

Mining District File Summary Sheet

DISTRICT	Rosebud
DIST_NO	4010
COUNTY	Pershing
If different from written on document	
TITLE	Monthly Progress Report; Rosebud Mine -
If not obvious	June 1999; July 13, 1999
AUTHOR	Booth, B; Brown, A; Fudge, T; Camron, D; Hartman, S; [REDACTED] Walde, L; Kaufman, R; Miller, C; Stilwell, J; Summers, A; Mullin, J; Wilson, E; Wollant, D; Dean, D; Santti, S; Tempel, T; Shumway, L; Lisle, R. Clayton, R; Dunston, J; Allen, K Vance, R; Dexter, M Berezay, R
DATE OF DOC(S)	1999
MULTI_DIST Y / (N?)	
Additional Dist. Nos:	
QUAD_NAME	Sulphur 7.5
P_M_C_NAME	Rosebud Mine; Hecla Mining Co.; Newmont Gold Co.; (mine, claim & company names) Rosebud Mining Co. LLC; White Alps; Chance; Degerstrom; North Equinox
COMMODITY	gold; silver
If not obvious	
NOTES	Monthly progress report; production; correspondence; statements of operation; assays; mine map. 10 p.

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

SS: DD 7/25/08
Initials Date

DB: _____
Initials Date

SCANNED: _____
Initials Date

HECLA MINING COMPANY

July 13, 1999

MEMORANDUM TO: Ron Clayton
George Johnson

FROM: Mike Dexter

SUBJECT: Monthly Progress Report
Rosebud Mine – June 1999

Attached is the June 1999 Monthly Progress Report for the Rosebud Mine.

RWC:lmz

Attachments

cc: Bill Booth

Arthur Brown

Tom Fudge

Don Cameron

Scott Hartman

Mike Callahan

Roger Kauffman - JV Mgmt. Committee

Cindy Miller

John Stilwell

Al Summers

Ed Wilson

Douglas Wollant

Dale Dean

Rick Berezay

Scott Santti - JV Mgmt. Committee

Newmont Gold Company

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Trent Tempel - JV Mgmt. Committee

Twin Creeks Mine

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Golconda, NV 89414

Jim Dunstan - Manager for Milling

Twin Creeks Mine

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Rick Lisle - Manager for Exploration

Newmont Exploration Limited

861 West Sixth St.

Winnemucca, NV 89445

Patty Bowman - Controller

Newmont Gold Company

PO Box 669

Carlin, NV 89822

Jim Mullin – Sr. Vice President

Newmont Gold Company

555 5th St.

Elko, NV 89801

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MINE PERSONNEL AND SAFETY

Staff

During the month, three hourly employees were hired (one is a summer student). One hourly employee was terminated. We have 72 hourly employees. Salary employment was unchanged at 27. Total employment is 99 employees.

Safety

There was one MSHA reportable accident in June when a miner fractured a finger. Rosebud employees have worked 646 days without an MSHA reportable lost-time injury.

OPERATIONS

Development

The development crews advanced the #33 stope access 311 feet. Stope #33 access development was completed in June.

Production

Production from stope #25 was 4,619 tons at a gold grade of .841 opt and a silver grade of 3.34 opt.

Production from stope #31 was 564 tons at a gold grade of .131 opt and a silver grade of .23 opt.

Production from stope #33 was 9,032 tons at a gold grade of .255 opt and a silver grade of .41 opt.

Production from stope #41 was 2,750 tons at a gold grade of .562 opt and a silver grade of 1.01 opt.

Production from stope #42 was 5,186 tons at a gold grade of .223 opt and a silver grade of 2.43 opt.

Production from stope #43 was 3,203 tons at a gold grade of .199 opt and a silver grade of 0.428 opt.

An additional 3,039 tons of waste at a gold grade of .080 opt was mined from the stopes and sorted to the waste pile.

Total ore stockpiled at month's end was 25,355 tons grading .379 Au opt and 1.42 opt silver. Shipment of this material to the Pinon Mill began on June 25.

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GEOLOGY

Production

Mine calculated (geology) tonnage and grade for ore shipped during the month of June (May's production - June's milling) was overestimated by 311 tons (+1.3%) as compared to survey, and out performed the model by 5,624 ounces of gold (66.5%) and by 13,605 ounces of silver (206.7%) in the East Zone. Mill results have not been received.

Development

Crews started stope 32 development. Three development holes were drilled from stope 12 access, for a total footage of 700 feet.

Exploration

One hole was drilled from the North Zone in stope 34 (RS-358-99), for a total footage of 763 feet.

ENGINEERING

Mine Planning

Modifications were made to layouts in North Zone stopes 31 and 33 as more geologic and data and understanding was developed. Planning was completed for starting development in stope 32, which should begin the first part of July. Layout and design was completed for bringing the next water well on line (WW4), however it appears the well will not be needed until next year, possibly later depending on mine activities.

Environmental

Construction planning for the bioremediation pad was completed, and the application to the NDEP is nearing completion and should be submitted in early July. Approval from the state was received for extensions on all Water Rights. The state has requested some soil and water sampling along Jungo road, following last month's MgCl incident. It is likely that a report will have to be filed with the NDEP, however at this time still no significant repercussions are expected. Two individuals (Jeff Johnson and Paul Comba) from the BLM toured the site as part of their yearly inspection. No notable issues were encountered.

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Batch Plant

A total of 18,736 tons of cemented backfill was placed in the mine during the month. The fill amount and locations for each stope are listed below:

Location	High Strength (10% cement)	Medium Strength (4% cement)	Low Strength (3% cement)	Total
Stope 25		2,655 tons	1,430 tons	4,085 tons
Stope 31		1,766 tons		1,766 tons
Stope 41		1,225 tons	2,587 tons	3,812 tons
Stope 42		2,282 tons	2,777 tons	5,059 tons
Stope 43		1,295 tons	2,718 tons	4,013 tons
Total		9,223 tons	9,512 tons	18,736 tons

Miscellaneous

Powell Scale made their quarterly check of the truck scale, and the scale passed all compliance tests. Mud inside the scale and build up around the weighing mechanisms was cleaned out, with the assistance of engineering and a temporary helper. A preliminary electrical as-built documentation manual has been completed, and waits final checking by the electrical group. Assistance was afforded to the mine and geology group in solving underground diamond drill electrical problems.

PERFORMANCE

There were no capitalized or expensed discretionary costs during June. Capitalized costs year-to-date total \$99,818, \$350,182 less than budget. Expensed discretionary costs year-to-date total \$20,146, \$19,854 less than budget.

The mine produced 25,355 ore tons during June, 254 more than budget. The gold grade mined was 0.379 opt, 0.002 less than budget. The silver grade was 1.42 opt, which was .25 less than budget. Year to date mine production is 142,255 ore tons, 2,281 less than budget, at a gold grade

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of 0.49 opt, 0.141 opt better than budget, and a silver grade of 1.60 opt, 0.37 opt less than budget. Approximately 4,700 tons of material at gold grades between 0.08 opt and 0.12 opt have been segregated for a heap leach test during the year.

During June, the mill recovered 13,032 gold ounces and 17,455 silver ounces, 6,278 more gold ounces and 10,090 less silver ounces than budget. Recoveries during the month were 94.6% for gold and 65.0% for silver, which is 1.4% less and 10.0% better than budget, respectively.

Year-to-date, the mill has recovered 66,556 gold ounces and 162,837 silver ounces, 18,994 more gold ounces and 2,436 more silver ounces than budget. Year-to-date recoveries are 95.0% for gold and 59.5% for silver which are 1.0% worse and 4.5% better than budget, respectively.

Production costs for June totaled \$1,754,670 (\$69.20 per ore ton), \$108,344 more than budget (\$3.60 per ore ton more than budget). Year-to-date production costs total \$10,391,589 (\$73.06 per ore ton), \$772,158 less than budget (\$4.18 per ore ton better than budget).

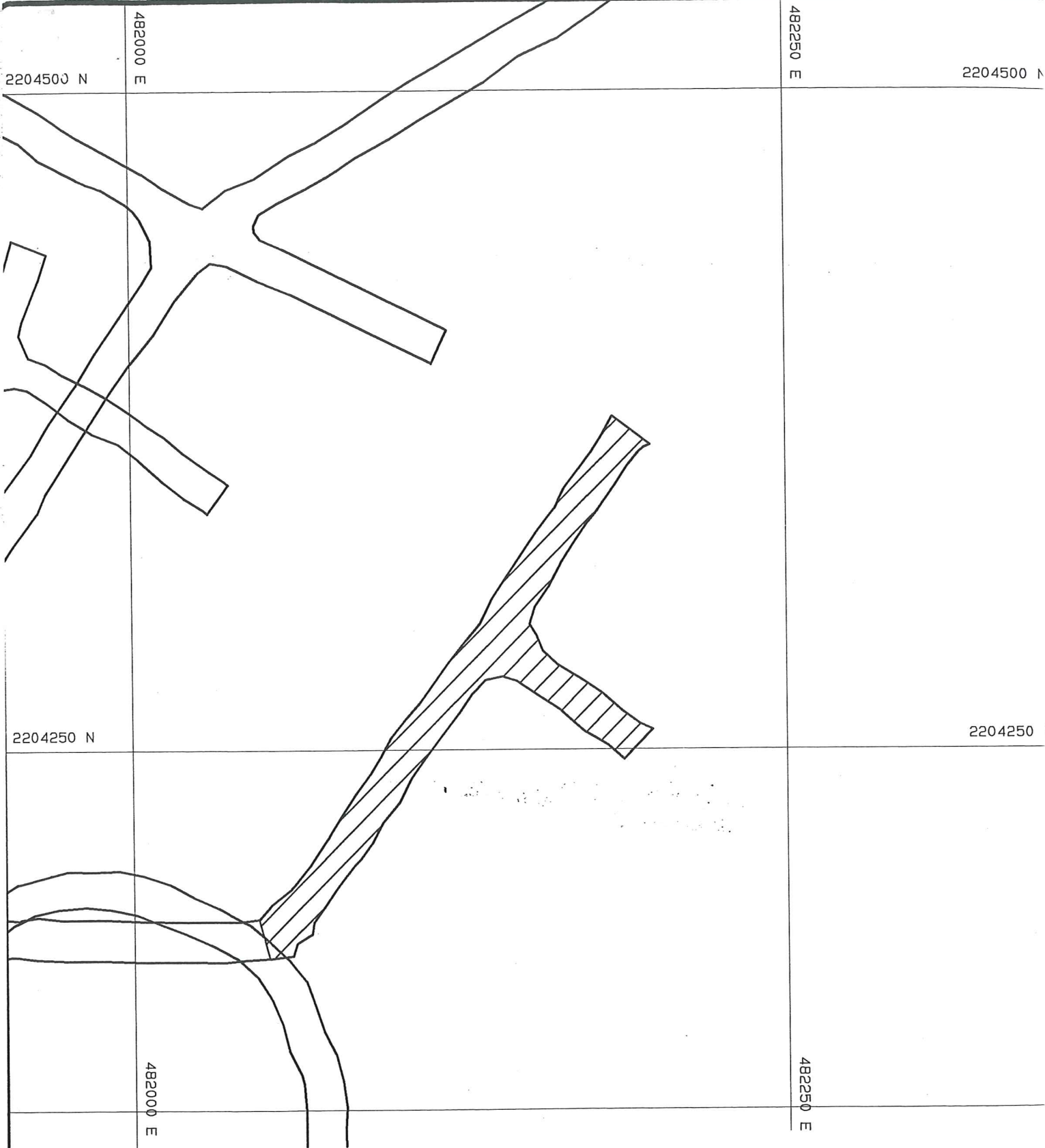
Exploration costs for June totaled \$191,011, which is \$44,589 less than budget. Year-to-date exploration costs total \$757,251, which is \$71,251 more than budget.

The per gold ounce produced costs achieved during June were:

• Cash operating cost per gold ounce	\$ 129.45	\$ 95.91	less than budget
• Total cash cost per gold ounce	\$ 145.95	\$ 94.92	less than budget
• Total production cost per gold ounce	\$ 217.11	\$ 95.45	less than budget

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

• Cash operating cost per gold ounce	\$ 145.35	\$ 73.38	less than budget
• Total cash cost per gold ounce	\$ 162.83	\$ 71.70	less than budget
• Total production cost per gold ounce	\$ 234.37	\$ 71.71	less than budget



Development June 1999

DATE:

01-Jul-99

DRAWN BY:

crm

**Newmont Gold Company
Rosebud Mining Company LLC**

To: Ron Clayton
cc: Kurt Allen ✓
Don Cameron
Mike Dexter

Date: July 9, 1999

Fr: R. B. Vance

Subj: Rosebud Exploration Monthly Report: **June, 1999**

Geology

Surface geologic mapping and interpretation of earlier holes by consultant Craig Stiles identifies a deep drill target at **Degerstrom**. The spoon-shaped Degerstrom fault, similar to the South Ridge fault in several ways, is silicified and geochemically anomalous in gold and trace elements. A single vertical hole 2500 feet deep is planned in the hanging wall of the fault, near the projected intersection with the east-dipping LBT and northwest-dipping Cave fault.

White Alps mapping identified several faults that juxtapose altered Rosebud quartz latite sills against silicified Chocolate flows. Peter Mitchell constructed bedrock, alteration, and interpretive folio maps and detailed cross sections of the Short Shot-White Alps-Dreamland area. Drill holes in the Lucky Boy-Brown Palace area (RS-422, RS-426, RS-445) are being relogged in an effort to develop a deep drill target.

Three RC holes are underway at **Chance**, where two of Lac's RC holes intersected 325 feet of 0.027 oz/st gold (RL-113, -45°) and 145 feet of 0.03 oz/st gold (RL-153, -90°) at depths of about 500 feet. Modeling of the gold intervals from these two unsurveyed drill holes does not yield a unique orientation. The RC holes will define the geometry of the gold shape prior to possible core drilling for structural data. Maximum gold values of 0.22 and 0.14 oz/st occur within a silicified fault, perhaps similar to the South Ridge fault. The host rock is a siliceous fine- to coarse-grained, massive to laminated rhyolite(?), previously mapped in 1991 by Steve Moore as the Goblin Gulch dacite. On his regional map, the Goblin Gulch dacite underlies the Wildrose (LBT) and Dozer units, which are exposed southeast, up the hill. Additional mapping is needed to confirm whether this stratigraphic relationship is correct, or whether the rhyolite host may correlate to LBT or Dozer.

A single vertical RC hole is planned to test the hanging wall of the "212" fault at **North Equinox**, which contains wide silicification, gold values up to 1.4 ppm, and highly anomalous trace elements. The hole is located near the intersection of northeast-trending fractures that hosts the highest gold-in-rock, and targets the favorable Wildrose (LBT) stratigraphy in the footwall of the low-angle "ZZ fault".

Geophysics

Total gravity and horizontal gradient maps were updated for 1:6000-scale Sheet 1 and Sheet 3. Gravity, aeromagnetic, ground magnetic, and radiometric maps were generated for the Chance prospect (1:1200 scale). Also, five lines of Lac's IP/resistivity data at Chance were processed, and sections generated.

Drilling

The first of two **White Alps** core tails is in progress. RS-459, targeting the up-dip projection of a mineralized fault in RS-446, drilled 108 feet of unaltered volcanic-rich epiclastic sediments. The targeted depth of the core tail is about 500 feet.

Eight of nine RC drill holes were completed at the previously undrilled **Gator** prospect. The drilling confirmed the surface mapping that had identified a significant altered zone in the hanging wall of a low-angle fault. Sooty sulfide and silica-clay microbreccia occur in the hanging wall of the fault. Preliminary assays from the first two holes yielded 35 feet of 0.018 oz/st gold, with a high of 5 feet of 0.03 oz/st. Assays and down-hole geochemistry for the remaining holes are pending. One of those, RS-467, intersected more than 1200 feet of altered and pyritic rock within the 1425-foot drill hole. The low-angle fault projects into cover to the south (and into the archeological site), towards North Equinox, and dips west towards Wildrose and Chance. The strike length may exceed 6000 feet, and the altered hanging wall is up to 600 feet thick.

Near-Mine Exploration

Assays were received from three follow-up holes to RS-D343, which intersected mineralized rock in carbonaceous sediments (Tcs) beneath the North zone. RS-D344, drilled approximately 40 feet below D343, intersected a number of discrete intervals (Table 1), but none above the mine cutoff (0.18) appear significant. RS-D356 intersected several intervals, including 24.9 feet of 0.350 oz/st gold and 3.8 oz/st silver, which appear continuous with earlier intervals. Drifting to this zone is planned. RS-D357 intersected only narrow intervals in the 0.04-0.12 range, with a couple above 0.2 oz/st gold. Collectively, these holes indicate the Tcs unit is thinning towards the northeast, and the highest gold values occur at its upper contact with Dozer rhyolite.

Due to drill-related problems and contractor difficulties, only one underground exploration hole totaling 763 feet was drilled during June. RS-D358 was a follow-up hole to RS-D345, northwest of the North Zone. The earlier intercept was associated with "Bud Marker porphyry" along the South Ridge fault. RS-D358, a step-out to the northeast of only 50 feet, unexpectedly intersected phyllite basement before reaching the targeted intervals. A step-out in the other direction is planned.

Table 1.

<i>Rosebud Underground Exploration--Significant Assays: June, 1999</i>					
<i>Intervals in bold composited using a 0.1 oz/st gold cutoff</i>					
Hole #	Depth	Length	Au, oz/st	Ag, oz/st	Comment
RS-D344-99	62.8 - 105.7	42.9	0.099	1.2	South Ridge fault
	254.1 - 272	17.9	0.108	4.8	
	316.5 - 336.5	20	0.18		
	414.3 - 434	19.7	0.109	8.2	
RS-D356-99	99.1 - 219.8	120.7	0.108	2.2	Interval using 0.04 cutoff
Including	99.1 - 106.5	7.4	0.502	4.1	South Ridge fault
Including	148 - 163.2	15.2	0.166	1.2	
Including	178 - 208	30	0.088	8.1	
	242 - 288	46	0.229	2.4	Interval using 0.04 cutoff
including	263.1 - 288.0	24.9	0.35	3.8	
	301.5 - 303.7	2.2	0.155	1.4	
	328.5 - 331.1	2.6	0.16	1.4	
	339 - 343	4	0.146	0.7	
	364.4 - 365.6	1.2	0.29	1.7	
	433 - 446	13	0.132	0.3	

Administrative

Expenditures during June were \$191,011 (81% of budget), including the long-awaited \$9000 insurance reimbursement from last years warehouse fire (Table 2). The YTD expenditure is 757,253 (10.4% over the YTD budget of \$686,000).

On June 30, a review of Rosebud results-to-date was presented to Newmont management. As a result of positive drill assays from the underground exploration program and encouraging surface results at Gator, North Equinox, Chance and Degerstrom, an additional \$150,000 was approved (\$225,000 for Rosebud Mining Company LLC). These funds will be used to drill holes at North Equinox, Degerstrom, and explore the South Zone chimney down the dip of the South Ridge fault.

Table 2.

