year 2001 marked AIME's 130th anniversary; it was also a year marked by significant accomplishments. Most significant was the implementation of the new Long Range Plan, which was approved in 1999. We also took positive steps, using the new governance structures provided in the Long Range Plan, to search for and engage new investment advisors in the form of a Chief Investment Officer. With the new AIME Executive Director in place at the start of 2000, the Institute was able to fill the two open positions with permanent employees and I know I echo the sentiment of the entire Board of Trustees when I tell you that we are pleased, not only with the people themselves, but with their immediate contributions to AIME.

I am pleased to report to the AIME Community on the significant progress made in these areas and on other pertinent developments.

2001 ANNUAL MEETING

AIME celebrated its 130th year with the Society for Mining, Metallurgy and Exploration (SME) at their Annual Meeting in Denver, Colorado, on February 26, 2001. The AIME banquet and awards ceremony was an impressive event.

An account of the 130th annual meeting, keynote session, and the awards ceremony may be found on page 8, followed by the names of the various award winners. I wish to thank both the SME and AIME staffs for organizing this event and to express my appreciation to SME leadership for creating such an inviting host environment.

The 2002 Annual Meeting will be at Opryland in Nashville, Tennessee. On Sunday, March 10, 2002 following the banquet and awards ceremony, I will hand over the gavel to George H. Sawyer of SPE.

GOVERNMENT AFFAIRS THROUGH AAES

AIME government affairs activities continued during 2001 through the American Association of Engineering Societies (AAES) located in Washington, DC. These efforts involved several volunteers, each representing a member society, and AIME and TMS staff serving on various AAES councils, commissions and task forces. The AAES Board of Governors continues its focus and limited AAES resources on the engineers' public policy activity and a program of public awareness of engineers and engineering that fits with AIME's initiative to Enhance the Image of Engineers. AIME, the Member Societies and AIME through its United Engineering Foundations activities have actively supported these efforts.

The AIME President, President-Elect and Executive Director had the opportunity to spend a day in Washington, DC each visiting his senator and representatives to talk about three items of interest to the engineering community as a whole.

During 2001 the AAES Executive Committee, of which the AIME Executive Director is a member, worked diligently on a reorganization plan for AAES to bring its activities into sharper focus and at the same time reduce the dues to the AAES Member Societies. AIME's dues for 2002 are two-thirds of the dues of the last several years.

OVERARCHING AND MEMBER-DIRECT PROGRAMS

Overarching and Member Direct programs were added to the AIME lexicon in 1994. 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 is limited to 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.

Since the inception of these programs, AIME has committed in excess of five million dollars to the Member Societies for these programs. Unfortunately the investment climate in 2000 and 2001 resulted in a hiatus. This program will be reexamined every year with AIME's fiscal well being in mind.

In addition to the Overarching and Member Direct funding, AIME distributed over eight million dollars to the Member Societies from the proceeds from the sale of the United Engineering Center.

FINANCE

You are invited to review the audited financial statement for the AIME Corporation for fiscal year 2001 (ending November 30, 2001) starting on page 15 of this report. This is the third year the audit firm selected in 1999 audited the AIME Corporation and the combined savings plan for AIME and the member societies. We think you will find this financial report even easier to read this year than it was last year.

AIME assets decreased \$1.3 million from the end of fiscal year 2000 to \$10.5 million at the end of fiscal year 2001.

During 2001 AIME continued to look at the most cost effective and efficient ways to handle its financial functions and to achieve cost reductions in all areas of the operation.

The Strategic Direction Committee, as defined in the 1999 Long Range Plan was charged with looking at various long term options in the way in which AIME might conduct its business

INTER-SOCIETY AFFAIRS

United Engineering Foundation (UEF)

I am pleased to report that AIME continues its effective involvement in the governing of the UEF. As the terms of present trustees expire, effective with the 2000 UEF Board, AIME and the other Founder Societies were represented by their executive directors; by 2002 both their presidents and executive directors will represent them. John Hammes, former AIME Vice President-Finance was the 2000 UEF President and was reelected for 2001.

Founder Societies

I am pleased to report our continued effective interactions with the Founder Society officers and executive directors in matters of common interest. This interaction has provided the president-elect, the executive director and me with an important opportunity to become cognizant of the broad spectrum of issues affecting the engineering profession. One of the ways we worked together in 2001 was to approve a United Engineering Foundation grant to AAES for Voic-

es of Innovation, daily two-minute radio spots directed toward enhancing the public's awareness of engineers. We also had the opportunity to approve a UEF grant to the Iron & Steel Society.

ABET

The Institute also retained its relationship with the Accreditation Board for Engineering and Technology (ABET), as an affiliate body, and is represented by its Executive Director who serves as an official observer at ABET board meetings. ABET is revising its own governance and it is anticipated the affiliate bodies, which already "sit at the table," will soon have an official vote. The AIME Executive Director, as a sitting board member was involved in the ongoing ABET Strategic Planning Initiative being conducted by an outside firm.

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 the privilege of representing AIME on many auspicious occasions. I reflect with great gratitude and 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, others and especially the AIME Past Presidents for their dedicated support during the past year. During the past year I had two opportunities to visit the new AIME headquarters in New York City and I encourage all of you to stop by and "look us over." I also congratulate and pledge my full support to 2002 President George H. Sawyer and the new Board of Trustees, all of whom are depicted on the following pages.



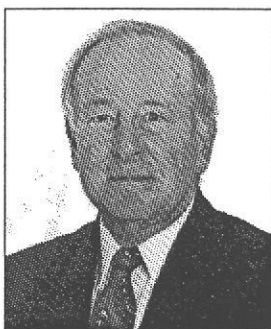
AIME



OFFICERS AND TRUSTEES
2002

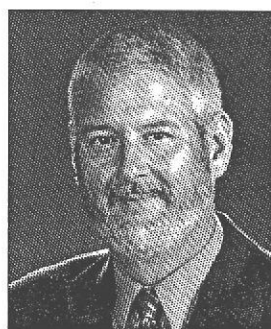
OFFICERS

PRESIDENT AND TRUSTEE



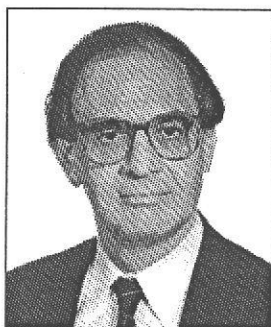
George H. Sawyer retired from Exxon International in 1993, where he was manager of Technology and Production Operations. His 40-year career was split 50-50 between US and international business. Mr. Sawyer graduated from the University of Texas in 1956, with a BS in petroleum engineering. He has been active in SPE during the entire span of his career. He was president of SPE in 1989 and has served on and chaired numerous committees at the society and regional levels. During the 1960s he worked with the SPE staff in planning and implementing the Off-shore Technology Conference which was held in May of 1969. He has chaired the International E&P Forum based in London and served on numerous API committees. Mr. Sawyer served as a member of the AIME Board of Trustees from 1988-1990 and again in 1996-97. He remains active in SPE and in assisting several universities with MBA and engineering programs.

PRESIDENT-ELECT AND TRUSTEE



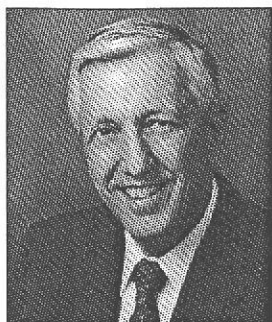
Robert H. Wagoner is distinguished professor of engineering at the Ohio State University. With principal appointment in the Department of Materials Science and Engineering, he is also professor of Mechanical Engineering, and director of the Center for Advanced Materials and Manufacturing of Automotive Components. Professor Wagoner is a member of the National Academy of Engineering and Fellow of ASM International. He received BS, MS, and PhD degrees from Ohio and is the author of over 200 technical articles, and several proceedings and books. His research has received national recognition, including the Robert Lansing Hardy Gold Medal, Rossiter W. Raymond Memorial Award (twice), Presidential Young Investigator Award, and Champion H. Mathewson Gold Medal. He has been President of TMS, 1997-98; President of the TMS Foundation, 1998-99; Trustee of AIME, 1997-99; Trustee of Orton Ceramic Foundation, 1992-96; and Director of the OSU Research Foundation, 1990-94.

PAST PRESIDENT AND TRUSTEE



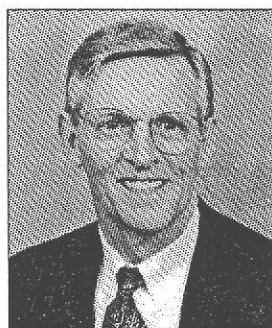
Grant P. Schneider is a general partner of Gurupu Warwick, Tokyo and The Warwick Associates, London. He joined the Steel Division of Ford Motor Company in 1960 and held various managerial positions. With the independent acquisition of the steelmaking facilities of Ford Motor Company in 1989, Mr. Schneider assumed commercial responsibilities until his retirement after 40 years of service. He holds a bachelor's of engineering from Georgia Institute of Technology, a master's in business administration from University of Detroit and has completed post-graduate work in metallurgy and finance at University of Michigan. Mr. Schneider is a past chairman of the Steelmaking Division and a past president of ISS, a life member of the Association of Iron and Steel Engineers and a member of the Propeller Club of the United States, Port of Detroit. He is a former vice-chairman of the Committee on Traffic for AISI and was that committee's representative on the joint conference for the Conrail acquisition in Washington, DC. He is the author of a number of technical papers and was the 1998 recipient of the ISS President's Citation. In 1999, he was elected Distinguished Member of ISS.

PRESIDENT-ELECT DESIGNATE AND TRUSTEE



Robert C. Freas is senior vice president-marketing of Franklin Industrial Minerals, Nashville, Tennessee. 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 he also 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. 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. Mr. 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.

TRUSTEES



R. L. (Lyn) Arscott retired in 2001 as the executive director of the International Association of Oil & Gas Producers (OGP), which has offices in London and Brussels and represents the upstream oil and gas industry before international regulatory agencies. He retired from Chevron in 1998 where prior assignments included senior executive consultant for Exploration and Production for Chevron Corporation, reporting to the chairman of the Board; and general manager of Health Environment and Safety for. He holds a BS and a PhD in Engineering from the University of Nottingham, England. During 1962-1964, he was a British Commonwealth scholar studying exploration geophysics in India. Between 1968 and 1998, he held numerous Exploration and Production management positions for Gulf Oil Co. and Chevron. He was the 1988 President of the International Society of Petroleum Engineers, which has a worldwide membership of 51,000, and is a past Chairman of the American Petroleum Institute's General Committee on Health and Environment. He is an Honorary Member of AIME and SPE.



John E. Allison is a senior staff technical specialist in the Materials Science Department at Ford Motor Company in Dearborn, Michigan. He has been involved in TMS for over twenty years as a contributing member and he has also been involved in serving TMS in a number of capacities, notably on the TMS Board as Director of Programming and more recently in a leadership capacity with the Structural Materials Division. His professional position with the Research Laboratory of Ford Motor Company has given him broad international exposure to the materials community from primary metals producers to key automotive suppliers. He has also served on the Nominating Committee and the Student Affairs Committee.



Wayne R. Hale is corporate vice president of Smelting, Refining & Power Generation at Kennecott Utah Copper in Magna, Utah. He is an active, long-term member of the Light Metals Division (LMD) and the Aluminum Committee of TMS. During his membership he has served as JOM advisor, chair of the Light Metals Division Aluminum Committee and the LMD, and editor of Light Metals 1996. He also served as the principal organizer for the TMS-sponsored 1997 industrial aluminum electrolysis course in Charleston, South Carolina and the 1999 course in Seattle, Washington.

Officers and Trustees



Michael Karmis is Stonie Barker Professor of the Mining and Minerals Engineering Department, Virginia Tech and director of the Virginia Center for Coal and Energy Research. He earned his BS and PhD degrees in Mining Engineering from Strathclyde University, Scotland. He has authored more than 150 scientific papers, reports, Proceedings volumes and textbooks. He has directed or co-directed about 40 major research projects and has served as advisor to 30 post-graduate students. Dr. Karmis has been active within the Society for Mining, Metallurgy and Exploration (SME), has served for 10 years on the SME Board of Directors, and he is currently the SME President-Elect for 2001. A professional engineer in the USA, and a licensed engineer (Eur Ing) in Europe, Dr. Karmis has been active in consulting with the minerals industry, consulting companies, government organizations and legal firms. He is a Distinguished Member of the SME, a Fellow of the Institute of Quarrying and a Fellow of the Institute of Mining and Metallurgy. He has received numerous recognitions and awards by major scientific, professional and industrial organizations.



Ta M. Li is a well-known mining engineer/marketing executive with more than 32 years of experience in the minerals business including management and operations, marketing and sales, mineral economics and publishing. For the past 3 years, he has served as Denver marketing manager-mining for Washington Group International, Inc., a leading engineering, procurement and construction management company in North America. Mr. Li received his BS in mining engineering from Columbia University. During his career, he has been affiliated with Pincock, Allen & Holt, Behre Dolbear, Golder Associates and Kennecott. He also was president & CEO for Anglo-Andean Exploration, Inc., a Canadian junior responsible for exploration and development projects in Venezuela and Peru. Mr. Li was also editor-in-chief for SME's Mining Engineering magazine. He is very active in professional organizations having served as president and director for the Northwest Mining Association and Denver Gold Group. He was also chairman and director of the Colorado Mining Association.



Edward M. O'Donnell is senior research consultant for the US Steel Group in Gary, IN. He earned his bachelor's degree in commerce and engineering science from Drexel University, in 1970 and his MBA degree from Baldwin Wallace College, in 1985. Mr. O'Donnell started his career at the US Steel Duquesne (PA) Works in 1968. He worked at the plant until 1982, progressing through positions in blast furnace operations management to general foreman. He also was a process engineer in the Technical Services Division. From 1982 to 1987, he worked at the company's Lorain, OH, plant, where he held positions as assistant superintendent, BF's; area manager, steel producing; project manager, engineering; and area manager, BF's. In 1987, Mr. O'Donnell became area manager, operating practices, at Gary Works. Mr. O'Donnell is past chairman of the Ironmaking Division of ISS and has served on the Program and Executive committees. He served as a director-at-large for ISS from 1996 to 1998 and served as a director from 1993 to 1995.



Ian Sadler was born and educated in England. He graduated with a first class honors degree and received his Masters from Cambridge in 1976. He became foundry manager of Midland Rollmakers in 1973, making him one of the youngest foundry managers in the world. Mr. Sadler moved to the United States in 1981 and joined United States Steel. In 1984 he became vice president for metallurgical services at National Roll. In 1988 he was appointed vice president of Blaw Knox Rolls. Mr. Sadler was appointed CEO of Johnstown Corporation in 1992. He also became Chairman of the MWSP division of the Iron and Steel Society in 1994-95, serving on the ISS Board of Directors 1997-1999. In 1994 he became president of Indiana Corporation. Then in 1996, following a successful turnaround, Shenango Industries Inc. was purchased from the parent company in an LBO transaction. In January 2001 Mr. Sadler became president of the Pennsylvania Foundry Group; PFG is a subsidiary of Atchison Corporation. He is 2002 ISS president.



Leonard G. Nelson, Jr., Vice President-Finance, retired from LTV Steel Company. He joined Republic Steel 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 forty 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 Management Program at the University of Michigan. Mr. Nelson is a lifetime member and Distinguished Member of ISS; 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. Since 1996 he has been president of the ISS Foundation and was an ad hoc member of the Advanced Technology Committee, Human Resource



Nellie E. Guernsey, AIME Executive Director and Secretary, assumed this assignment in August 1998. Since 1981 she has been a vice president of Mineral Systems International in Stamford, CT and is a principal of Guernsey Management Services. Her prior experience includes Kennecott Copper Corporation where she specialized in economic and financial evaluations of mineral properties; at Exxon Corporation she was a non-ferrous commodity analyst. She has a BS in earth sciences and an MBA plus graduate studies in mining engineering at the Henry Krumb School of Mines. Ms. Guernsey has been a member of SME for 25 years and is a past chair of the Minerals Resources Management Committee; she is also active in the local SME section as well as in APCOM.

AMERICAN INSTITUTE OF MINING, METALLURGICAL, AND PETROLEUM ENGINEERS, INC.
Three Park Avenue, 17th Floor
New York, New York 10016-5998
Telephone: 212/419-7676
Fax: 212/419-7671
NellieGuernsey@aimeny.org
www.aimeny.org

Member Societies

Society for Mining, Metallurgy, and Exploration (SME)
PO Box 625002
Littleton, CO 80162-5002
Telephone: 303/973-9550
Fax: 303/973-3845
scheidig@smenet.org
www.smenet.org
Paul A. Scheidig, Executive Director

The Minerals, Metals & Materials Society (TMS)
184 Thorn Hill Road
Warrendale, PA 15086-7528
Telephone: 724/776-9000
Fax: 724/776-3770
scott@tms.org
www.tms.org
Alexander R. Scott, Executive Director

Iron & Steel Society (ISS)
186 Thorn Hill Road
Warrendale, PA 15086-7528
Telephone: 724/776-1535
Fax: 724/776-0430
davek@iss.org
www.iss.org
David L. Kanagy, Executive Director

Society of Petroleum Engineers (SPE)
PO Box 833836
Richardson, TX 75083-3836
Telephone: 972/952-9393
Fax: 972/952-9435
mrubin@spe.org
www.spe.org
Mark A. Rubin, Executive Director

*Report of the 130th Annual Meeting
Denver, CO — March 2001*

AIME celebrated its 130th Annual Meeting in Denver, Colorado, February 24-26, 2001, in conjunction with the Annual Meeting of The Society for Mining, Metallurgy, and Exploration, (SME). The Hyatt Regency Hotel was the headquarters hotel for both AIME and SME. The Colorado Convention Center was the location of the All-Institute keynote session and the SME technical sessions.

Many segments of the mining industry are under pressure to reduce costs while commodity prices languish. In response, global Internet-based marketplaces to deliver business-to-business (B to B) e-commerce solutions are being established to reduce costs and improve efficiencies across the mining industry supply chain as well as with customers. Special insights on Business-to-Business e-Commerce in the Industry was presented at the Annual Meeting's Keynote Session on Monday, February 26 at 2:00 P.M. by Michael Efting, CEO, Quadrem, Mining & Metals e-Marketplace; Kevin Deliman, National Accounts Executive; Todd Harvey, Mining, Minerals & Metals Director, MyPlant.com,

Douglas B. Silver, President of Balfour Holdings Inc. was moderator of the Keynote Session.

The 130th AIME Annual Banquet and Awards Ceremony was held on Monday evening, at the Hyatt Regency Hotel. 2000 AIME President Robert E. Murray 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. Grant P. Schneider was installed as 2001 AIME President.

The 131st AIME Annual Meeting will be held in Nashville, Tennessee, March 9-11, 2002, in conjunction with the 85th Steelmaking and 62nd Ironmaking Conferences of the Iron & Steel Society (ISS). The AIME Annual Banquet and Awards Ceremony will be held on Sunday evening, March 20, in Presidential Ballroom D of the Opryland Hotel.



Past Presidents' luncheon, February 24, 2001, Hyatt Regency Hotel, Denver, CO
Back row (l to r) Wayne E. Glenn (1974), Leonard G. Nelson (1997), Robert H. Merrill (1981),
Roy H. Koerner (1998), George H. Sawyer (2002), Robert E. Murray (2000).
Front row (l to r) Nelson "Ben" Severinghaus, Jr. (1984), Paul G. Campbell, Jr. (1999),
Roshan B. Bhappu (1992), Donald W. Gentry (1996).

Recipients of Honors and Awards Presented by AIME in 2001

2000 HONORARY MEMBERS

Sadad I. Husseini SPE

"In recognition of career-long contributions in promoting global exchange among professionals in upstream oil and gas operations, and for his outstanding leadership in the petroleum industry as an executive of one of the world's largest oil companies."

W. John Lee SPE

"For selfless commitment in promoting the highest standards for the engineering profession, and for major contributions in the field of reservoir engineering through his work in pressure transient testing."

JAMES DOUGLAS GOLD MEDAL

H. Y. Sohn TMS

"For his leadership and outstanding contributions in research and education of nonferrous extractive metallurgy and his work related to the modeling of gas-solid reactors and the development of novel solvent extraction systems."

BENJAMIN F. FAIRLESS AWARD

Melvin E. Nickel ISS

"In recognition of over 64 years of loyal and dedicated service to AIME and the Iron & Steel Society, serving as the first President of ISS and showing untiring support for the Society since its formation twenty-six years ago."

Roderick I. L. Guthrie ISS

"For his significant contributions to the understanding and knowledge of ferrous metallurgy, and for his long-standing commitment with the academic work and formation of new metallurgists."

HAL WILLIAMS HARDINGE AWARD

William F. Moll, Jr. SME

"In recognition of his exemplary research and innovative leadership in product development and application utilizing fumed silica, kaolin, and other clay minerals."

ANTHONY F. LUCAS GOLD MEDAL

Ian M. Cheshire SPE

"In recognition of distinguished achievement in improving the technique and practice of finding and producing petroleum through his work in reservoir simulation and the development of ECLIPSE simulation software."

ROBERT EARLL MCCONNELL AWARD

Franklin M. Orr, Jr. SPE

"For distinguished contributions in the fields of science and engineering education and research especially in the area of the earth sciences; development of an academic curriculum about the earth's ocean margins that promotes the understanding of the interaction of them with humans and how the resources of these margins can be prudently developed for the good of mankind in an environmentally sound manner."

ERSKINE RAMSAY MEDAL

Robert E. Murray SME

"In recognition of his untiring, hands-on, executive leadership of the coal industry, of SME and of AIME; his efforts as a spokesman for the minerals industry; his interest in engineering education and the development of young professionals."

Honors and Awards

William G. Lowrie	CHARLES F. RAND MEMORIAL GOLD MEDAL	SPE
<i>"For significant contributions as corporate executive of Amoco Corporation and BP Amoco, and for direction of the company's global Oil and Gas Exploration and Production operating strategy."</i>		
EDWARD C. DOWLING, JR.	ROBERT H. RICHARDS AWARD	SME
<i>"For a track record of integrating engineering theory and operating practice to develop innovative solutions to real-world problems and optimize mineral processing plant performance for a variety of mineral commodities."</i>		
Richard T. Moolick	WILLIAM LAWRENCE SAUNDERS GOLD MEDAL	SME
<i>"In recognition of a lifetime of distinguished contributions to the mining industry, particularly for his leadership of Phelps Dodge Corporation and as a founder of the National Mining Hall of Fame and Museum."</i>		
Thomas V. Falkie	AIME DISTINGUISHED SERVICE AWARD	SME
<i>"In recognition of his efforts to promote the interests of AIME through inter-society and governmental affairs, his chairmanship of the All-Institute Government Affairs Committee, his work with AAES, and his years of dedicated service to AIME."</i>		
Nicholas J. Welham	ROSSITER W. RAYMOND MEMORIAL AWARD	TMS
<i>TITLE OF PAPER: "Mechanical Enhancement of the Carbothermic Formation of TiB₂."</i>		
Larry G. Twidwell	MINERAL INDUSTRY EDUCATION AWARD	SME
<i>"In recognition of a gifted and inspirational educator, innovative researcher and outstanding administrator who, throughout his career, has made profound contributions to both academia and industry."</i>		
Forrest A. Garb	MINERAL ECONOMICS AWARD	SPE
<i>"For significant contributions to the development of practical petroleum economic models and computer programs and for efforts to share his knowledge with the industry."</i>		
Fredrick D. Palmer	AIME ENVIRONMENTAL CONSERVATION DISTINGUISHED SERVICE AWARD	SME
<i>"For his advocacy and support of using scientific knowledge to enhance the understanding of fossil fuels use and its effects on climate change."</i>		

AIME Past Presidents

Active List

Lloyd E. Elkins	1962	Edward E. Runyan	1983	G. Hugh Walker	1993
Walter R. Hibbard, Jr.	1967	Nelson Severinghaus, Jr.	1984	Noel D. Rietman	1994
Wayne E. Glenn	1974	Norman T. Mills	1985	Frank V. Nolfi, Jr.	1995
Julius J. Harwood	1976	Arlen L. Edgar	1986	Donald W. Gentry	1996
H. Arthur Nedom	1977	Alan Lawley	1987	Leonard G. Nelson	1997
Wayne L. Dowdey	1978	Thomas V. Falkie	1988	Roy H. Koerner	1998
William H. Wise	1979	Howard N. Hubbard, Jr.	1989	Paul G. Campbell, Jr.	1999
M. Scott Kraemer	1980	Donald G. Russell	1990	Robert E. Murray	2000
Robert H. Merrill	1981	Milton E. Wadsworth	1991	Grant P. Schneider	2001
Harold W. Paxton	1982	Roshan B. Bhappu	1992		

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	John L. Gidley	1999	Necmettin Mungan	1996
Nathaniel Arbiter	1975	Wayne E. Glenn	1979	H. Arthur Nedom	1981
R. Lyn Arscott	1997	Dennis E. Gregg	1999	Melvin E. Nickel	1978
Khalid Aziz	1995	William A. Griffith	1986	Earl R. Parker	1982
Edmund C. Babson	1985	H. J. Gruy	1987	Albert J. Phillips	1972
Charles L. Bare	1992	Michel T. Halbouty	1972	William N. Poundstone	1982
William E. Brigham	1993	John K. Hammes	1997	Michael Prats	1989
Kermit E. Brown	1989	John P. Hammond	1988	Nathan E. Promisel	1974
John C. Calhoun, Jr.	1975	Julius J. Harwood	1980	Joseph G. Richardson	1987
John M. Campbell, Sr.	1993	Howard N. Hubbard	1991	Noel D. Rietman	1998
Ben H. Caudle	1986	William Hurst	1989	Kenneth W. Robbins	1988
Morris Cohen	1980	Sadad I. Husseini,	2000	Edward E. Runyan	1987
Lawrence B. Curtis	1986	F. Kenneth Iverson	1995	Donald G. Russell	1986
Donald A. Dahlstrom	1985	James R. Jordan	1994	Harrison H. Schmitt	1972
Wayne L. Dowdey	1983	Basil P. Kantzer	1990	Nelson Severinghaus, Jr.	1987
Robert C. Earlougher	1984	Marvin L. Katz	1992	Arlie Skov	1997
Robert C. Earlougher, Jr.	1996	Hossein Kazemi	1994	T. Don Stacy	1990
Arlen L. Edgar	1988	G. William Knepshield	1989	Marshall B. Standing	1990
Lloyd E. Elkins	1969	M. Scott Kraemer	1983	Michael Tenenbaum	1979
Thomas V. Falkie	1995	W. John Lee	2000	Robert L. Whiting	1987
Morris E. Fine	1995	Charles S. Matthews	1992	William H. Wise	1984
Douglas W. Fuerstenau	1988	Alexander McLean	1991	M. R. J. Wyllie	1991
Orville D. Gaither	1993	Robert H. Merrill	1984	David A. Zegeer	1987
Donald W. Gentry	1999	Norman T. Mills	1987		

Legion of Honor

Legion of Honor Fifty-Year Members—Class of 1951 *188 Society Members added*

Society for Mining, Metallurgy and Exploration – 50 members

Adrian E. Albrethsen	Paul I. Eimon	Robert B. Hill	Raymond E. Petty
Donald G. Ashe	J. Morrow Elias	Paul A. Hodges	John R. Rand
Thomas E. Ban	Joseph B. Elizondo	Douglas W. Huber	Grove A. Rathbun, Jr.
Sherwin M. Barton	Otto M. Ellerman	William A. Humphrey	Fred Scharf
Lee Bilheimer	James E. Forcica	Howard W. Jacky	George R. Schmidt
Tibor Boldizsar	Albert P. Gilles, Jr.	John K. Jones	Koehler S. Stout
William A. Bowes	Alexander E. Gonzalez	James W. Knox	William F. Stowasser
James D. Carter	Harold N. Grimes	Cornelis Kuperus	R. C. Troxell
Melvin C. Chang	Ernest R. Ground	Dan E. Lewis, Jr.	Alfred H. Wheeler
Philip L. Christianson	Hubert D. Hagen	Roger A. Madsen	Kelvin A. Young
Irving M. Craig	Donald F. Hammer	H. W. Mallery	Norman R. Zehr
William C. Cross	Walter E. Heinrichs, Jr.	Reese E. Mallette	
John T. Eastlick	Adolf Helke	Roy E. Nelson	

The Minerals, Metals & Materials Society – 38 members

Trygve Angel	Nev A. Gokcen	Donald J. Mcpherson	Stanley Rothschild
Karl T. Aust	Howard T. Green	Yoshitsugu Mishima	Eraldus Pete Scala
Robert Bakish	Douglas C. Haag	John B. Naslanic	Leslie L. Seigle
Edward G. Costello	John H. Hoke	Arthur S. Nowick	Fred A. Todd
G. Robert Couch	R. A. Huggins	Harold W. Paxton	John Towers
Raymond F. Decker	Richard P. Hunnicut	Robert E. Peppers	Jack L. White
George E. Dieter	Asa Kaplan	Warren S. Peterson	Henry A. Wriedt
Edward Epreman	Harold D. Kessler	William P. Roe	Kozo Yoshizaki
William R. Freeman	David Krashes	Terkel N. Rosenqvist	
Stanley H. Gelles	Eric B. Kula	Steven J. Rothman	

Iron & Steel Society – 12 members

Robert C. Bertelsen	Frederick C. Langenberg	Maurice D. Neptune	Phillip H. Smith
Harold N. Bogart	Carl A. Lovgren	Samuel A. Ott	William R. Squier
John Datesh	C. Taylor Marshall	Harold W. Paxton	Edmond J. Whittenberger

Society of Petroleum Engineers – 88 members

Richard J. Aseltine	Keith Ebner	Alden Kundert	John Queen
Ernest Babitzke	Don Evert	William E. LaRoche	James Richards
William Bachman	Eugene C. Fiedorek	Lawton Laurence	Orhan Salman
Charles Barney	Daniel Flowers	Joseph J. Lawnick	E. Scholl
Walter Berger, Jr.	Orma K. Gilbreth, Jr.	Milton Liese	Francis Schulte
John Bergquist	W. K. Godfrey	John Lindner	Harold Siegele
Bobby Bonner	Bert Golding	Ruford Madera	Jay Simpson
William Bouldin	E. F. Gordon	Frank Martin	James W. Sligh
J. Buck	Rudolph Gorishek	Oliver C. McBryde, Jr.	Mike Smith, Jr.
Billy Burke	John Graham	Downs McCloskey, Jr.	Harold Smotherman
Robert Bush	William Grieves	Edward McGuire	Horace Spain
Edwin Cable	Ralph E. Hammond	Murray C. McKinnon	John Stephenson
John Chain	Eddie Hudson	Harold P. Meabon	Kenneth Stout
Peter F. Chapman	Stan O. Hutchison	D. Meisenheimer	W. Sturdivant, Jr.
Angelos Chatas	James Jackson	Gordon Miller	Joshua Tharp, Jr.
G. Clements, Jr.	Don Johnson	Leland Moore	H. Trueblood, Jr.
Phillip Cook	Dick Johnston	Roy Murdock	James R. Underwood, Jr.
Frank Cordiner	Dan M. Jones	E. E. Murray	Barney Vachal
James Cox	Bob Kellerman	Richard L. Murray	Otto L. Van Maerssen
Grant Darnell	George Khoury, Jr.	Allan Neustadt	Henry Welge
S. Debs	Riki Kobayashi	Robert Orr	Reece E. Wyant
John Donhaiser	Charlie Kosarek, Jr.	Charles Pollard	Jack C. Zarrow

The Woman's Auxiliary
to the
American Institute of Mining, Metallurgical and Petroleum Engineers, Inc.
3 PARK AVENUE, 17TH FLOOR, NEW YORK, SUITE 17-B
NEW YORK, NY 10016-5998

212/419-7673 • Fax 212/419-7680 • e-mail: WAAIMENY@juno.com



Gloria Maturo,
President
2001 WAAIME

Report of the WAAIME

On behalf of WAAIME, I would like to thank AIME for the opportunity to present our 2001 Annual Report. This year our Student Loan Fund Program (SLF), considered as the most important Program in each of our 21 Sections, awarded scholarship/ loans in the amount of \$414,000 to 97 students in the United States for the 2001-2002 academic year plus \$10,000 each to our two Sections in Mexico and our Section in Chile. Special thanks go to our National Scholarship Loan Fund Chairman, the National SLF Committee and the Section SLF Chairmen for their dedication to this very important Program.

Another notable WAAIME Program is Education For Tomorrow (EFT). In 2001 the third WAAIME Essay/Poem contest was held for students between 9 and 16 years old. The theme was "My Most Useful Mineral" and thanks to the generous support of AIME, the contest is on the Internet. EFT Section Chairmen have been encouraged to invite teachers to attend the Colorado School of Mines Summer Program. From the nominees, a WAAIME Committee selects three. WAAIME pays the \$500 course fee and \$1,500 for the teacher to pay for registration and travel expenses. In return the teacher will produce a written lesson plan about the earth sciences to share with others.

WAAIME is grateful to SME, TMS, ISS and SPE for the half-page ads in their magazines. We hope to encourage the wives and daughters of your members to join WAAIME. Because we are an International Organization, we intend to open a new Section in Canada, where we will undertake programs in support of earth science and mineral industry students in that country.

We hope that the financial markets improve since the interest on our investments plus the loans repaid by our students are the source of WAAIME funds for student scholarship/loans.

I would like to express my gratitude to all of the 21 Section Chairmen, a vital part of the life of WAAIME, the WAAIME Membership for their support, the WAAIME Board of Directors for their cooperation and the 15 Standing Committee Chairmen for their active participation during the year 2001. Their actions have made my second year as WAAIME President challenging and rewarding. I promise to continue working hard for WAAIME during the forthcoming year.

I sincerely wish AIME and all the Member Societies a prosperous New Year 2002.



Pronounced way' me

Gloria Maturo

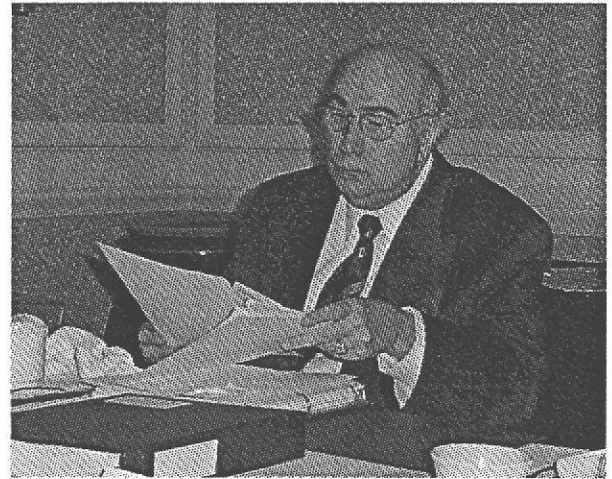
Gloria Maturo
WAAIME President 2001-2002
Lima, Peru

AIME Meetings 2001



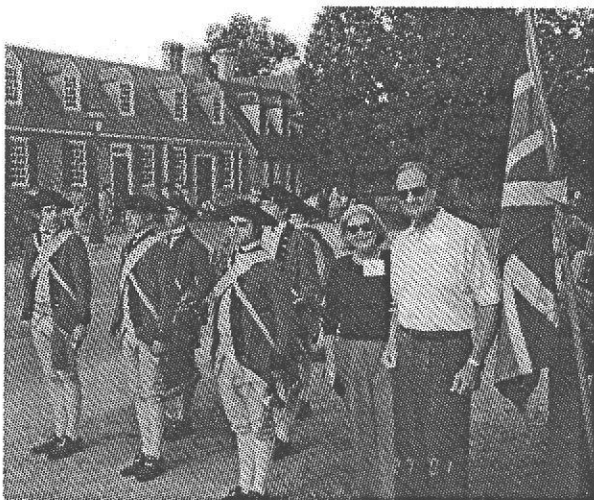
New Trustees, Board Orientation Meeting,
February 24, 2001, Hyatt Regency Hotel, Denver, CO

L to R, Ta M. Li (SME), Wayne R. Hale (TMS), R. L. (Lyn) Arscott (SPE), President-Elect Designate Robert H. Wagoner (TMS), and Edward M. O'Donnell (ISS)



Board Meeting,
February 24, 2001, Hyatt Regency Hotel,
Denver, CO

2000 President Robert E. Murray
preparing for Board Meeting.



Summer Board Meeting
Colonial Williamsburg, Williamsburg, VA

2001 President Grant P. Schneider,
Mrs. Tina Schneider, and the
Fife and Drum Corp
July 27, 2001



Summer Board Meeting
Colonial Williamsburg, Williamsburg, VA

Appreciation for Dan Adamson prior to his retirement.
L to R, Alex Scott, TMS Executive Director, Tina and
Grant P. Schneider, Diane Adamson,
Dan Adamson, SPE Executive Director, and
back of David Kanagy, ISS Executive Director



GOLDSTEIN GOLUB KESSLER LLP

Certified Public Accountants and Consultants



INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statements of financial position of American Institute of Mining, Metallurgical, and Petroleum Engineers, Inc. ("AIME") as of November 30, 2000 and 2001, 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 audits.

We conducted our audits 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 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 audits provide 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, 2000 and 2001, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Goldstein Golub Kessler LLP
GOLDSTEIN GOLUB KESSLER LLP

January 10, 2002

Financial Statements

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

Statement of Financial Position

YEAR ENDED NOVEMBER 30,	2000	2001
ASSETS		
Cash and Cash Equivalents	\$ 139,937	\$ 44,794
Accounts Receivable from Member Societies	2,762	8,386
Prepaid Expenses and Other Assets	155,494	138,481
Loans Receivable from SME Foundation	35,000	30,000
Investments - at fair value	11,734,157	10,221,106
Property and Equipment, net	136,609	111,170
Total Assets	\$12,203,959	\$10,553,937

LIABILITIES AND NET ASSETS

Accounts Payable and Accrued Expenses	\$ 84,239	\$ 22,243
Amounts Payable to Member Societies	312,341	
Amounts Payable - programs	43,659	43,659
Total liabilities	440,239	65,902
Commitments		
Net Assets:		
Unrestricted:		
Undesignated	300,000	300,000
Designated for long-term investment	8,682,050	7,625,759
	8,982,050	7,925,759
Temporarily restricted	2,348,168	2,128,474
Permanently restricted	433,502	433,802
Total net assets	11,763,720	10,488,035
Total Liabilities and Net Assets	\$12,203,959	\$10,553,937

Financial Statements

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

Statement of Activities

YEAR ENDED NOVEMBER 30,	2000	2001
Unrestricted:		
Revenue and gains (losses):		
Investment loss	\$ (450,256)	\$ (366,716)
Offshore Technology Conference fees	90,555	118,769
Dues and assessments from member societies	16,000	16,000
Copyright and other revenue	51,655	28,644
Net assets released from restrictions	100,922	102,096
Total revenue and gains (losses)	(191,124)	(101,207)
Expenses:		
Programs:		
Special projects and grants	864,909	27,260
Federation support	216,012	210,487
Medals and awards	207,539	184,489
Meetings	145,193	135,827
Books and publications, net	73,392	84,698
	1,507,045	642,761
Supporting services - management and general	364,022	312,323
Total expenses	1,871,067	955,084
Change in unrestricted net assets	(2,062,191)	(1,056,291)
Temporarily restricted:		
Investment loss	(171,837)	(117,598)
Net assets released from restrictions	(100,922)	(102,096)
Change in temporarily restricted net assets	(272,759)	(219,694)
Permanently restricted - grant received	24,811	300
Change in net assets	(2,310,139)	(1,275,685)
Net assets at beginning of year	14,073,859	11,763,720
Net assets at end of year	\$11,763,720	\$10,488,035

Financial Statements

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

Statement of Cash Flows

YEAR ENDED NOVEMBER 30,	2000	2001
Cash flows from operating activities:		
Change in net assets	\$ (2,310,139)	\$(1,275,685)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	27,887	29,686
Net realized and unrealized loss on investments	1,062,583	902,325
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable from member societies	11,720	(5,624)
Decrease in prepaid expenses and other assets	36,991	17,013
Decrease in accounts payable and accrued expenses	(9,008)	(61,996)
Decrease in amounts payable to member societies	(2,919,133)	(312,341)
Net cash used in operating activities	(4,099,099)	(706,622)
Cash flows from investing activities		
Proceeds from sales of investments	47,824,935	3,921,779
Purchases of investments	(44,054,968)	(3,311,053)
Repayment of loans receivable from member societies	5,000	5,000
Purchase of property and equipment	(27,344)	(4,247)
Net cash provided by investing activities	3,747,623	611,479
Net decrease in cash and cash equivalents	(351,476)	(95,143)
Cash and cash equivalents at beginning of year	491,413	139,937
Cash and cash equivalents at end of year	\$ 139,937	\$ 44,794

1. Organization and Summary of Significant Accounting Policies:

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 & Materials Society ("TMS"), the Iron & Steel Society ("ISS") 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.

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, the other two societies were the American Society of Mechanical Engineers ("ASME") and the Institute of Electrical and Electronics Engineers ("IEEE"). The Amer-

Notes to Financial Statements

ican Society of Civil Engineers ("ASCE") and the American Institute of Chemical Engineers ("AIChE") were later added as Founder Societies. UET owned the United Engineering Center ("UEC"), a building located on East 47th Street in New York City, provided occupancy to AIME, maintained a free public library and maintained an engineering foundation fund. Acting upon approval of the New York State Courts, the library was transferred to the Linda Hall Library (University of Missouri at Kansas City) and UEC was sold (see Note 5). AIME is now co-located in a midtown Manhattan office building with the other Founder Societies. UET was governed by a board of trustees comprised of three representatives from each of the Founder Societies. UET has been reconstituted as the United Engineering Foundation ("UEF") and is governed by a board of trustees comprised of two representatives from each of the Founder Societies.

AIME reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

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.

AIME considers all highly liquid investments purchased with maturities of three months or less when purchased to be cash equivalents.

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

Depreciation of furniture and equipment is being provided for by the straight-line method over the estimated useful lives of the assets. Amortization of leasehold improvements is provided for by the straight-line method over the term of the lease.

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

Certain 2000 amounts have been reclassified, where appropriate, to conform to the 2001 presentation.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

2. Loans Receivable From Member Societies:

During 1992, the SME Foundation (the "Foundation") obtained a noninterest-bearing \$50,000 loan from AIME's endowment funds. The Foundation began repaying the loan with payments of \$5,000 in 1998 and 1999, and the SME executive committee recommended payments of \$10,000 per year over the four following years. However, the SME Foundation took a more conservative approach and did not commit to increased installments. At November 30, 2000 and 2001, the balance of the loan was \$35,000 and \$30,000, respectively.

3. Investments:

Investments, at fair value, consist of the following:

November 30,	2000		2001	
	Cost	Market Value	Cost	Market Value
Corporate bond investments	\$ 3,680,604	\$ 3,668,072	\$ 2,972,669	\$ 3,019,806
Equity security investments	9,068,467	8,066,085	9,743,194	7,201,300
Total	\$12,749,071	\$11,734,157	\$12,715,863	\$10,221,106

Notes to Financial Statements

Investment income (loss) and its classification in the statement of activities for fiscal 2000 was as follows:

	Unrestricted	Temporarily Restricted	Total
Dividends and interest	\$ 423,378	\$ 79,510	\$ 502,888
Realized gains	71,137	18,043	89,180
Unrealized losses	(896,501)	(255,262)	(1,151,763)
Investment advisory fees	(48,270)	(14,128)	(62,398)
Total return on investments	\$(450,256)	\$(171,837)	\$ (622,093)

Investment income (loss) and its classification in the statement of activities for fiscal 2001 is as follows:

	Unrestricted	Temporarily Restricted	Total
Dividends and interest	\$ 367,006	\$ 114,243	\$ 481,249
Realized gains	441,395	136,123	577,518
Unrealized losses	(1,126,967)	(352,876)	(1,479,843)
Investment advisory fees	(48,150)	(15,088)	(63,238)
Total return on investments	\$(366,716)	\$(117,598)	\$ (484,314)

4. Property and Equipment:

Property and equipment, at cost, consists of the following:

November 30,	2000	2001	Estimated. Useful Life
Furniture and equipment	\$ 44,902	\$ 49,149	5 to 7 years
Leasehold improvements	148,670	148,670	Term of lease
	193,572	197,819	
Less accumulated depreciation and amortization	(56,963)	(86,649)	
	\$136,609	\$111,170	

5. Transactions with United Engineering Trustees, Inc. ("UET"):

In fiscal year 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, the sale proceeds were to be disbursed to the UET Founder Societies.

In October 1998, UET sold the UEC. From the sale proceeds, UET repaid the \$265,000 advance to AIME and contributed \$8,298,851 to AIME. The proceeds were placed in a separate mutual fund account and AIME's board of trustees approved a plan to distribute the \$8,298,851 and accumulated investment income. The plan of distribution provides for the following:

- A) \$150,000 was retained by AIME for its new AIME headquarters at Three Park Avenue, New York, NY; and
- B) The remainder, plus investment income, was disbursed over three years by formula to the four member societies for them to help carry out the mission of AIME as follows:

Notes to Financial Statements

	October 1998	October 1999	September 2000	Total
SME	\$ 839,379	\$ 593,883	\$ 625,479	\$2,058,741
TMS	559,586	485,677	512,416	1,557,679
ISS	559,586	481,777	511,495	1,552,858
SPE	839,379	1,194,663	1,262,248	3,296,290
	\$2,797,930	\$2,756,000	\$2,911,638	\$8,465,568

6. Commitments:

AIME leases its office space under a noncancelable operating lease from IEEE expiring in December 2005. The lease is subject to escalations for AIME's pro rata share of increases in real estate taxes and porters' wages.

Minimum future obligations under the lease, exclusive of required payments for increases in real estate taxes and porters' wages, are as follows:

Year ending November 30,	
2002	66,462
2003	66,462
2004	69,231
2005	69,231
Thereafter (December, 2005)	5,769
	\$277,155

Rent expense under the lease, inclusive of escalations and charged to operations, amounted to \$76,547 and 78,577 for the years ended November 30, 2000 and 2001, respectively. Effective for the year ending November 30, 2000, charges for electricity have been included in rent expense.

7. Retirement Income Plans:

The AIME Retirement Income Plan, a defined benefit retirement income plan, covers substantially all full-time employees. Eligible employees receive a noncontributory benefit based on the amount of compensation and the years of benefit service.

The Retirement Income Committee has contracted with Connecticut General Life Insurance Company ("CIGNA"), 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 CIGNA. 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 Employee Retirement Income Security Act 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:

Notes to Financial Statements

November 30,	2000	2001
Change in benefit obligation:		
Benefit obligation at beginning of year	\$707,428	\$701,541
Service cost	6,675	27,334
Interest cost	49,710	49,259
Benefits paid	(89,909)	(89,077)
Change in actuarial assumptions	27,637	32,707
Benefit obligation at end of year	701,541	721,764
Change in plan assets:		
Fair value of plan assets at beginning of year	757,500	649,048
Actual returns of plan assets	(48,543)	(91,603)
Employer contributions	30,000	25,000
Benefits paid	(89,909)	(89,077)
Fair value of plan assets at end of year	649,048	493,368
Funded status	(52,493)	(228,396)
Unrecognized net actuarial loss	191,561	360,640
Unrecognized prior service cost	7,841	2
Prepaid retirement income plan cost included in prepaid expenses	\$146,909	\$ 132,246
Components of net periodic pension cost include the following:		
Service cost	\$ 6,675	\$27,334
Interest cost	49,710	49,259
Expected return on plan assets	(61,940)	(52,300)
Amortization of unrecognized prior-service cost	7,860	7,839
Amortization of net loss		7,531
Net retirement income plan cost	\$ 2,305	\$ 39,663

The preretirement interest rate for funding and rate of increase in future compensation levels used in determining the actuarial present value of the projected benefit obligation was 6.5%.

For fiscal years 2000 and 2001, the projected benefit obligation was determined at a weighted-average discount rate of 7.5% and 7.25%, respectively, and an assumed rate of increase in future compensation of 5.5% and 4.0%, respectively. The expected long-term rate of return on plan assets was 8.5% for each of the fiscal years ended 2000 and 2001.

AIME also participates in a contributory multiple employer defined contribution employee savings plan covering all full-time employees of AIME and its four member societies. AIME contributed approximately \$12,000 to this plan in fiscal years 2000 and 2001.

Notes to Financial Statements

8. Amounts Payable to Member Societies:

Amounts payable to member societies consist of the following:

November 30,	2000
<hr/>	
Member-direct program grants:	
SME	\$ 73,000
TMS	55,832
ISS	51,464
SPE	132,045
	<hr/>
	\$312,341
	<hr/> <hr/>

The balance of the accrued member-direct program grants were paid during the year ended November 30, 2001.

An amount payable to an AIME overarching program of \$43,659 was carried forward from 2000 to 2001.

9. Restricted Net Assets:

November 30,	2000	2001
<hr/>		
Temporarily restricted net assets are restricted to the following purposes:		
Medals and awards	\$ 841,582	\$ 792,731
Books and publications	757,102	660,684
Scholarships	749,484	675,059
	<hr/>	<hr/>
	\$2,348,168	\$2,128,474
	<hr/> <hr/>	<hr/> <hr/>

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	100,673	100,973
Unrestricted purposes	10,466	10,466
	<hr/>	<hr/>
	\$ 433,502	\$ 433,802
	<hr/> <hr/>	<hr/> <hr/>

10. 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:

Year ending November 30,	2000	2001
<hr/>		
Medals, awards and scholarships	\$100,922	\$102,096
	<hr/> <hr/>	<hr/> <hr/>

Notes to Financial Statements

11. Functional Classification of Expenses:

Fiscal year 2001 expenses have been classified as program and supporting services as follows:

	Program Services					Supporting Services		2000 Total ⁽¹⁾
	Special Projects and Grants	Federation Support	Medals and Awards	Meetings	Books and Publications	Total	Management and General	
Grants to member societies								\$ 151,866
Member-direct program grants								634,196
Overarching programs								48,750
Payroll and employee benefits	\$18,955	\$ 84,246	\$ 35,804	\$ 50,547	\$21,062	\$210,614	\$154,321	\$364,935
Rent	3,678	16,344	6,946	9,806	4,086	40,860	37,717	78,577
Audit, legal and other								
Professional services	708	3,148	1,338	1,890	787	7,871	7,265	152,104
Supplies, postage, maintenance and repairs	1,312	5,830	2,478	3,498	1,458	14,576	13,454	28,030
Federation support		84,350				84,350		84,350
AIME board activities				41,788		41,788	41,789	83,577
Meetings	382			18,357	382	19,121	18,372	37,493
Medals, awards and scholarships			131,048			131,048		131,048
Publication expenses					54,096	54,096		54,096
Insurance	610	2,711	1,152	1,626	678	6,777	6,511	13,288
Free books					354	354		354
Depreciation and amortization		6,679	2,672	4,008		13,359	16,327	29,686
Other	1,615	7,179	3,051	4,307	1,795	17,947	16,567	34,514
Total	\$27,260	\$210,487	\$184,489	\$135,827	\$84,698	\$642,761	\$312,323	\$955,084
								\$1,871,067

(1) The summarized financial information for the year ended November 30, 2000 should be read in conjunction with the 2000 financial statements

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

The American Institute of Mining, Metallurgical, and Petroleum Engineers is dedicated to advancing the knowledge of engineering in the fields of minerals, metals, materials and manufacturing and energy resources, and to undertaking programs addressing significant needs including education.



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

Three Park Avenue

17th Floor

New York, New York 10016-5998

Tel: (212) 419-7676

Fax: (212) 419-7671

e-mail: aimeny@aimeny.org

internet: <http://www.aimeny.org>