

Mining District File Summary Sheet

DISTRICT	Rosebud
DIST_NO	4010
COUNTY <small>If different from written on document</small>	Pershing
TITLE <small>If not obvious</small>	Monthly Progress Report, Rosebud Mine - August 2006
AUTHOR	Babth, B; Brown A; Arnold, T; Cameron D; Hartman, S; Callahan, M; Dehaage, T; Summers, A; Wilson, E; Santti, S; Tempel, T; Dunstan, J; Lisle R; Rigby P; Mullin J.
DATE OF DOC(S)	2000
MULTI_DIST Y / (N?) <small>Additional Dist Nos:</small>	
QUAD_NAME	Sulphur 7.5
P_M_C_NAME <small>(mine, claim & company names)</small>	Rosebud Mine; Hecla Mining Co; Newmont Gold Co
COMMODITY <small>If not obvious</small>	gold; silver
NOTES	Monthly progress report; memorandum; production; recovery; statements of operation 5 p.

Keep docs at about 250 pages if no oversized text maps attached
(for every 1 oversized page (>11x17) with text reduce
the amount of pages by ~25)

SS:	DD	7/28/08
	Initials	Date
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	Initials	Date
SCANNED:		
	Initials	Date

HECLA MINING COMPANYMEMORANDUM

September 14, 2000

TO: Tom Fudge
FROM: Mike Dexter
SUBJECT: Monthly Progress Report, Rosebud Mine – August 2000

Attached is the August 2000 Monthly Progress Report for the Rosebud Mine.

MD:clp

Attachments

cc: Bill Booth
Arthur Brown
Tim Arnold
Don Cameron
Scott Hartman
Mike Callahan
Jeri DeLange
Al Summers
Ed Wilson

Scott Santti - JV Mgmt. Committee

Newmont Gold Company

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Trent Tempel - JV Mgmt. Committee

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PO Box 669

Carlin, NV 89822

Jim Mullin – Sr. Vice President

Newmont Gold Company

555 5th St.

Elko, NV 89801

MINE PERSONNEL AND SAFETY

Staff

During the month 61 hourly employees were terminated and none were hired. Hourly employment is three. Twelve salary employees were terminated and 11 remain. Total employment is 14 and three of those employees were terminated September 1, 2000.

Safety

There were no injuries during the month of August. We have gone 1073 days without an MSHA reportable lost time injury.

Annual refresher training was conducted during the month.

OPERATIONS

Development

There was no development in the month of August.

Production

There was no production during the month. However, we trucked ore from the prior month during the first week of August.

Transystems hauled away the last truckload of ore on August 16th.

We maintained Jungo Road and the access road until the end of the month.

EXPLORATION

Compilation of target data and report writing began during the month of August. The final exploration report should be completed by September 14, 2000.

Geological consultants Don MacKerrow and Pete Rogowski finished their portions of the 2000 exploration report by August 15th and have been let go.

All remaining assay results were received during the month of August consisting of drill holes RS-404, 405, and 406. These drill holes contained no significant intercepts.

ENGINEERING

Mine Closure Activities

The final closure and reclamation budget was completed and presented to the Joint Venture committee. A work deck for removing the Alimak mast was designed and constructed and the top 600 feet of elevator mast was removed from the borehole.

Environmental

TRC Consultants (Hydro-Geo) were retained to begin detailed analysis and documentation of anticipated post-mining underground water quality and water levels. Their investigation will also include long-term ARD issues concerning the waste dump. An updated map of all monitoring and production wells was assembled and submitted to NDEP.

PERFORMANCE

There were no expensed or capitalized discretionary costs incurred during August. There was \$15,000 budgeted to be expensed for reclamation contour and seeding.

The mine ceased production on July 31. There were 23,622 tons budgeted for production in August.

During August the mill recovered 10,267 gold ounces and 13,513 silver ounces, 3,235 more gold ounces and 6,595 more silver ounces than budget. Recoveries during the month were 94.9% for gold and 64.4% for silver which is equal to 1.1% less and 4.4% more than budget, respectively.

Year to date the mill has recovered 45,459 gold ounces and 106,925 silver ounces, 11,992 less gold ounces and 17,678 more silver ounces than budget. Year-to-date recoveries are 94.6% for gold and 55.7% for silver which are 1.4% worse and 4.3% worse than budget, respectively.

Production costs for August totaled \$2,143,642, \$349,516 more than budget. Year-to-date production costs total \$13,303,277, \$1,023,109 less than budget.

Hecla 100% exploration costs for August totaled \$9,120, \$29,205 less than budget. Year-to-date costs total \$1,298,067, \$160,515 less than budget.

The per-gold-ounce-produced costs achieved during August were:

Cash operating cost per gold ounce	\$ 232.01	\$ 28.21	less than budget
Total cash cost per gold ounce	\$ 243.25	\$ 30.11	less than budget
Total production cost per gold ounce	\$ 348.77	\$ 17.01	less than budget

The per-gold-ounce produced costs achieved year-to-date are:

Cash operating cost per gold ounce	\$ 288.88	\$ 42.06	more than budget
Total cash cost per gold ounce	\$ 300.63	\$ 39.87	more than budget
Total production cost per gold ounce	\$ 407.66	\$ 53.02	more than budget

The Rosebud Mining Company, LLC (HMC, operator)
Statements of Operations - Variances to Budget (LLC Agreement Basis of Accounting)

	MONTH			QUARTER TO DATE			YEAR TO DATE		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
August 2000									
Gross production value (GPV)	\$ 2,884,620	\$ 2,147,649	\$ 736,971	\$ 4,994,568	\$ 4,244,259	\$ 750,309	\$ 13,361,018	\$ 17,726,161	\$ (4,365,143)
Less: Euro Nevada royalty	(115,385)	(85,906)	(29,479)	(199,783)	(169,770)	(30,013)	(534,441)	(709,046)	174,605
Less: Shipping and refining	(18,988)	(5,580)	(13,408)	(33,930)	(10,939)	(22,991)	(111,683)	(58,679)	(53,004)
Net production value	2,750,247	2,056,163	694,084	4,760,855	4,063,550	697,305	12,714,894	16,958,436	(4,243,542)
Cost of production									
Mine production costs	32,804	590,550	557,746	489,145	1,192,575	703,430	4,062,324	4,895,548	833,224
Fixed mining costs	151,877	179,400	27,523	353,457	358,800	5,343	1,669,723	1,455,200	(214,523)
L.L.C. Development	-	-	-	-	-	-	177,775	287,500	109,725
Milling costs	373,704	382,584	8,880	719,921	770,478	50,557	2,572,026	3,064,217	492,191
Trucking and site processing	264,219	267,617	3,398	520,134	535,145	15,011	1,825,442	2,138,326	312,884
Site and general administration	159,409	201,600	42,191	402,045	490,700	88,655	1,503,783	1,711,100	207,317
Geology	16,775	41,900	25,125	51,046	83,800	32,754	377,508	335,200	(42,308)
Delineation drilling	-	-	-	-	25,000	25,000	31,234	150,000	118,766
Engineering	16,670	31,500	14,830	51,324	63,000	11,676	224,976	251,500	26,524
Change in ore stockpile and in-circuit inventory	1,128,184	98,975	(1,029,209)	1,256,512	12,075	(1,244,437)	858,486	37,795	(820,691)
Total cost of production	2,143,642	1,794,126	(349,516)	3,843,584	3,531,573	(312,011)	13,303,277	14,326,386	1,023,109
Other costs									
Property taxes	4,000	7,200	3,200	10,500	14,400	3,900	49,500	57,600	8,100
Net proceeds taxes	-	6,531	6,531	-	15,957	15,957	-	92,036	92,036
Reclamation expense	44,301	29,860	(14,441)	75,415	59,711	(15,704)	219,097	238,593	19,496
Interest (income)	(5,145)	(4,000)	1,145	(12,153)	(8,000)	4,153	(51,675)	(32,000)	19,675
(Gain) loss on the sale of fixed assets	(65)	-	65	(2,050)	-	2,050	(23,336)	-	23,336
Depreciation	1,039,022	620,041	(418,981)	1,782,227	1,238,571	(543,656)	4,646,423	5,155,015	508,592
Total other costs	1,082,113	659,632	(422,481)	1,853,939	1,320,639	(533,300)	4,840,009	5,511,244	671,235
Total operating costs	3,225,755	2,453,758	(771,997)	5,697,523	4,852,212	(845,311)	18,143,286	19,837,630	1,694,344
Exploration expenditures - 100% Heccla	9,120	38,325	29,205	155,283	316,394	161,111	1,298,067	1,458,582	160,515
Discretionary expenditures	265,976	65,000	(200,976)	265,976	80,000	(185,976)	265,976	260,000	(5,976)
Total costs	3,500,851	2,557,083	(943,768)	6,118,782	5,248,606	(870,176)	19,707,329	21,556,212	1,848,883
Net income (loss) to Exhibit B	\$ (750,604)	\$ (500,920)	\$ (249,684)	\$ (1,357,927)	\$ (1,185,056)	\$ (172,871)	\$ (6,992,435)	\$ (4,597,776)	\$ (2,394,659)
Cash operating cost per gold ounce	\$229.94	\$260.22	\$30.28	\$228.89	\$255.73	\$26.84	\$288.41	\$246.82	(\$41.59)
Total cash costs per gold ounce	\$241.18	\$273.36	\$32.18	\$240.24	\$269.09	\$28.85	\$300.17	\$260.76	(\$39.41)
Total production costs per gold ounce	\$346.69	\$365.78	\$19.09	\$345.75	\$362.49	\$16.74	\$407.20	\$354.64	(\$52.56)
Summary of Production									
Tons of ore mined:	0	23,622	(23,622)	35,746	47,703	(11,958)	161,713	191,974	(30,262)
Gold - ounces per ton	-	0.346	(0.346)	0.303	0.325	(0.022)	0.266	0.314	(0.048)
Silver - ounces per ton	-	0.50	(0.50)	0.60	0.49	0.11	1.00	0.68	0.32
Tons of ore milled:	35,746	24,081	11,665	60,851	48,154	12,697	176,781	192,413	(15,632)
Gold - ounces per ton	0.304	0.304	0.000	0.300	0.301	(0.001)	0.269	0.311	(0.042)
Silver - ounces per ton	0.64	0.48	0.16	0.56	0.47	0.09	1.08	0.77	0.31
Mill recovery rate - gold	94.9%	96.0%	-1.1%	95.0%	96.0%	-1.0%	94.6%	96.0%	-1.4%
Mill recovery rate - silver	64.4%	60.0%	4.4%	64.0%	60.0%	4.0%	55.7%	60.0%	-4.3%
Products produced:									
Gold - ounces	10,267	7,032	3,235	17,605	13,901	3,704	45,459	57,451	(11,992)
Silver - ounces	13,513	6,918	6,595	22,207	13,447	8,760	106,925	89,247	17,678
Employees at end of period:									
Hourly	3	60	57	3	60	57	3	60	57
Salary	14	24	10	14	24	10	14	24	10
Capitalized expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,999	\$ 500,000	\$ 434,001

The Rosebud Mining Company, LLC (HMC, operator)
Statements of Operations - Variances to Budget (LLC Agreement Basis of Accounting)

August 2000

	MONTH			QUARTER TO DATE			YEAR TO DATE		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Gross production value (GPV)	\$ -	\$ 90.92	\$ (90.92)	\$ 139.73	\$ 88.97	\$ 50.76	\$ 82.62	\$ 92.34	\$ (9.72)
Less: Euro Nevada royalty	-	(3.64)	3.64	(5.59)	(3.56)	(2.03)	(3.30)	(3.69)	0.39
Less: Shipping and refining	-	(0.24)	0.24	(0.95)	(0.23)	(0.72)	(0.69)	(0.31)	(0.38)
Net production value	-	87.04	(87.04)	133.19	85.18	48.01	78.63	88.34	(9.71)
Cost of production									
Mine production costs	-	25.00	25.00	13.68	25.00	11.32	25.12	25.50	0.38
Fixed mining costs	-	7.59	7.59	9.89	7.52	(2.37)	10.33	7.58	(2.75)
L.L.C. Development	-	-	-	-	-	-	1.10	1.50	0.40
Milling costs	-	16.20	16.20	20.14	16.15	(3.99)	15.90	15.96	0.06
Trucking and site processing	-	11.33	11.33	14.55	11.22	(3.33)	11.29	11.14	(0.15)
Site and general administration	-	8.53	8.53	11.25	10.29	(0.96)	9.30	8.91	(0.39)
Geology	-	1.77	1.77	1.43	1.76	0.33	2.33	1.75	(0.58)
Delineation drilling	-	-	-	-	0.52	0.52	0.19	0.78	0.59
Engineering	-	1.33	1.33	1.44	1.32	(0.12)	1.39	1.31	(0.08)
Change in ore stockpile and in-circuit inventory	-	4.19	4.19	35.15	0.25	(34.90)	5.31	0.20	(5.11)
Total cost of production	-	75.94	75.94	107.53	74.03	(33.50)	82.26	74.63	(7.63)
Other costs									
Property taxes	-	0.30	0.30	0.29	0.30	0.01	0.31	0.30	(0.01)
Net proceeds taxes	-	0.28	0.28	-	0.33	0.33	-	0.48	0.48
Reclamation expense	-	1.26	1.26	2.11	1.25	(0.86)	1.35	1.24	(0.11)
Interest (income)	-	(0.17)	(0.17)	(0.34)	(0.17)	0.17	(0.32)	(0.17)	0.15
(Gain) loss on the sale of fixed assets	-	-	-	(0.06)	-	0.06	(0.14)	-	0.14
Depreciation	-	26.25	26.25	49.86	25.96	(23.90)	28.73	26.85	(1.88)
Total other costs	-	27.92	27.92	51.86	27.67	(24.19)	29.93	28.70	(1.23)
Total operating costs	-	103.86	103.86	159.39	101.70	(57.69)	112.19	103.33	(8.86)
Exploration expenditures - 100% Hecla	-	1.62	1.62	4.34	6.63	2.29	8.03	7.60	(0.43)
Discretionary expenditures	-	2.75	2.75	7.44	1.68	(5.76)	1.64	1.35	(0.29)
Total costs	-	108.23	108.23	171.17	110.01	(61.16)	121.86	112.28	(9.58)
Net income (loss) to Exhibit B	\$ -	\$ (21.19)	\$ 21.19	\$ (37.98)	\$ (24.83)	\$ (13.15)	\$ (43.23)	\$ (23.94)	\$ (19.29)
Cash operating cost per gold ounce	\$229.94	\$260.22	\$30.28	\$228.89	\$255.73	\$26.84	\$288.41	\$246.82	(\$41.59)
Total cash costs per gold ounce	\$241.18	\$273.36	\$32.18	\$240.24	\$269.09	\$28.85	\$300.17	\$260.76	(\$39.41)
Total production costs per gold ounce	\$346.69	\$365.78	\$19.09	\$345.75	\$362.49	\$16.74	\$407.20	\$354.64	(\$52.56)
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Tons of ore milled:	35,746	24,081	11,665	60,851	48,154	12,697	176,781	192,413	(15,632)
Gold - ounces per ton	0.304	0.304	0.000	0.300	0.301	(0.001)	0.269	0.311	(0.042)
Silver - ounces per ton	0.64	0.48	0.16	0.56	0.47	0.09	1.08	0.77	0.31
Mill recovery rate - gold	94.9%	96.0%	-1.1%	95.0%	96.0%	-1.0%	94.6%	96.0%	-1.4%
Mill recovery rate - silver	64.4%	60.0%	4.4%	64.0%	60.0%	4.0%	55.7%	60.0%	-4.3%
Products produced:									
Gold - ounces	10,267	7,032	3,235	17,605	13,901	3,704	45,459	57,451	(11,992)
Silver - ounces	13,513	6,918	6,595	22,207	13,447	8,760	106,925	89,247	17,678
Employees at end of period:									
Hourly	3	60	57	3	60	57	3	60	57
Salary	14	24	10	14	24	10	14	24	10
Capitalized expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,999	\$ 500,000	\$ 434,001

The Rosebud Mining Company, LLC
Hecla Mining Company, Operator
Discretionary Cost Statement
(LLC Agreement Basis of Accounting)

August 2000

	MONTH			YEAR TO DATE			INCEPTION TO DATE		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Capitalized Discretionary									
Total Capital Spending through 1999	-	-	-	-	-	-	19,077,685	26,085,591	7,007,906
Vehicles:									
Light pickup trucks (0402) 92-2210-672	-	-	-	-	-	-	-	-	-
Equipment:									
Water Well #4 (0402) 92-2210-605	-	-	-	-	-	-	-	-	-
U/G equipment (0402) 92-2210-xxx	-	-	-	-	-	-	-	-	-
Development:									
U/G development (0401) 92-2110-xxx and (0402) 92-2210-xxx	-	-	-	65,999	500,000	434,001	65,999	500,000	434,001
Total Capitalized Discretionary	\$ -	\$ -	\$ -	\$ 65,999	\$ 500,000	\$ 434,001	\$ 19,143,684	\$ 26,585,591	\$ 7,441,907
Expensed Discretionary									
Total Discretionary Spending through 1999	-	-	-	-	-	-	514,331	507,506	(6,825)
Reclamation contour & seeding (9126) 00-0001-xxx	-	15,000	15,000	-	45,000	45,000	-	45,000	45,000
U/G equipment rebuilds (9126) 00-0002-xxx	-	-	-	-	60,000	60,000	-	60,000	60,000
Bioremediation site (9126) 00-0001-xxx	-	-	-	-	45,000	45,000	-	45,000	45,000
WW4-RBW 16 installation (9126) 00-0004-xxx	-	-	-	-	60,000	60,000	-	60,000	60,000
Closure costs (9126) 00-0005-xxx	265,976	50,000	(215,976)	265,976	50,000	(215,976)	265,976	50,000	(215,976)
Total Expensed Discretionary	\$ 265,976	\$ 65,000	\$ (200,976)	\$ 265,976	\$ 260,000	\$ (5,976)	\$ 780,307	\$ 767,506	\$ (12,801)