Journal of My First Bolivia Trip in 2014©

First Trip to Bolivia on Business for Coeur Mining, Inc.

January 26 to February 1, 2014

Day 1, Sunday, January 26, 2014

The trip to Potosi, Bolivia was with Frank Hanagarne, my boss and the Chief Operating Officer of Coeur Mining, to look at mine tailings operations and for me to come up to speed on the Bolivian operations generally. I studied the relevant operations in detail over the course of the last four months and was very prepared for the trip.

A car was arranged for Frank and me. He lives four or five blocks closer to downtown than I do. He and the driver were waiting for me at 5:03 for a 5:05 a.m. pickup. It was snowing but not quite as cold as it had been in Chicago. I was glad to be going away from the new snow and the frigid temperatures that were predicted for the next week. We drove slowly to the airport in three to four inches of snow but everything at the airport went smoothly.

We flew on Copa Air, a United partner. It is a Panamanian carrier. Given the length of the flight, company policy allowed us to fly business class. The first flight was Chicago to Panama City. I read, worked, and slept a lot during the first flight. As we approached Panama, I moved to the empty window seat next to me so I could see the canal. Unfortunately, broken clouds obscured much of the view as we approached Panama from the east and flew over the isthmus. I think I saw Gatun Lake, the reservoir in the middle of the Panama Canal because I saw large ships in the middle of the land, but I can't be sure because of the broken cloud cover. It only took four to six minutes to fly completely across the isthmus and to turn around over the Pacific and back toward the airport.

The clouds broke as we flew out over the Pacific and I had a clear view of the entry to the canal. Approximately fifty ships were in the bay around the entrance while one ship was leaving the canal at full steam, slicing through the others that were mostly still, waiting their turn to enter. In addition to a clear view of the canal entry, I could see a ship a couple of locks up into the landscape. The coastline was green, rugged, and lush, which starkly contrasted with the view of the city. Panama City is much larger and more developed than I expected, with many skyscrapers. It appears to be very modern from the air, and indeed the airport was very modern. As we turned, I lost view of the canal but saw a lone fishing boat with its nets out. I was surprised to see a commercial fishing boat out on Sunday.

Copa called it an airport and connection center, which turned out to be the case. Changing gates was quick and easy. The whole airport was essentially a duty-free shop that accepted US dollars. It would have been fun to shop, but we were pressed for time. One thing I also noticed was that Panamanians appeared to be a beautiful people, at least those who worked for the airline and at the airport. Almost to a person, both men and women, they were what would be considered attractive by any standard, as if they had just walked out of a fashion magazine. We grabbed a kind of grilled cheese and ham flatbread from Dunkin Donuts, which was good. Then on to the flight to Santa Cruz, Bolivia.

We flew into Santa Cruz at night, so we saw nothing from the air. The driver picked us up and started for the hotel. On the ground, it looked like any typical city in the region, although we did see an LDS church building surrounded by razor wire on the main road from the airport to the hotel. We were hungry, and Frank had ceviche at the hotel restaurant. I ordered something else because I won't eat raw fish even if it is "cooked" in citric acid. I'm sure it tastes fine, but it's not heated to kill the bacteria and is not appealing to me. The rooms were nice and I slept well.

In preparation for the trip, I visited the international travel clinic at Northwestern Hospital. I did not need many shots because I the mine is so high in the Andes that I did not need shots required in the tropics. But since we were connecting through Santa Cruz, we were technically within the tropical zone, so I opted to receive the required shots. The most memorable was the yellow fever shot, which made me ill for a couple of days.

Day 2, Monday, January 27, 2014

Frank and I had breakfast at the hotel. The hotel was a resort and convention center reminiscent of Robinson Club in Tulum, where I took my family on our first trip to Mexico with the Davids. It was much smaller than the Robinson, but it had a nice pool and a nice buffet breakfast on the veranda overlooking the pool.

Ordinarily, we would fly from Santa Cruz to Sucre on a commercial plane and then drive for two hours to Potosi (a drive I would like to take some time to gain perspective that you don't get from the air). There was civil unrest, however, between some government-owned mines and the worker cooperatives. The cooperatives had blocked the road so we could not get through. The mine manager, Duilio Rivera from Argentina, said he and his wife had to walk about seven kilometers around the roadblock yesterday. (Query: what did they do with their car?)

In any event, the driver took us to a charter hanger, but that was not the right place. He then took us to the small local plane terminal, which was a real introduction to the local people, typical of what you would expect in South America. Thankfully, the plane was larger than the Cessnas that flew us into the mine in Mexico. Cloud cover prevented any great views of the Andes mountains.

Potosí is one of the highest cities in the world by elevation at 4,090 meters (13,420 ft). It is at the base of a peak known as Cerro Rico, with an elevation of 4,824 meters (15,827 ft.). To put this into perspective, Mount Timpanogos in Utah is not quite 12,000 feet. So, it's like living higher than Timp in very thin air. The city was founded in 1545, and mining has continued in Cerro Rico for over 500 years. The Colonial Spanish had a mint in Potosi where they minted sliver coins. From the mint, they transported the silver by llama to the Pacific coast, then by ship to Panama, by mule across the isthmus, and then by galleon to Spain. Locals told me that for part of the seventeenth century, Potosi was the largest city in the world, larger than Paris. I also learned that not all the silver coins went to Spain. Some were used in the China trade for silk, spices, etc., which news to me. I'm going to read more on the history of Central and South America!

Cerro Rico is essentially a giant silver deposit. It has over 300 miles of mine tunnels, and the government is concerned about its stability. It could suffer subsidence because it has become Swiss cheese. In fact, it is already a few hundred feet shorter than it was before mining commenced. The locals, however, keep mining underground. On the road to our mining area, I noted an old house with a woman in the doorway. Next to the house was a mine portal with two men pushing an old mine ore cart on railroad tracks into the mine. Quite the sight.



Cerro Rico

Coeur owns the Bolivian company known as Manquiri. Its mining area consists of alluvium along the edge of the mountain, so its operations are not part of the subsidence problem. There is enough ore in the sediment that has run off the mountain over the centuries that we can profitably mine it without having to blast or tunnel. Backhoes and front-end loaders are sufficient.

The mine is higher than the city, so I have been above 14,000 feet most of the day. It is having some effect on me. After a couple hours at that altitude, it seemed like everything and every person I saw had a grey tint, and my thinking seemed to slow down, as if in a slow-motion replay. I got a little dizzy this afternoon, although tonight I feel somewhat better. We had oxygen in the office today, and that was the only way I could stay alert in the meetings. Tomorrow we will be a few hundred feet higher. In this thin air, based upon how I feel now versus how I felt this afternoon, I'm thinking every foot of elevation means something. I mostly feel groggy, as if I had not slept sufficiently the night before.

We met with the mining staff for safety and environmental overviews. I worked through most of the language issues, but there will be some tough sledding ahead. It is hard enough to come up to speed on a site when everyone speaks the same language. It is twice as difficult with a language barrier. I need to go back and re-ask many questions I had today.

This evening we returned to the hotel. I knew that Frank had additional security because he is the CFO of the company, but I really noticed this time that the security was very visible, blocking traffic to some extent while he was dropped off at the hotel. I don't know if security stayed in the hotel through the night, but after noticing them the first time, I clearly saw that there was a security detachment in a separate car everywhere he went.

I should be in bed right now but felt like typing this out first. It's only 7:30 at home and 9:30 here, but I'm beat from the travel, the work, and the altitude. The hotel is nice, but this room is freezing and with radiated heat from steam pipes that are lukewarm, I think I'm in for a deep dive under the covers to stay warm. It looks like there are sufficient blankets. It's summer here, but it is so high that it is not warm. I had no idea that I was coming to one of the highest cities in the world.

This is my first trip south of the equator. I need to see the Southern Cross if I can get out on a clear night.

One more thing. I was surprised to see that the pictures you see of Bolivian (and Peruvian) women with the bowler hats and the traditional garb are not just a show to attract tourists. Many of the women actually dress that way. Not so much in Santa Cruz, but certainly here in this old city.

Buenas noches, dudes.

Day 3, Tuesday, January 28, 2014

We had breakfast at the hotel once again and then headed to the mine for a tour. We looked at the mining area along with some reclamation areas. Reclamation is much different, and easier, in high desert mountains with little rainfall as compared to trying to restore wetlands in Central Florida as I worked on with Mosaic.

The web of mining in and around Cerro Rico is a mess. Cooperatives often rely on individuals who walk up Cerro Rico with a cross-shoulder sack to mine enough ore to provide themselves and their families with food for the day with no set mining practices or safety standards. The mining locations appear quite random, and as noted, there are homes built in the mining areas, many with mining shafts right next to them. The shared roads that are too narrow with insufficient berms, often requiring mining trucks to back up to allow a truck coming from the other direction to pass. I saw men walking through Manquiri's mining areas uncontrolled in tennis shoes and not hard hats or other safety equipment, while Manquiri's people are decked out in uniforms and internationally required personal protective equipment, including the basics of a hard hat and a high visibility marking on their clothing. But that is the way the people of Potosi live. Over 15,000 people from Potosi attack Cerro Rico each day to scratch out a living. Many desire to work for Manquiri because it pays the highest wage of any mine in Bolivia.

We then visited the process area. Crushing, grinding, cyanide leach tanks, and what I didn't know, a refinery that takes the silver to over 99% pure before shipment. At the other mines Coeur produces and ships "concentrate," which usually contains less than 2% sliver and requires much off-site refining. Here, it is virtually pure when we ship it. From the processing area, we went to the tailings area. Tailings are essentially the remaining dirt and water after mining, and there are large amounts of it. The mine's tailings processing is intended to be "dry stack," so the water must be removed from the tailings. The tailings go through a filter press, which captures the tailings and then squeezes the water out of them through a long string of filters that compress like an accordion along the length of the facility. It is a mechanical system prone to breakdown and requires constant maintenance. The filters require frequent replacement and have to be imported through Chile. The filter press's complexity and need for constant

attention makes it relatively inefficient and costly to operate. In addition, the projects team and operations do not see eye-to-eye on the best way to manage the tailings. (I am keenly interested because tailings are now largely my responsibility from a risk reduction standpoint.) The mine is holding its own and will succeed, but it is taking a lot of additional capital. Manquiri is committed to leaving a legacy of properly protecting the environment, so we will keep at it until it all works properly.



Cerro Rico From My Hotel in Potosi

A fun side note. At the filter plant, which as mentioned essentially squeezes water out of dirt for stacking, Frank wanted to see it in full operation. What I didn't know, and I don't think Frank knew, was that between the natural rainfall and the cleaning going on in the plant, it was raining mud on us as we walked into the lower levels of the plant and up the stairs into the main processing area. We were covered with fine, light-brown mud. Pants, coats, hard hats, safety glasses, exposed skin, everything was covered with mud. Part of me was grossed out; the little boy in me thought it was great fun. The safety vest kept parts of my coat clean and somewhat dry, but it was the only coat I had, and I would need it the next day. Back at the hotel, washed it off in the bathtub, along with my boots, and realized that nothing would be dry the next day because it was too cold in the room. So, I used the hair dryer. I discovered that in the tiny bathroom with the door shut, the hair dryer made it comfortably warm. The hair dryer became my best friend for staying warm in the mornings and evenings in the hotel room! I sent the pants and three shirts out to the cleaners so I would have enough clothes to finish the week. (And they weren't completely dry when they came back.) I am actually bringing home clean shirts, although I will probably rewash them. Boys playing in the mud!

Back at the mining office, Frank called me in and said he wanted to talk to me. I was a bit nervous, having no idea what he wanted, but he said he was very proud of me for going into the mud bath to see the operations. He said I was the only lawyer (although I am not acting as a lawyer in this position) he had seen willing to get that dirty to become familiar with the operations. Nice compliment. A hallmark of my career has been going out into the operations and learning how it all works. I loved the time I spent in oil refineries earlier in my career and this was the same amount of fun, plus we got muddy, which cleans off easier than oil.

At altitude, that was an exhausting day, although I did fine.

Day 4, Wednesday, January 29, 2014

This day turned out to be probably the most important of the week for me. Instead of going to the mine with Frank, the Corporate Social Responsibility folks picked me up and took me to the Potosi office. (And no, I didn't have security detachment following me around all day – I guess I'm not that important, or at least not important enough to protect from kidnapping for ransom. I'm not worth millions!) As is typical in older sections in Europe and in Latin America, the office wasn't much to look at from the street, but within the walls, it opened into a beautiful courtyard with offices encircling the courtyard on the second floor. It was not fancy but was very nice. I met Jose Farfan and his team, Eric, Mario, and Mercedes. They gave me an overview of the community and social relations program in Bolivia. They walked through each area individually and focused on the projects that assist the community, particularly the indigenous population. The objective is to help the people to help themselves to achieve a sustainable economy after the mine closes in ten to fifteen years. The process is for the indigenous people to propose projects and then work with the company to refine them and ensure their feasibility. The company then helps the people implement the projects and ultimately turns them completely over to the people.

I asked to see some of the projects. The team selected the projects for the Allyu of Jesus de la Machaca, the indigenous people controlling the area where Manquiri processes and stores tailings. We drove from Potosi past the mine and then off onto a road marked for eco-tourism, which the people are developing for the future. From the main highway, and especially once we pulled off onto the dirt road, there were llamas everywhere. I learned that llamas are essentially their cattle. Llamas and mountain trout are staples in the Bolivian diet.

The first stop was the area of the new school in Chalviri. The old school was inadequate, so Manquiri built them a new, more modern one. It started to rain, and they took me to a two-story building that looked somewhat like an American motel from the 1970s. The Manquiri team did not tell me what to expect. We went up the stairs and into an office where seven or eight native people were waiting to meet me as the Coeur representative. I was very surprised when our team told me that they were the President and the Governing Board of the tribe. We shook hands, which they do in an interesting way. You shake hands, then give kind of an awkward hug to the right without really hugging and then shake hands again. They then each dipped into their bag and gave each of us some coca leaves. The natives chew them all the time. The thinking is that it helps them with the altitude. I was not sure what to do with them because they are the leaves that when processed become cocaine and they came from bags that did not seem particularly sanitary. One of Manquiri's people whispered to me to slip them into my pocket, which I did.

After the round of greetings, and beginning with the President, they all gave welcoming speeches. They were all pretty generic, but I do recall the President saying that he was sorry that he did not have a gift for me, which made me wonder if I should have had a gift for him (although the first I knew of this meeting was when I walked through the door). Later he said he would wear his native poncho next time I came. Notably, the mine manager, Duilio Rivera, wore his native poncho, which was purple, and his hard hat. I'm not sure why he wore the hard hat, but he did.

After their speeches, I of course had to make my speech. Before I left Chicago, I was cautioned to not say anything that could be construed as a promise from the company. So, I thanked them for their welcome and hospitality, told them that I shared their interest in educating their children, and I assured them that the company would continue to assist them. I assumed I was safe sticking with the theme of education since Manquiri had built two school buildings, including the office building I was in, and was building a dining hall for the students, which I noted had two basketball courts in the back. The governing board expressed gratitude during the meeting and throughout the day

We left the office for a tour of the more of the community projects. We did not go into the school because it was closed for vacation, but we did go to a small clothing manufacturing facility that Manquiri helped them build and was under expansion. Manquiri had purchased textile equipment, which worked well. The operators proudly showed me some of the embroidery on jackets that had been done on the machines. They can manufacture clothing for their own community as well as for sale to the public.

After goodbyes, we drove further up the road toward the fishing camp on a high mountain lake. There were dozens of lakes in the high mountain valleys, which were essentially reservoirs created by the government for water storage. Typically, there is not a lot of rainfall in the area, although we happened to be there in the rainy season and they were having an unusually high amount of rainfall. On the high desert at 13,000+ feet, it does not get too hot or too cold. It kind of stays the same temperature all year around. It was summer and I was freezing most of the time, especially in the hotel room.

Along the way to the fishing camp, and in fact in all the lower locations, there were greenhouses built by the company so that the people could grow a wider variety of vegetables and have a healthier diet. The women in particular were meeting their people's needs and selling the remainder into the local economy. The company had also built many sanitary facilities to help stem childhood sickness by providing flushing toilets and some running water. Black plastic water tanks were visible on top of most of the houses.

The fish camp was on a beautiful lake with striking mountain vistas. It consisted of a restaurant, a couple of cabins where people could stay overnight, and a couple of roofed gazebos with tile floors, running water, and cooking stoves. There were a few fishing boats and a couple of paddle boats for fishing and recreation. The natives claimed to have at least 7000 trout in the lake, many very large. The purpose of the facility was simple: there isn't much to do for recreation in the high Andes and it provides a place where, for a relatively modest cost, their people can go and enjoy some fishing and boating. They have plans for expansion because it is so popular. The plans include creating a beach with sand from a nearby dune so people can play beach volleyball and other sand sports.

My tour guide was a Manquiri employee who worked at the mine, very young, very sharp, and very proud of what they had accomplished. After showing us around the area, he took us through the kitchen to the restaurant. Again, without warning, I was served some trout from the lake with small golden potatoes and some form of large corn. The trout was so well prepared that it may have been the best I have ever tasted. We ate with our hands. There was another round of speeches, starting with the President of the fishing area. Then the past President of the fishing area spoke for a long time, and later

he and I chatted further. I really enjoyed talking with him. Then it was my turn to speak again, and I thanked them for their hospitality and food and said how grateful I was for the great progress they were making at the fishing camp.

As we drove from the fishing camp up higher into the mountains, I noticed once again hundreds of llamas, some of whom had red braids and tassels attached to their ears and others who had red braids and tassels around their necks. I am assumed that that the braids and tassels were equivalent to branding cattle in the US. I would have thought they would have made a business out of sheering them for their hair, but most of them were shaggy. That is a good question for next time. They also had a flock of shaggy sheep, and I noticed they had not removed the horns. Their houses, many of which were accompanied by bathroom facilities Manquiri had created, were very humble rock hovels with thatched roofs. The people mostly lived in the traditional way.

Another thing I noticed was the short grass. It literally looked like lawn grew in the high mountain valleys. I should have asked if that is only a rainy season phenomenon, but it was truly beautiful and interspersed with the native taller grass plants that grew in the valleys and on the hill sides. This area was very high with rugged desert peaks all around.

We finally reached the fish farm, which was below another beautiful, high mountain reservoir built by the government. The farm had very modern facilities. It has not produced a crop of trout yet, although once in production the capacity will be 4000 kg of trout per year to stock the fishing lake and to sell into Potosi and other lower communities. I noted that trout was on every menu I saw, including in La Paz. I saw from a prominently displayed plaque that the fish farm was sponsored in part by the European Union.

We first went into the rooms where the trout hatch, where we saw some little half inch newbies. We then walked through the processing facilities, which are not yet completed but will be shortly. From there, we went out to some large cement tanks and saw trout at about 1 to 1.5 inches in one and 2 to 3 inches in the other. Once they reach about a foot they will be introduced into the lake up above. A native woman grinds the food and feeds the fish every day. Diulio was telling me that they are getting off to a rough start and they need to bring in someone who knows what they are doing to really get it off the ground. Right now, it is their project, but Manquiri is running it for them.

After goodbyes we drove even higher on an extremely narrow road carved into the mountain with no berm. I was not scared, having driven on dozens of those types of roads in Idaho, but I was certainly hoping there would be no oncoming traffic. That would have been a real problem, involving backing by one party or the other for hundreds of feet. After going over a pass and descending a few hundred feet through a high desert valley, we approached our tailings area from behind. We saw a government lake that was in very poor condition, and next to it, toward the existing tailings area, was the area where Manquiri will build its final tailings area beginning later this year. If we get any government opposition, it will be because it is too close to their lake, although we have a strong argument that the lake isn't worth anything because it is not maintained and is of little current use without large expenditures by the government.

We drove down past the tailings area and back to the mine for a couple more hours of meetings. Then back to the meat locker hotel room. We went out to eat with the mine management team to a very nice restaurant. It was good to visit with them, although without translators, it was pretty much Frank, Diulio, Jose Luis (the financial controller from La Paz), and me talking, with occasional attempts to talk to the non-English speakers. I really need to get this Spanish language to start flowing. After dinner, we took a brief stroll through the town square and saw a Bolivian replica of the Statue of Liberty. I understand they are popular in South American town squares. Jose Luis also explained that Butch Cassidy and the Sundance Kid were killed fairly close to Potosi by the Bolivian army, as depicted in the movie. The outlaws had come as far south as Bolivia to rob sliver trains. They were surrounded and killed.



Day 5, Thursday, January 30, 2014

Tonight I am doing better because as much as I enjoyed Potosi, we left a day early and flew to La Paz this afternoon. Now instead of sleeping in a meat locker, I have a luxury hotel room with all the amenities, including electric heat with a blower. I am not too cold for the first time in three days! And I don't have to close the bathroom door and turn on the hair dryer to get heat.

Today was less intense. It started with a very brief tour of the Casa de la Moneta in Potosi, which is the mint where they minted coins before loading them on llamas to carry them down to the coast of Chile for transport to Panama and on to Spain. The building was very impressive and included an art gallery with a lot of seventeenth century art. I had to cut off the tour to head to the mine to the close out meeting, but next trip, without my boss, I will schedule a half day at the mint with the public relations manager from Chicago who also needs to appreciate the history and the culture.

Here are some things I learned at the mint:

> The legend is that silver was discovered by an Inca when he was trying to capture a runaway llama. In the night he built a fire and saw a vein of 80% pure silver jutting out of Cerro Rico. I don't remember the rest of the story, other than the fact that Spanish mining started in 1545 and the first coins were minted for shipment to Spain in 1547. Minting started as a very crude enterprise but by the mid 1700's, Potosi, as one of the leading mints in the Spanish empire. It received some of the then "high tech" minting equipment. It was as important as or more important than the mints in Mexico and Lima. The current building was constructed in around 1760 and was in continuous service, minus some brief shutdowns during the wars of independence, until 1951.
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> Each mint was given a distinctive mark for its coins by the crown in the 1700's to identify from whence the silver had come. For Potosi, the four letters PTSI were overlain, forming something that looked somewhat like this if you left off the P and the T: $. The

lore is that Spanish money circulated in the US until the 1850's and that the symbol $ stood for stability, so the US adopted it, along with much of the rest of the world, as a symbol for money. Interesting if true. [In 2026, AI attributes it to the Spanish Peso, not Potosi, and numerous other theories exist if one wishes to run down rabbit holes.]

Potosi was so rich from Cerro Rico that it became an art and culture center in the New World, rivaling some Old World cities. They had some amazing 16th and 17th century artwork, much of it religious, which was done in Baroque style. It was well preserved and done by local artists and included big frescos. They also had equipment that was made of wood and extremely well preserved, and, in fact, could still be operated. The climate made the preservation of the artwork and the equipment possible. It doesn't get terribly hot or cold and is so high that there are no insects to eat away at it.

I remember reading in National Geographic as a kid that they had discovered a Spanish Galleon full of silver coins off the coast of Florida. It was the flagship of a 28 Galleon group that was caught in a hurricane and six or eight of the ships were lost. At the mint they noted that the lead ship had silver coins with markings from Potosi that in the 1960's would have been valued at approximately $480 million. Imagine the total magnitude of the wealth removed from not only Cerro Rico but the entire New World by the Spanish.



Another View of Potosi

Under the wooden minting equipment, there were what appeared to be footprints sunken into the wood floors. The tour guide explained that they were, in fact, footprints. The laborers pushed on those spots for so many decades that eventually the wood warped to their feet and became footholds. The tour guide noted that the flooring and other wooden parts of the building were constructed in the same manner as the Galleons and were therefore very sturdy. He also noted that the outside of the building was in a Baroque style, same as the artwork on the inside.

And this is all that I can easily remember from just a half hour tour. Imagine what I will be able to learn in two to three hours in the future. I deem it very important to understand this history and culture in working with the people from this area. The history still permeates the air of Potosi, and the progeny of the Spanish and Incas mine in the same location as their forebears mined 500 years ago.

I was then off to the mine for close out meeting, which went well. The meeting was less interesting compared with what I learned in the community, but attending the meeting was

important to understanding the business. Nobody I have ever seen executes business strategy better than Frank Hanagarne.

As mentioned, we caught the plane to La Paz a day early. I knew from looking at a map that to the south and west of Potosi was the largest salt flat in the world known as Salar de Uyuni, which is covered by water parts of the year. For a moment, I thought we were flying over it, although I could see from the pilot's compass that we were heading northwest. I looked up our route on google earth and it was a different, not salty lake, called Lago Poopo. We flew at around 16,000 feet most of the way and were eye to eye with the peaks around us, observing, to the extent cloud cover would allow, the rugged lower mountains below. On the approach to La Paz, we could see the outer edges of Lake Titicaca, which is very famous in South American history and geography, particularly with respect to the conquering of the Incas by the Spanish. I thought it was entirely in Peru but a bit of it spills over into Bolivia.

The airport in La Paz is known as El Alto and is the highest international airport in the world. Frank kept telling me we would feel better here because it's lower. While the airport is at 13,323 feet, only about 150 lower than Potosi, the city of La Paz is built into the saddle of some very high peaks at around 12,000 feet. Just 1300 feet seems to make a difference for altitude sickness. Later, Frank told me that it takes a long time for planes to get off the ground here because of the thin air. I noticed the length of the runway coming into La Paz but didn't tie it to altitude until Frank warned me that taking off seems to take a long time.

Tonight we ate at the hotel restaurant. It was clean and modern, so I ate some lettuce for ummm...personal reasons. Frank has been eating it all week with no problems, so I hope I don't get sick. The trout here is amazing. The locals eat trout, llama, rice, and potatoes. Sometimes chicken, rarely beef. Llamas are everywhere outside the cities, grazing like cattle. And dogs are everywhere in the cities. I counted seventy-two during the drive from the airport to the hotel in La Paz and probably missed half of them. Funny animals. The dogs appeared to have sufficient food; they just live outside in the dirt, while their owners live inside in the dirt.

La Paz itself may be the most stunning city I have ever seen. The high-rise buildings are surrounded by magnificent, rugged peaks. The largest peak was obscured by clouds, but I hope to see it tomorrow. I don't think we will have meetings all day tomorrow, so I am going to try to talk Frank into some touring up into the surrounding mountains. There will be interesting sights to see, including convents, old churches, lakes, mines, farms, etc. And I desperately want to see the Southern Cross in the sky, but I'm not holding my breath since it's the rainy season and seeing it would involve sheer luck.

Day 6, Friday, January 31, 2014

The fun came to an end at 4:15 a.m. If I die, tweet #whydidyoueatthatsaladlastnightyouidiot. Diarrhea. Yuk. I still felt okay though and hung on through the morning meetings at the office in La Paz. The President of Manquiri is Umberto Rada. He has an office in La Paz and has spent his whole career in mining. He is a very sincere and adept at working the politics in Latin

American. He is very talented, very impressive, and totally plugged into the political scene in Bolivia.

We met the whole La Paz office staff in the conference room and then Frank spoke for a while, I said a few things, then Umberto presented the community relations and the EHS management systems they use at the mine in Bolivia. He is a very talented presenter.

Afterward, Umberto and Frank went to their weekly call with the CEO, and I went to a conference room to take care of some emails. The first order of business was to get something to stem the diarrhea. They brought back an antibiotic, but I had to send them back for Imodium. My only goal at that point was to get on the plane the next day without having to spend the entire trip in the toilet.

We went to lunch at a very nice restaurant, and I made the mistake of eating. It was Jose Luis, Umberto, Frank, Sergio the company lawyer, and me. After my second trip to the restroom, Frank asked if I was okay. I said no and that when lunch was over, I needed to go back to the hotel. I would have gutted it out had the trip home not been the next day and I was bound and determined to get out of there. Although now I wonder why. In Chicago, it's cold and I have no help when I get home. I won't be home until after 10:00 pm and I need to go to Walgreens in the freezing cold. This is not looking good.

So, I went back to the hotel and studied Spanish because I couldn't sleep. I eventually did sleep for a couple of hours and worked for a couple of hours. I got into bed at 8:00 pm for the 4:30 am wake up call to go to the airport, but I barely slept. For whatever reason, when my guts, legs, and kidneys ache, I don't sleep much. And they did. I took five Imodium just getting through the night. Not pleasant at all.

Day 7, Saturday, February 1, 2014

Up at 4:30 for today's flight. The drive to the airport was quite something. A road winds up the hill, the same one we came down two days ago, for miles as it climbs 1300 feet to El Alto, with speed bumps strategically located along the way. I felt lousy, and every speed bump was a nightmare. But we finally made it and checked in. Security went smoothly. I thought disaster had struck when the plane had a problem and the pilot was not sure he could legally fly it to Santa Cruz, where we had to stop before proceeding to Miami. But after about an hour delay and a trip to the toilet, we were finally on our way. In Santa Cruz, we had to get off the airplane even though I am right back in the same seat. Get off, then back on, with another bag search. Ugh.

I'm on my seventh or eighth Imodium. I am going to buy liquid in Miami. It is a six-hour plus flight and we have about two and a half left to go. I have been to the bathroom about three times. I'm really hungry, not having eaten for over 24 hours. I am trying some nuts, but that will likely be a mistake. I don't want to deal with the other end, but I did drink a real coke, and

based upon my upbringing, recalled that tea helps a bad stomach, so I am drinking tea with lots of sugar. Nuts were already a mistake.

While waiting in La Paz, Frank explained to me his theory of work and management. Very interesting. He said a colleague who went to a Harvard mini-MBA course challenged him to write down everything he worked on by the quarter hour for two weeks and then analyze it based upon what was productive work. He figured out that much of what he was doing was worthless. I will take the same challenge.

He then said he was on a team that determined what the productive activities were. They arrived at the following:

1. Revenue enhancement,
2. Cost reduction,
3. Working capital control, and
4. Capital discipline.

Frank designs all his work around those activities. I will have to decide how to implement this into my work. I can say now that it will probably be something to the effect that EHS performance leads to better production, so the focus will be on improving environmental performance with minimal capital. I've seen how Frank does his work, and I can mimic it. I surprised him a couple of days ago when I told him I learned more about business execution from him in a few weeks than I had from anyone else in my entire career. I will ponder this and figure out how to implement it.

Shouldn't have eaten nuts but I am soooo hungry. Tea with massive amounts of sugar is getting me through, although time for a potty run.

I will talk about the return trip later, but there is an issue that needs to be discussed. Cerro Rico is a cone that is essentially a large silver deposit from top to bottom. It has a rich history and is a national and international historic and cultural site. Should mining continue with the mountain literally subsiding and cracking? Mining above a certain level is prohibited already, but the native miners in the cooperatives, which have massive political power, just go in and mine where they wish. Will Cerro Rico be lost?

I am comfortable with what Manquiri is doing because it is not high on the cone and we are pulling only loose materials and we are restoring the land to a better condition. (Interestingly, quinoa, the newly popular food in America, is what the company plants for land reclamation.) The cooperatives and locals, however, have relied on the silver of Cerro Rico for their livelihood for five centuries. They will never stop mining it, and the government probably cannot ever stop them. Nor will the government ever succeed in enforcing modern practices on the cooperatives.

Further, 10,000 to 15,000 Potosians climb Cerro Rico every day to scratch out a living. They are slowly destroying what has sustained them. Killing the goose to get the golden eggs, so to speak. And the economy of the whole region, as it has for five hundred years, relies on Cerro Rico silver to survive. The locals believe there are three more centuries of mining remaining. Do we destroy Potosi and its people by stopping mining, or do we let them destroy a thing that is part of their rich heritage? I have no conclusions and do not know what the government will do, but the bottom line for me is: Manquiri is doing things right, the people will never stop, and they have the political clout. The hard decisions will not be made any time soon, but I will do everything I can to make sure our mining practices ultimately enhance rather than detract from the magnificence of Cerro Rico. Manquiri will leave its mining areas contoured and looking like a true national monument. But the cooperatives never will.

Final notes:

When we landed in Miami, it dawned on me that the coca leaves given to me by the tribal council, or at least remnants of the leaves, were still in my coat pocket. With Miami being a hot spot in the international drug trade and with drug sniffing dogs and other precautions taken by the authorities to capture drug dealers and mules, I thought I was doomed. How was I going to explain if dogs sniffed out the coca leaves? Thankfully, they didn't, but I was tense until I got safely on the flight to Chicago.

After flight delays, I arrived home at around midnight, still extremely sick. This morning I got up and walked up the street to Northwestern University urgent care. A very pleasant physician gave me two antibiotics. She said to take the Z pack and save the second one as heavy artillery in case the first one didn't solve the problem. I'm really tired from not being able to eat anything substantial since Thursday. The trip was awesome, but the aftermath is going to last a few more days. Next time I will stick to my rules about what I eat. What a blessing to be able to experience the world, even if the price seems high sometimes!

A final thought about Bolivia. What a beautiful country with rich resources. It could be an economic powerhouse if the government could get its policies right. As long as it continues to elect socialists and communists, the people will continue to suffer in poverty. I suppose corruption plays a role as well. I hope the day will come when Bolivia finds its way!

Note in 2026: the next two trips to Bolivia were interesting in their own ways, and I will include them in separate articles in the future.