60001742

Mining District File Summary Sheet

DISTRICT	Rosebud
DIST_NO	4010
COUNTY If different from written on document	Pershing
TITLE If not obvious	Monthly Progress Report: Rosebud Mine— August 1999; September 14, 1999
AUTHOR	Booth, B; Brown, A; Fudge, T; Camrron, 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; Dexter M; Vance R; Allen R, Bereday R.
DATE OF DOC(S)	1999
MULTI_DIST Y / (N?) Additional Dist_Nos:	
QUAD_NAME	Sulphur 7.5
P_M_C_NAME (mine, claim & company names)	Rosebud Mine; Hecla Mining Co.; Newmoat Gold Co., Rosebud Mining Co, LLC; Wildrose; Chance; Degerstrom
COMMODITY If not obvious	gold; silver
NOTES	Monthly progress report; production; correspondence; statements of operation; mine map; geologic map; cross-section; assay 21 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 7/28/08
Initials Date

DB: _____
Initials Date

SCANNED: _____
Initials Date

Revised: 1/22/08

60001742 4010

HECLA MINING COMPANY

MEMORANDUM

September 14, 1999

TO: Ron Clayton

FROM: Mike Dexter

SUBJECT: **Monthly Progress Report, Rosebud Mine – August 1999**

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

MD: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 P.O. Box 669 Carlin, NV 89822
Trent Tempel - JV Mgmt. Committee	Twin Creeks Mine P.O. Box 69 Golconda, NV 89414
Jim Dunstan - Manager for Milling	Twin Creeks Mine P.O. Box 69 Golconda, NV 89414
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

♦ Hecla Mining Company Rosebud Mine August Monthly Report

MINE PERSONNEL AND SAFETY

Staff

During the month two hourly employees were hired and five were terminated (two of which were summer help). Hourly employment is now 69. Salary employment remained at 25. Total employment is 94.

Safety

There were no MSHA reportable injuries at Rosebud in August. Rosebud employees have now worked 707 days without an MSHA lost-time injury. Annual refresher training will be held on September 15 and 22.

Rosebud has been notified by MSHA that it is listed as #2 in the nation for the underground metal group for Sentinels of Safety. This is with 144,364 man-hours for 1998. The #1 mine had 178,844 hours. Rosebud bested all coal mines, also. Rosebud was also selected for 1st place as the safest mine in Nevada in the medium-size underground mine category by the Nevada Mining Association for 1998, and Chris Drobny was selected as the Safety Professional of the Year. The awards will be accepted September 11 at the convention at Lake Tahoe.

Congratulations to everyone!

OPERATIONS

Development

The development crews started and advanced the #50 stope access 345 feet. Stope #50 sump was advanced 23 feet. Total development for stope #50 access was 368 feet. Stope #50 access is on schedule to finish by September 5th.

Production

Production from stope #13 was 273 tons at a gold grade of .122 opt and a silver grade of 2.18 opt.

Production from stope #32 was 6,395 tons at a gold grade of .229 opt and a silver grade of .34 opt.

Production from stope #33 was 6,881 tons at a gold grade of .162 opt and a silver grade of 0.34 opt.

Production from stope #41 was 609 tons at a gold grade of .222 opt and a silver grade of 1.47 opt.

Production from stope #42 was 5,600 tons at a gold grade of .334 opt and a silver grade of 2.27 opt.

Production from stope #43 was 4,851 tons at a gold grade of .420 opt and a silver grade of 1.50 opt.

An additional 3,347 tons of waste at a gold grade of .054 opt was mined from the stopes and sorted to the waste pile.

Total ore stockpiled at month's end was 24,608 tons grading .270 Au opt and 1.05 opt silver. Shipment of this material to the Pinon Mill began on August 28th.

GEOLOGY

Production

Mine calculated (geology) tonnage and grade for ore shipped during the month of August (July's production - August's milling) was overestimated by 1,486 tons (+7.1%) as compared to survey, and out performed the model by 1,158 ounces of gold (14.9%) and by 12,810 ounces of silver (162.4%) in the east zone.

Mill results have not been received.

ENGINEERING

Mine Planning

Construction began on the 50 series stope exploration/delineation drift (The Dark Zone). Mine plans for the North Zone have been essentially on a continual review and re-design basis as mining in these stopes continue and additional geologic information becomes available.

Environmental

The permit for the bioremediation pad, although still pending, is expected within a couple weeks. Construction is expected to commence later this month. Water samples following the MgCl incident along Jungo were received. In comparison with routine water samples at the mine, the samples along Jungo were normal (no historical data is available from the wells along Jungo). Soil samples are still pending. The stormwater annual report was filed, and the Air Quality permit renewal application filed.

Batch Plant

A total of 16,904 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 33	3,959 tons	1,230 tons	570 tons	5,760 tons
Stope 32	1,486 tons	849 tons	1,248 tons	3,583 tons
Stope 41		944 tons		944 tons
Stope 42		2,223 tons	364 tons	2,587 tons
Stope 43	115 tons	3,915 tons		4,030 tons
Total	5,560 tons	9,161 tons	2,183 tons	16,904 tons

Miscellaneous

An in-house Y2K test of the scale system was successfully completed. The summer engineering student left on 8/12 to return to school.

PERFORMANCE

There were no capitalized discretionary costs during August. Expensed discretionary costs were $89,045. Capitalized costs year-to-date total $99,818, $370,182 less than budget. Expensed discretionary costs year-to-date total $109,191, $9,191 more than budget.

The mine produced 24,608 ore tons during August, 2,021 more than budget. The gold grade mined was 0.270 opt, 0.095 less than budget. The silver grade was 1.05 opt, which was .53 less than budget. Year to date mine production is 191,055 ore tons, 1,696 less than budget, at a gold grade of 0.435 opt, 0.081 opt better than budget, and a silver grade of 1.39 opt, 0.50 opt less than budget. Approximately 4,800 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.

♦ Hecla Mining Company Rosebud Mine August Monthly Report

During August the mill recovered 7,642 gold ounces and 13,548 silver ounces, 1,611 less gold ounces and 10,213 less silver ounces than budget. Recoveries during the month were 96.0% for gold and 58.6% for silver, which is equal to and 3.7% better than budget, respectively.

Year-to-date, the mill has recovered 84,490 gold ounces and 194,632 silver ounces, 18,497 more gold ounces and 17,496 less silver ounces than budget. Year-to-date recoveries are 95.2% for gold and 60.1% for silver which are 0.8% worse and 5.1% better than budget, respectively.

Production costs for August totaled $1,909,335 ($77.58 per ore ton), $22,414 more than budget ($5.97 per ore ton less than budget). Year-to-date production costs total $14,433,211 ($75.54 per ore ton), $384,210 less than budget ($1.33 per ore ton better than budget).

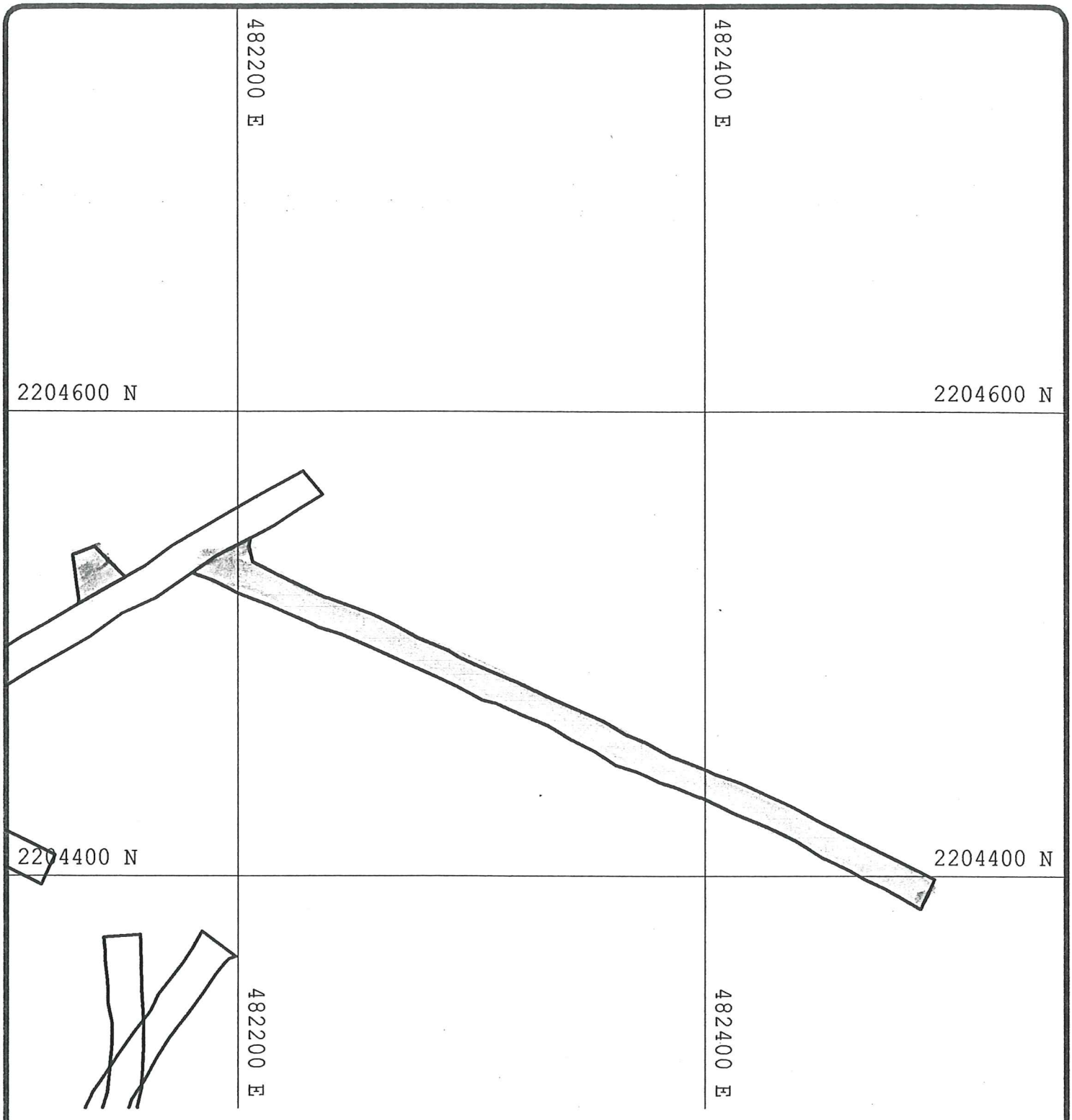
Exploration costs for August totaled $252,929, which is $122,729 more than budget. Year-to-date exploration costs total $1,242,369, which is $299,969 more than budget.

The per gold ounce produced costs achieved during August were:

• Cash operating cost per gold ounce	$ 254.51	$ 62.36	more than budget
• Total cash cost per gold ounce	$ 264.22	$ 55.08	more than budget
• Total production cost per gold ounce	$ 360.25	$ 79.84	more than budget

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

• Cash operating cost per gold ounce	$ 161.84	$ 48.64	less than budget
• Total cash cost per gold ounce	$ 178.02	$ 48.62	less than budget
• Total production cost per gold ounce	$ 251.91	$ 46.20	less than budget



HECLA MINING COMPANY - ROSEBUD MINE

Development Map
August 1999

DATE:	02-Sep-99	DRAWN BY:	M. Blattman

letter_a.pf

Newmont Mining Corporation
Rosebud Mining Company LLC

To: Mike Dexter **Date:** September 9, 1999
cc: Kurt Allen
Ron Clayton

Fr: R. B. Vance

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

Geology

Geologic mapping and rock-chip sampling continued at the **Wildrose** prospect, where widespread silica, kaolinite and alunite occur in complexly faulted rhyolite. Hydrothermal alteration is most intense along narrow fault zones and within and adjacent to intrusive bodies of Wildrose quartz latite. Selective samples of narrow veins and fracture coatings are being collected for gold and trace element analysis. Folio compilation of a bedrock map including structure, PIMA alteration overlay, interpretive geology, cross sections, and drill targets will be completed prior to a peer review tentatively scheduled for the week of September 20.

Drilling and Assays

Check assays from **Chance** pulps confirmed earlier gold values in RL-113 and RL-153. Multiple ICP and AA analyses by Barringer on partial-digestion (aqua regia) and total digestion (tri-acid) extractions show inaccurate values for As and Sb, when the total digestion/ICP is used. A revised quote for the total-digestion 30-element ICP, with As and Sb by aqua regia/AA, increases the cost by $4/sample, and eliminates a significant portion of the cost saving over the previously used package by American Assay (Acme Labs). The partial digestion quote by Barringer will yield better results for less money, but will not give accurate numbers for major elements such as Al, K, Na, etc. Monitoring of the trace-element geochemical results will continue.

Preliminary assays from the bottom of the deep **Degerstrom** precollar (RS-474) returned five feet of 0.207 oz/st gold across the next to last sample in the precollar (1850-1855 ft). The gold occurs with fine-grained pyrite, minor silica veinlets, and clayey gouge in a weakly porphyritic volcanic breccia/epiclastic (possibly Tos). The nearest deep exploration hole (RS-445) is more than 2000 feet away. Except for water well RBW-17 1000 feet southeast, RS-474 is more than 2000 feet away from the nearest hole, and is the first deep hole drilled at Degerstrom. A core tail with a tentative depth of 700 feet is expected to penetrate Tos and Dozer rhyolite. The depth to the basement is unknown. Isolated gold values >0.1 oz/st are rare in Rosebud drill holes away from the deposits.

Assays were returned for RS-473, drilled in the hanging wall of the silicified "212 fault" at **North Equinox**. The top 700 feet of the hole grades in and out of strong silica-pyrite alteration within RQL-like porphyry. Preliminary assays show 20 feet of 0.027 oz/st gold at 400 feet, 5 feet of 0.017 oz/st gold at 430 feet, and 10 ft of 0.010 at 660 feet.

Near-Mine Exploration

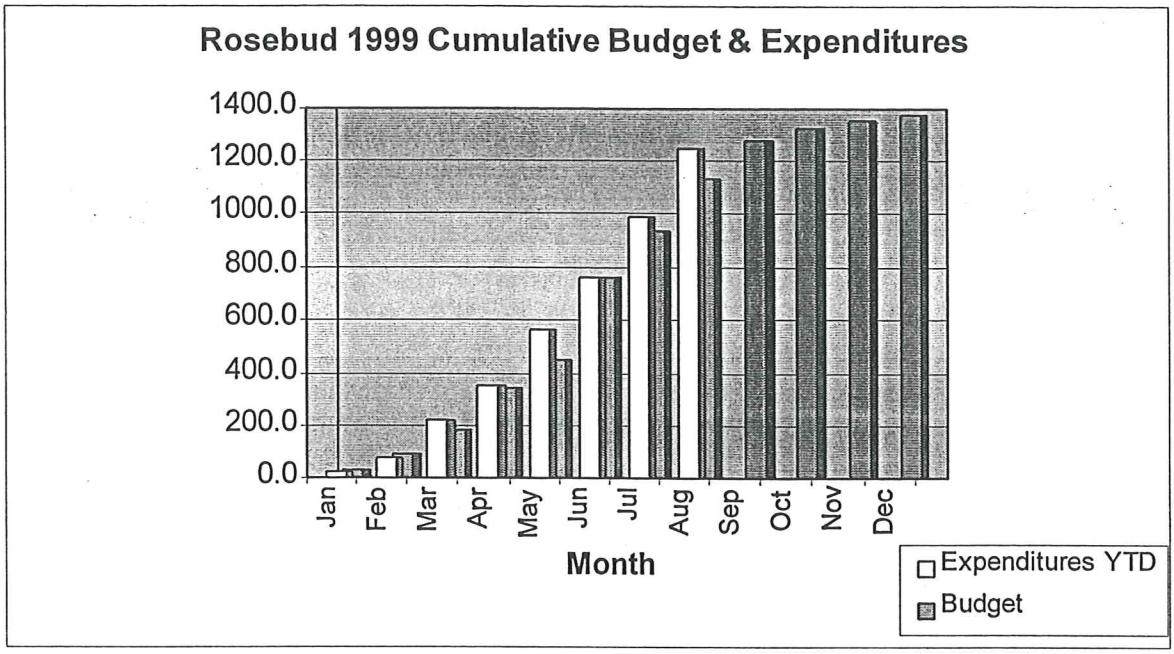
Two underground exploration holes totaling 2961 feet were drilled during August. RS-D354-99 was drilled northwest from the 2300 Drill Station beneath the South Ridge fault. The primary target was high-angle silicified and mineralized structures in the ALS basement, beneath the South Ridge fault. Two intervals of interest were intersected. The first one is in Dozer, containing clay-marcasite-pyrite. The second interval was a silicified structure in ALS (true thickness estimated at 18-20 feet) interpreted to be high angle. No significant gold values are present in either interval.

The second hole (RS-D355-99), drilled northwest from the 25 muck bay, tested down-dip of the high-grade "chimney" of the South Zone deposit. The target was the hanging wall and fault zone of the South Ridge fault, and the contact with the ALS basement. Weak clay-marcasite alteration is present in the Dozer rhyolite along both sides of the South Ridge fault. Sandstone and tuffaceous siltstone of the Tcs unit overlie the basement along an apparent erosional contact. No major fault is present in the Tcs. Assays are pending.

The precollar for RS-475 was completed to a depth of 1600 feet. The hole crossed the YK(?) and Cave faults, and bottomed in altered Dozer rhyolite. The core tail intersected the ALS about 300 feet earlier than expected, and a reinterpretation of the section geology by Kurt Allen and Charlie Muerhoff suggests the South Ridge fault may occur in the basement, well below the base of the volcanics. The core tail will be deepened to 2900 feet to test for mineralization on the South Ridge fault.

Administrative

The August expenditure is $253,680 (26% over the revised August budget), for a YTD expenditure of $1,243,120 (9.8% over the revised YTD budget). The cumulative budget and expenditure is shown in the table below. The remaining 1999 budget, as projected at this date, is sufficient to complete RS-475 and to drill a core tail on the Degerstrom hole.


Rosebud 1999 Cumulative Budget & Expenditures
1400.0
1200.0
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800.0
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Jan
Feb
Mar
Apr
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Dec
Month
Expenditures YTD
Budget

CONFIDENTIAL

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The Rosebud Mining Company, LLC (HMC, operator)

Statements of Operations - Variances to Budget (LLC Agreement Basis of Accounting)

August 1999	MONTH			QUARTER TO DATE			YEAR TO DATE		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Gross production value (GPV)	$ 2,033,433	$ 2,906,586	$ (873,153)	$ 4,764,517	$ 5,787,003	$ (1,022,486)	$ 24,212,818	$ 20,964,606	$ 3,248,212
Less: Euro Nevada royalty	(81,337)	(116,263)	34,926	(190,580)	(231,480)	40,900	(968,512)	(838,585)	(129,927)
Less: Shipping and refining	(15,338)	(13,206)	(2,132)	(32,215)	(26,115)	(6,100)	(129,702)	(111,250)	(18,452)
Net production value	1,936,758	2,777,117	(840,359)	4,541,722	5,529,408	(987,686)	23,114,604	20,014,771	3,099,833
Cost of production									
Mine production costs	540,924	474,327	(66,597)	1,070,386	1,012,515	(57,871)	4,562,395	4,047,771	(514,624)
Fixed mining costs	227,224	200,075	(27,149)	437,927	400,150	(37,777)	1,729,329	1,600,600	(128,729)
L.L.C. Development	91,386	-	(91,386)	178,614	-	(178,614)	419,936	683,550	263,614
Milling costs	392,943	445,917	52,974	768,107	891,793	123,686	3,099,218	3,565,966	466,748
Trucking and site processing	310,954	270,416	(40,538)	577,417	535,272	(42,145)	1,952,754	2,068,820	116,066
Site and general administration	202,432	242,925	40,493	522,124	574,350	52,226	1,845,467	2,012,200	166,733
Geology	46,057	40,100	(5,957)	87,375	80,200	(7,175)	368,589	320,800	(47,789)
Delineation drilling	346	25,000	24,654	(607)	35,000	35,607	61,222	135,000	73,778
Engineering	27,607	35,800	8,193	64,459	71,600	7,141	236,797	286,400	49,603
Change in ore stockpile and in-circuit inventory	69,462	152,361	82,899	335,820	52,794	(283,026)	157,504	96,314	(61,190)
Total cost of production	1,909,335	1,886,921	(22,414)	4,041,622	3,653,674	(387,948)	14,433,211	14,817,421	384,210
Other costs									
Property taxes	7,500	10,000	2,500	15,000	20,000	5,000	60,000	80,000	20,000
Net proceeds taxes	(7,103)	40,939	48,042	12,640	84,145	71,505	398,091	228,300	(169,791)
Reclamation expense	26,573	25,285	(1,288)	55,567	50,050	(5,517)	214,898	193,442	(21,456)
Interest (income)	(4,552)	(6,500)	(1,948)	(10,747)	(13,000)	(2,253)	(39,580)	(52,000)	(12,420)
(Gain) loss on the sale of fixed assets	-	-	-	-	(2,500)	(2,500)	-	-	-
Depreciation	707,269	634,163	(73,106)	1,426,665	1,263,186	(163,479)	6,028,463	4,522,892	(1,505,571)
Total other costs	729,687	703,887	(25,800)	1,499,125	1,401,881	(97,244)	6,661,872	4,972,634	(1,689,238)
Total operating costs	2,639,022	2,590,808	(48,214)	5,540,747	5,055,555	(485,192)	21,095,083	19,790,055	(1,305,028)
Exploration expenditures	252,929	130,200	(122,729)	485,118	256,400	(228,718)	1,242,369	942,400	(299,969)
Discretionary expenditures	89,045	5,000	(84,045)	89,045	60,000	(29,045)	109,191	100,000	(9,191)
Total costs	2,980,996	2,726,008	(254,988)	6,114,910	5,371,955	(742,955)	22,446,643	20,832,455	(1,614,188)
Net Income (loss) to Exhibit B	$ (1,044,238)	$ 51,109	$ (1,095,347)	$ (1,573,188)	$ 157,453	$ (1,730,641)	$ 667,961	$ (817,684)	$ 1,485,645
Cash operating cost per gold ounce	$254.51	$192.15	($62.36)	$223.03	$189.17	($33.86)	$161.84	$210.48	$48.64
Total cash costs per gold ounce	$264.22	$209.14	($55.08)	$234.36	$206.29	($28.07)	$178.02	$226.64	$48.62
Total production costs per gold ounce	$360.25	$280.41	($79.84)	$317.00	$277.55	($39.45)	$251.91	$298.11	$46.20
Summary of Production									
Tons of ore mined:	24,608 ✓	22,587 ✓	2,021	48,302 ✓	48,215 ✓	87	191,055 ✓	192,751 ✓	(1,696)
Gold - ounces per ton	0.270 ✓	0.365 ✓	(0.095)	0.297 ✓	0.371	(0.074)	0.435 ✓	0.354	0.081
Silver - ounces per ton	1.05 ✓	1.58 ✓	(0.53)	1.05 ✓	1.64	(0.59)	1.39 ✓	1.89	(0.50)
Tons of ore milled:	23,694 ✓	25,628 ✓	(1,934)	49,547 ✓	50,729 ✓	(1,182)	190,969 ✓	196,067 ✓	(5,098)
Gold - ounces per ton	0.325 ✓	0.376 ✓	(0.051)	0.332 ✓	0.378 ✓	(0.046)	0.461 ✓	0.351 ✓	0.110
Silver - ounces per ton	1.03 ✓	1.69 ✓	(0.66)	0.99 ✓	1.68 ✓	(0.69)	1.69 ✓	1.97 ✓	(0.28)
Mill recovery rate - gold	96.0% ✓	96.0% –	0.0%	96.2% ✓	96.0% ✓	0.2%	95.2% ✓	96.0% ✓	-0.8%
Mill recovery rate - silver	58.6% ✓	54.9% –	3.7%	63.5% ✓	55.0% ✓	8.5%	60.1% ✓	55.0% ✓	5.1%
Products produced:									
Gold - ounces	7,642 ✓	9,253 ✓	(1,611)	17,935 ✓	18,431 ✓	(496)	84,490 ✓	65,993 ✓	18,497
Silver - ounces	13,548 ✓	23,761 ✓	(10,213)	31,795 ✓	46,855 ✓	(15,060)	194,632 ✓	212,128 ✓	(17,496)
Employees at end of period:									
Hourly	69 ✓	75 ✓	6	69 ✓	75 ✓	6	69 ✓	75 ✓	6
Salary	25 ✓	27 ✓	2	25 ✓	27 ✓	2	25 ✓	27 ✓	2
Capitalized expenditures	$ -	$ -	$ -	$ -	20,000 ✓	$ 20,000	$ 99,818	$ 470,000	$ 370,182

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

August 1999	MONTH			QUARTER TO DATE			YEAR TO DATE		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Gross production value (GPV)	$ 82.63	$ 128.68	$ (46.05)	$ 98.64	$ 120.02	$ (21.38)	$ 126.73	$ 108.77	$ 17.96
Less: Euro Nevada royalty	(3.31)	(5.15)	1.84	(3.95)	(4.80)	0.85	(5.07)	(4.35)	(0.72)
Less: Shipping and refining	(0.62)	(0.58)	(0.04)	(0.67)	(0.54)	(0.13)	(0.68)	(0.58)	(0.10)
Net production value	78.70	122.95	(44.25)	94.02	114.68	(20.66)	120.98	103.84	17.14
Cost of production									
Mine production costs	21.98	21.00	(0.98)	22.16	21.00	(1.16)	23.88	21.00	(2.88)
Fixed mining costs	9.23	8.86	(0.37)	9.07	8.30	(0.77)	9.05	8.30	(0.75)
L.L.C. Development	3.71	-	(3.71)	3.70	-	(3.70)	2.20	3.55	1.35
Milling costs	15.97	19.74	3.77	15.90	18.50	2.60	16.22	18.50	2.28
Trucking and site processing	12.64	11.97	(0.67)	11.95	11.10	(0.85)	10.22	10.73	0.51
Site and general administration	8.23	10.76	2.53	10.81	11.91	1.10	9.66	10.44	0.78
Geology	1.87	1.78	(0.09)	1.81	1.66	(0.15)	1.93	1.66	(0.27)
Delineation drilling	0.01	1.11	1.10	(0.01)	0.73	0.74	0.32	0.70	0.38
Engineering	1.12	1.58	0.46	1.33	1.49	0.16	1.24	1.49	0.25
Change in ore stockpile and in-circuit inventory	2.82	6.75	3.93	6.95	1.09	(5.86)	0.82	0.50	(0.32)
Total cost of production	77.58	83.55	5.97	83.67	75.78	(7.89)	75.54	76.87	1.33
Other costs									
Property taxes	0.30	0.44	0.14	0.31	0.41	0.10	0.31	0.42	0.11
Net proceeds taxes	(0.29)	1.81	2.10	0.26	1.75	1.49	2.08	1.18	(0.90)
Reclamation expense	1.08	1.12	0.04	1.15	1.04	(0.11)	1.12	1.00	(0.12)
Interest (income)	(0.18)	(0.29)	(0.11)	(0.22)	(0.27)	(0.05)	(0.21)	(0.27)	(0.06)
(Gain) loss on the sale of fixed assets	-	-	-	-	(0.05)	(0.05)	-	-	-
Depreciation	28.74	28.08	(0.66)	29.54	26.20	(3.34)	31.55	23.46	(8.09)
Total other costs	29.65	31.16	1.51	31.04	29.08	(1.96)	34.85	25.79	(9.06)
Total operating costs	107.23	114.71	7.48	114.71	104.86	(9.85)	110.39	102.66	(7.73)
Exploration expenditures	10.28	5.76	(4.52)	10.04	5.32	(4.72)	6.50	4.89	(1.61)
Discretionary expenditures	3.62	0.22	(3.40)	1.84	1.24	(0.60)	0.57	0.52	(0.05)
Total costs	121.13	120.69	(0.44)	126.59	111.42	(15.17)	117.46	108.07	(9.39)
Net Income (loss) to Exhibit B	$ (42.43)	$ 2.26	$ (44.69)	$ (32.57)	$ 3.26	$ (35.83)	$ 3.52	$ (4.23)	$ 7.75
Cash operating cost per gold ounce	$254.51	$192.15	($62.36)	$223.03	$189.17	($33.86)	$161.84	$210.48	$48.64
Total cash costs per gold ounce	$264.22	$209.14	($55.08)	$234.36	$206.29	($28.07)	$178.02	$226.64	$48.62
Total production costs per gold ounce	$360.25	$280.41	($79.84)	$317.00	$277.55	($39.45)	$251.91	$298.11	$46.20
Summary of Production									
Tons of ore mined:	24,608	22,587	2,021	48,302	48,215	87	191,055	192,751	(1,696)
Gold - ounces per ton	0.270	0.365	(0.095)	0.297	0.371	(0.074)	0.435	0.354	0.081
Silver - ounces per ton	1.05	1.58	(0.53)	1.05	1.64	(0.59)	1.39	1.89	(0.50)
Tons of ore milled:	23,694	25,628	(1,934)	49,547	50,729	(1,182)	190,969	196,067	(5,098)
Gold - ounces per ton	0.325	0.376	(0.051)	0.332	0.378	(0.046)	0.461	0.351	0.110
Silver - ounces per ton	1.03	1.69	(0.66)	0.99	1.68	(0.69)	1.69	1.97	(0.28)
Mill recovery rate - gold	96.0%	96.0%	0.0%	96.2%	96.0%	0.2%	95.2%	96.0%	-0.8%
Mill recovery rate - silver	58.6%	54.9%	3.7%	63.5%	55.0%	8.5%	60.1%	55.0%	5.1%
Products produced:									
Gold - ounces	7,642	9,253	(1,611)	17,935	18,431	(496)	84,490	65,993	18,497
Silver - ounces	13,548	23,761	(10,213)	31,795	46,855	(15,060)	194,632	212,128	(17,496)
Employees at end of period:									
Hourly	69	75	6	69	75	6	69	75	6
Salary	25	27	2	25	27	2	25	27	2
Capitalized expenditures	$ -	$ -	$ -	$ -	$ 20,000	$ 20,000	$ 99,818	$ 470,000	$ 370,182

CONFIDENTIAL

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

August 1999	MONTH			YEAR TO DATE			INCEPTION TO DATE		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Capitalized Discretionary									
Total Capital Spending through 1998	-	-	-	-	-	-	18,977,867	25,615,591	6,637,724
Vehicles:									
Light pickup trucks (0402) 92-2210-672	-		-	-	60,000	60,000	-	60,000	60,000
Equipment:									
Water Well #4 (0402) 92-2210-605	-		-	-	60,000	60,000	-	60,000	60,000
U/G equipment (0402) 92-2210-xxx	-	-	-	-	-	-	-	-	-
Development:									
U/G development (0401) 92-2110-xxx and (0402) 92	-	-	-	99,818	350,000	250,182	99,818	350,000	250,182
Total Capitalized Discretionary	$ -	$ -	$ -	$ 99,818	$ 470,000	$ 370,182	$ 19,077,685	$ 26,085,591	$ 7,007,906
Expensed Discretionary									
Total Discretionary Spending through 1998	-	-	-	-	-	-	405,140	407,506	2,366
Bioremediation Site (9126) 99-0001-xxx	-	5,000	5,000	-	40,000	40,000	-	40,000	40,000
Underground equipment rebuilds (9126) 99-0002-xxx	89,045 ✓		(89,045)	109,191	60,000	(49,191)	109,191	60,000	(49,191)
	-	-	-	-	-	-	-	-	-
Total Expensed Discretionary	$ 89,045	$ 5,000	$ (84,045)	$ 109,191	$ 100,000	$ (9,191)	$ 514,331	$ 507,506	$ (6,825)

Newmont Mining Corporation
Rosebud Mining Company LLC

To: Mike Dexter
cc: Kurt Allen ✓
Ron Clayton

Date: September 9, 1999

Fr: R. B. Vance

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

Geology

Geologic mapping and rock-chip sampling continued at the **Wildrose** prospect, where widespread silica, kaolinite and alunite occur in complexly faulted rhyolite. Hydrothermal alteration is most intense along narrow fault zones and within and adjacent to intrusive bodies of Wildrose quartz latite. Selective samples of narrow veins and fracture coatings are being collected for gold and trace element analysis. Folio compilation of a bedrock map including structure, PIMA alteration overlay, interpretive geology, cross sections, and drill targets will be completed prior to a peer review tentatively scheduled for the week of September 20.

Drilling and Assays

Check assays from **Chance** pulps confirmed earlier gold values in RL-113 and RL-153. Multiple ICP and AA analyses by Barringer on partial-digestion (aqua regia) and total digestion (tri-acid) extractions show inaccurate values for As and Sb, when the total digestion/ICP is used. A revised quote for the total-digestion 30-element ICP, with As and Sb by aqua regia/AA, increases the cost by $4/sample, and eliminates a significant portion of the cost saving over the previously used package by American Assay (Acme Labs). The partial digestion quote by Barringer will yield better results for less money, but will not give accurate numbers for major elements such as Al, K, Na, etc. Monitoring of the trace-element geochemical results will continue.

Preliminary assays from the bottom of the deep **Degerstrom** precollar (RS-474) returned five feet of 0.207 oz/st gold across the next to last sample in the precollar (1850-1855 ft). The gold occurs with fine-grained pyrite, minor silica veinlets, and clayey gouge in a weakly porphyritic volcanic breccia/epiclastic (possibly Tos). The nearest deep exploration hole (RS-445) is more than 2000 feet away. Except for water well RBW-17 1000 feet southeast, RS-474 is more than 2000 feet away from the nearest hole, and is the first deep hole drilled at Degerstrom. A core tail with a tentative depth of 700 feet is expected to penetrate Tos and Dozer rhyolite. The depth to the basement is unknown. Isolated gold values >0.1 oz/st are rare in Rosebud drill holes away from the deposits.

Assays were returned for RS-473, drilled in the hanging wall of the silicified "212 fault" at **North Equinox**. The top 700 feet of the hole grades in and out of strong silica-pyrite alteration within RQL-like porphyry. Preliminary assays show 20 feet of 0.027 oz/st gold at 400 feet, 5 feet of 0.017 oz/st gold at 430 feet, and 10 ft of 0.010 at 660 feet.

Near-Mine Exploration

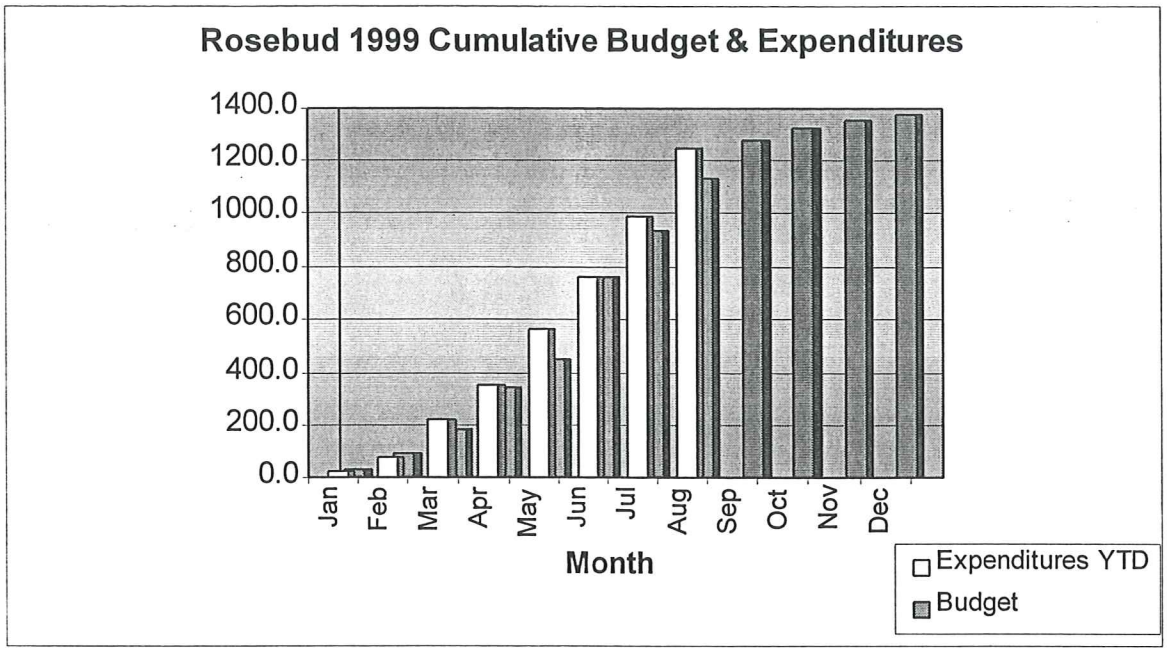
Two underground exploration holes totaling 2961 feet were drilled during August. RS-D354-99 was drilled northwest from the 2300 Drill Station beneath the South Ridge fault. The primary target was high-angle silicified and mineralized structures in the ALS basement, beneath the South Ridge fault. Two intervals of interest were intersected. The first one is in Dozer, containing clay-marcasite-pyrite. The second interval was a silicified structure in ALS (true thickness estimated at 18-20 feet) interpreted to be high angle. No significant gold values are present in either interval.

The second hole (RS-D355-99), drilled northwest from the 25 muck bay, tested down-dip of the high-grade "chimney" of the South Zone deposit. The target was the hanging wall and fault zone of the South Ridge fault, and the contact with the ALS basement. Weak clay-marcasite alteration is present in the Dozer rhyolite along both sides of the South Ridge fault. Sandstone and tuffaceous siltstone of the Tcs unit overlie the basement along an apparent erosional contact. No major fault is present in the Tcs. Assays are pending.

The precollar for RS-475 was completed to a depth of 1600 feet. The hole crossed the YK(?) and Cave faults, and bottomed in altered Dozer rhyolite. The core tail intersected the ALS about 300 feet earlier than expected, and a reinterpretation of the section geology by Kurt Allen and Charlie Muerhoff suggests the South Ridge fault may occur in the basement, well below the base of the volcanics. The core tail will be deepened to 2900 feet to test for mineralization on the South Ridge fault.

Administrative

The August expenditure is $253,680 (26% over the revised August budget), for a YTD expenditure of $1,243,120 (9.8% over the revised YTD budget). The cumulative budget and expenditure is shown in the table below. The remaining 1999 budget, as projected at this date, is sufficient to complete RS-475 and to drill a core tail on the Degerstrom hole.


Rosebud 1999 Cumulative Budget & Expenditures
1400.0
1200.0
1000.0
800.0
600.0
400.0
200.0
0.0
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Month
Expenditures YTD
Budget

Newmont Mining Corporation
Rosebud Mining Company LLC

To: Mike Dexter
cc: Kurt Allen ✓
Ron Clayton

Date: October 12, 1999

Fr: R. B. Vance

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

Geology

Geologic mapping at the **Wildrose** prospect identifies a drill target in complexly faulted Wildrose rhyolite. The rock is strongly altered to silica, alunite, and kaolinite. A series of anastomosing, northwest-dipping faults show down-to-the-west offset, with a transport direction of N50W to N80W. The surrounding rock geochemistry contains anomalous gold, arsenic, antimony, mercury, and selenium. Selective sampling of narrow veins and fracture coatings in the target area will better locate the proposed holes.

Drilling

The core tail at **Degerstrom** (RS-474: 1860-2246.5 ft) started in altered Tos (conglomeratic epiclastic) before crossing the contact with Dozer rhyolite. The alteration in the Dozer gradually weakened down-hole. Several intervals of argillized Tos in the top of the core tail are cut by wide-spaced ½-inch pyrite veinlets along narrow faults, but the highest assay from the priority intervals is only 0.025 oz/st gold across 2.5 feet.

Near-Mine Exploration

Assays from the best parts of RS-D354-99 and RS-D355-99 contain no significant values. Several lower-priority intervals are pending.

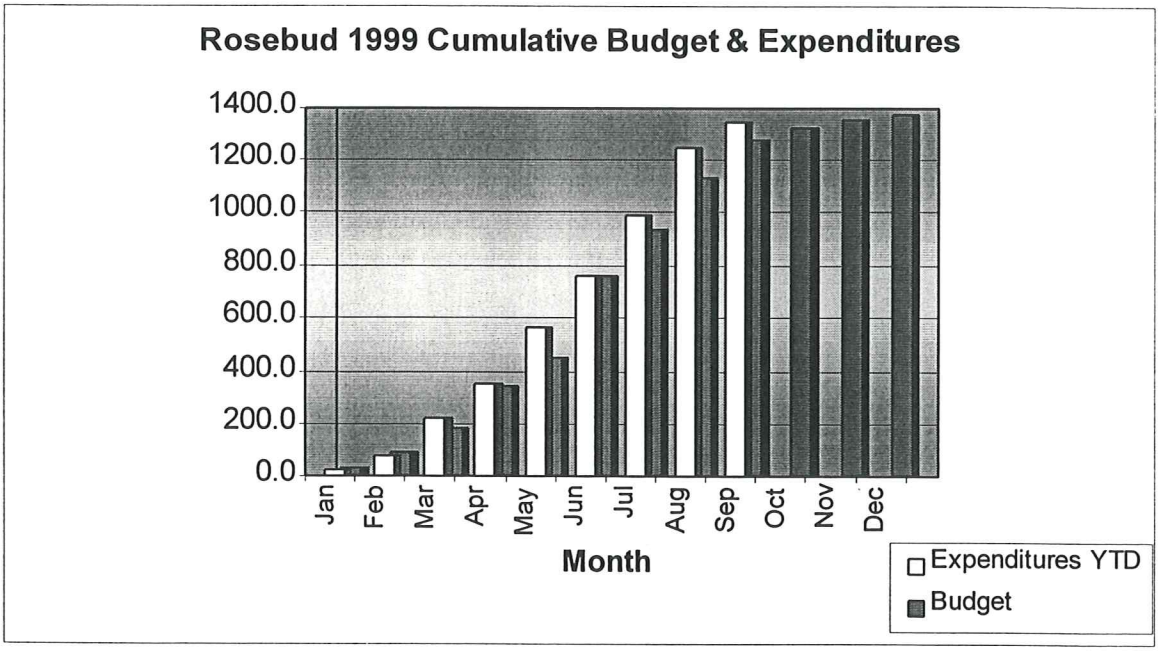
The core tail in RS-475 (near-mine target) was deepened another 700 feet after the projected location of the South Ridge fault was revised. Assays returned for the precollar yielded no significant gold values. In the core tail, an interval of breccia and clay in Auld Lang Syne carbonaceous phyllite is interpreted to be the South Ridge fault (~2904 to about 2945 ft), but contains only low-level gold values. Discrete, locally banded quartz veins between 2850 and 2900 feet contain pyrite, arsenopyrite, sphalerite, galena(?) and iron carbonate. Due to the different mineralogy and weak metamorphic textures, these veins are interpreted to be pre-Tertiary metamorphic veins rather than Tertiary epithermal veins. Pending ICP trace element analyses (As, Sb, Se, Hg, etc.) may indicate whether the alteration has an epithermal or mesothermal/metamorphic geochemical signature.

Permitting

Plans are underway to reclaim most of the drill sumps and pads constructed in 1999. All roads being considered for reclamation will be reviewed with Hecla staff prior to commencing work.

Administrative

Expenditures for September were $103,040, bringing the YTD total to $1,345,409 (97.8% of the 1999 revised budget).



Newmont Mining Corporation
Rosebud Mining Company LLC

To: Mike Dexter
cc: Kurt Allen
Ron Clayton

Date: November 8, 1999

Fr: R. B. Vance

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

Geology

Peter Mitchell has nearly completed delineation of a drill target at the **Wildrose** prospect. A target is identified down-plunge of a flexure in the Wildrose (aka Sulphur Duke or Lizard) fault, where a classic dilational jog increases the width of intense alteration and structural complexity to approximately 350 feet (Figures 1 and 2). Individual fault planes within the fault zone show varied strike and dips, and average N35°E, 45°NW. The bend in the fault strikes N10°E. Numerous mullions and slickensides within the silicified and argillized rhyolite plunge northwest. The Wildrose fault is interpreted to be a complex detachment fault that formed in response to extensional normal faulting along the western flank of the Kamma Mountains. The timing of this movement, relative to Rosebud and the nearby Hycroft deposits, is not yet well-defined.

From individual faults outward, the alteration mineral assemblages are zoned kaolinite-silica-alunite-pyrite to kaolinite (± silica-montmorillonite) to montmorillonite.

Rock sampling of fracture coatings and veinlets along the 1.5-mile strike length yielded a sample of 3 ppm gold within the core of the target, which is second only to a 6.8 ppm sample collected earlier. Mercury is strongly anomalous (3-20 ppm is common), whereas As (30-200 ppm), Sb (10-60 ppm), and Se (2-10 ppm) are similar to Rosebud ore.

Five rock samples were submitted to Chris Henry of the Nevada Bureau of Mines and Geology for radiometric age-dating using the $^{40}Ar/^{39}Ar$ method. The age-dates will give us the age of the Chocolate Formation (near the top of the Kamma Mountain volcanic stratigraphic sequence), the age of BMP and RQL intrusive events, and possibly the age of mineralization of the Rosebud deposits. Three of the samples contain sanidine phenocrysts; the two from the deposits are illite and alunite. Results are expected before the end of the year. The age-dating was summarized in a two-page memo.

Near-Mine Exploration

Underground hole RS-D365-99, drilled by Hecla down-dip of the North Zone deposit, intersected 16 feet of 0.445 oz/st Au and 1.32 oz/st Ag. A lower intercept contained 9 feet of 0.245 oz/st Au and 1.11 oz/st Ag. These intercepts occur at the same elevation and

400 feet southwest of encouraging intercepts in RS-D345-99, an exploration hole drilled in April that contained four intervals of ore-grade gold, including 12 feet of 0.522 oz/st Au. Follow-up holes by Hecla are planned during November.

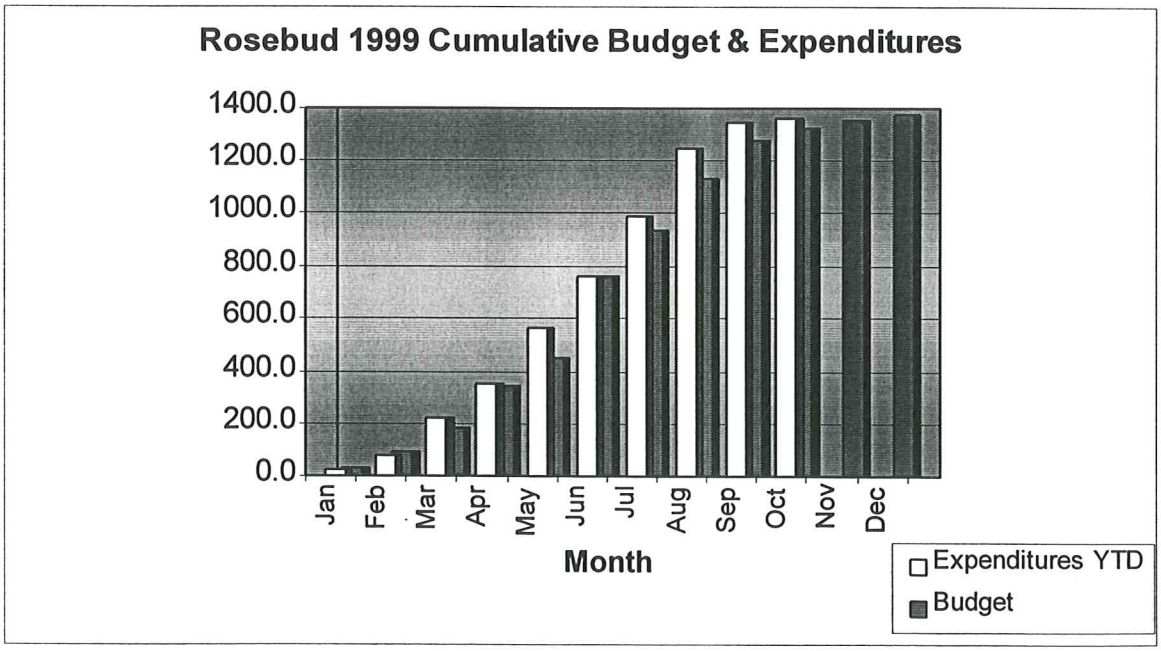
Reclamation

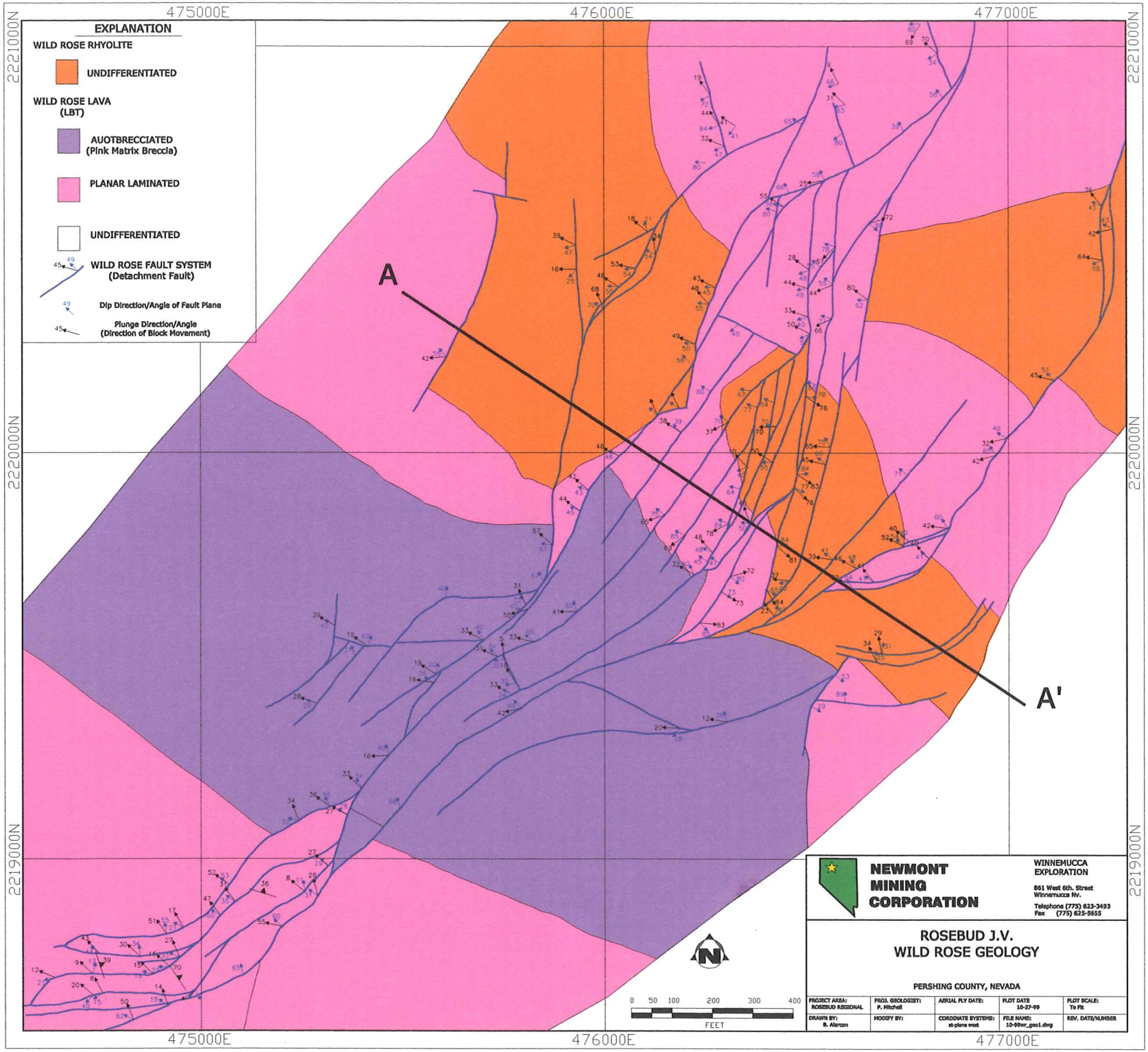
Approximately 8 acres of exploration disturbance will be reclaimed during November. This amount is nearly equal to the amount disturbed in 1999.

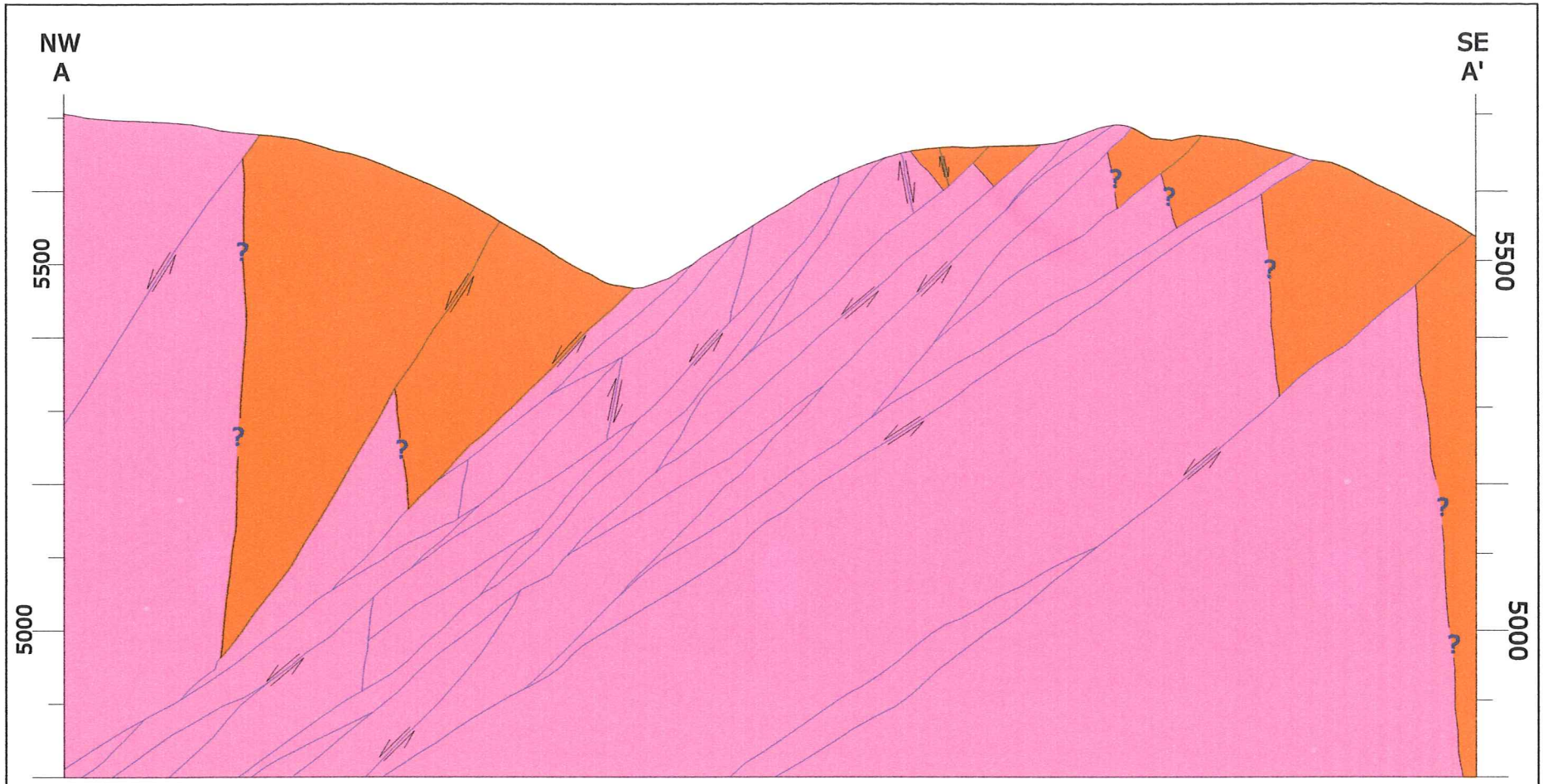
Administration

The Rosebud exploration expenditure during October was $10,884, bringing the YTD expenditure to $1,356,294 (98.6% of the revised budget) (Table 1). The last major expenditure for the year is reclamation, where $20,000 is budgeted. Salaries are expected to continue to decrease, as activities by Newmont staff wind down for the year.

Table 1.




475000E
476000E
477000E
2221000N
2220000N
2219000N
EXPLANATION
WILD ROSE RHYOLITE
UNDIFFERENTIATED
WILD ROSE LAVA (LBT)
AUOTBRECCIATED (Pink Matrix Breccia)
PLANAR LAMINATED
UNDIFFERENTIATED
WILD ROSE FAULT SYSTEM (Detachment Fault)
Dip Direction/Angle of Fault Plane
Plunge Direction/Angle (Direction of Block Movement)
A
A'
0 50 100 200 300 400
FEET
NEWMONT MINING CORPORATION
WINNEMUCCA EXPLORATION
861 West 6th. Street
Winnemucca Nv.
Telephone (775) 623-3493
Fax (775) 625-5655
ROSEBUD J.V.
WILD ROSE GEOLOGY
PERSHING COUNTY, NEVADA
PROJECT AREA: ROSEBUD REGIONAL
PROJ. GEOLOGIST: P. Mitchell
AERIAL FLY DATE:
PLOT DATE 10-27-99
PLOT SCALE: To Fit
DRAWN BY: B. Alarcon
MODIFY BY:
COORDINATE SYSTEMS: nt-plane west
FILE NAME: 10-99wr_geo1.dwg
REV. DATE/NUMBER



EXPLANATION

WILD ROSE RHYOLITE

UNDIFFERENTIATED

WILD ROSE LAVA (LBT)

PLANAR LAMINATED

NEWMONT MINING CORPORATION

WINNEMUCCA EXPLORATION

861 West 6th. Street
Winnemucca Nv.

Telephone (775) 623-3493
Fax (775) 625-5655

ROSEBUD J.V.
WILD ROSE GEOLOGY

PERSHING COUNTY, NEVADA

PROJECT AREA: ROSEBUD REGIONAL	PROJ. GEOLOGIST: P. Mitchell	AERIAL FLY DATE:	PLOT DATE 10-27-99	PLOT SCALE: To Fit
DRAWN BY: B. Alarcon	MODIFY BY:	COORDINATE SYSTEMS: st-plane west	FILE NAME: wr-xsection.dwg	REV. DATE/NUMBER