

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	November 1999; December 15, 1999
AUTHOR	Booth, B; Brown, A; Fudge, T; Cameron, D; Hartman, S; [REDACTED] Walde, L; Kaufman, R; Miller, C; Stilwell, J; Summers, A; Mullin, J; Wilson, E; Wollart, D; Dean, D; Santti, S; Tempel, T; Shumway, L; Lisle, R. Clayton, R; Dunston, J; Berezney, R. Dexter, M. Allen, K. Vance, 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., Rosebud Mining Co., LLC
(mine, claim & company names)	
COMMODITY	gold; silver
If not obvious	
NOTES	Monthly progress report; production; correspondence; statements of operation; assays; mine map 11 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
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Initials Date

SCANNED: _____
Initials Date

HECLA MINING COMPANYMEMORANDUM

December 15, 1999

TO: Ron Clayton
FROM: Mike Dexter
SUBJECT: Monthly Progress Report, Rosebud Mine – November 1999

Attached is the November 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

MINE PERSONNEL AND SAFETY

Staff

During the month, three hourly employees were hired. Hourly employment is now 68. Salary employment remained at 24. Total employment is 92.

Safety

There were no injuries at Rosebud in November. Rosebud employees have now worked 800 days without an MSHA lost-time injury and 159 days without an MSHA reportable injury. Everyone is looking forward to finishing 1999 with no injuries and continuing into 2000 injury free. There have only been two MSHA reportable injuries in 1999 at Rosebud. In 1998 and 1999 combined, only a total of three.

OPERATIONS

Development

The development crews started the St. Louis exploration drift. St. Louis was advanced 198 feet. Stope 12 access was advanced 242 feet and completed. Stope 12 muck bay was advanced 28 feet and completed. Total development for the month was 468 feet.

Production

Production from stope #12 was 181 tons at a gold grade of .477 opt and a silver grade of 1.06 opt.

Production from stope #13 was 679 tons at a gold grade of .230 opt and a silver grade of 4.90 opt.

Production from stope #31 was 493 tons at a gold grade of .328 opt and a silver grade of 0.65 opt.

Production from stope #32 was 1,627 tons at a gold grade of .301 opt and a silver grade of 0.41 opt.

Production from stope #33 was 3,893 tons at a gold grade of .297 opt and a silver grade of 0.69 opt.

Production from stope #34 was 1,859 tons at a gold grade of .231 opt and a silver grade of 0.42 opt

Production from stope #41 was 394 tons at a gold grade of .148 opt and a silver grade of 1.49 opt.

Production from stope #42 was 2,281 tons at a gold grade of .443 opt and a silver grade of 6.11 opt.

◆ Hecla Mining Company Rosebud Mine November Monthly Report

Production from stope #43 was 6,043 tons at a gold grade of .559 opt and a silver grade of 3.00 opt.

An additional 1,868 tons of waste at a gold grade of .053 opt was mined from the stopes and sorted to the waste pile.

Total ore stockpiled at month's end was 17,469 tons grading .397 Au opt and 2.33 opt silver. Shipment of this material to the Pinon Mill began on November 24.

GEOLOGY

Production

Mine calculated (geology) tonnage and grade for ore shipped during the months of November and December (November's production - December's milling) was overestimated by 567 tons (+3.5%) as compared to survey, and out performed the model by 1,719 ounces of gold (33.0%) and by 24,751 ounces of silver (312.0%) in the East Zone. Mill results have not been received.

ENGINEERING

Environmental

Bob Carlson and Bruce Holmgren from NDEP (Water Pollution Control Board) toured the site on November 16, 1999. The purpose of the tour was twofold: perform the quarterly inspection, and clear up confusion regarding the information required for the Water Pollution Control Permit renewal. Prior to the meeting, permit renewal documentation was assembled. Alan Czarnowsky (Red Dog, Inc.) and Dave Holland (Corporate) were on site for the meeting/inspection. The meeting and inspection went well. A significant amount of effort will be required to assemble final documentation required and answer more fully NDEP's questions, which is on-going at the present time.

Batch Plant

A total of 17,416 tons of cemented backfill was placed in the mine during the month. The fill amount and locations for each stope are listed below:

◆ Hecla Mining Company Rosebud Mine November Monthly Report

Location	High Strength (10% cement)	Medium Strength (4% cement)	Low Strength (3% cement)	Total
Stope 33		1,844 tons	3,120 tons	4,964 tons
Stope 31			1,085 tons	1,085 tons
Stope 12		787 tons		787 tons
Stope 42		1,952 tons	570 tons	2,523 tons
Stope 32		3,494 tons	503 tons	3,997 tons
Stope 43		3,429 tons		3,429 tons
Stope 13			632 tons	632 tons
Total		11,506 tons	5,910 tons	17,416 tons

Mine Planning & General

Development toward the St. Louis target began during the month, and 48" diameter hard line was ordered, which will be rolled on site. The contractor mobilized on November 29 and anticipates completing the initial 1200 feet of line within three days. Three individuals from Newmont toured the underground and reviewed information assembled regarding the St. Louis target.

PERFORMANCE

There were no expensed or capitalized discretionary costs during November. 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 17,469 ore tons during November, 5,138 less than budget. The gold grade mined was 0.397 opt, 0.069 more than budget. The silver grade was 2.33 opt, which was .41 more than budget. Year-to-date mine production is 254,896 ore tons, 7,514 less than budget, at a gold grade of 0.417 opt, 0.046 opt better than budget, and a silver grade of 1.38 opt, 0.59 opt less than budget.

During November, the mill recovered 5,245 gold ounces and 11,387 silver ounces, 5,301 less gold ounces and 22,599 less silver ounces than budget. Recoveries during the month were 94.2% for gold and 54.8% for silver which is equal to 1.9% less and 0.2% less than budget, respectively.

♦ Hecla Mining Company Rosebud Mine November Monthly Report

Year to date, the mill has recovered 104,661 gold ounces and 233,020 silver ounces, 9,791 more gold ounces and 39,970 less silver ounces than budget. Year-to-date recoveries are 95.2% for gold and 59.4% for silver, which are 0.8% worse and 4.4% better than budget, respectively.

Production costs for November totaled \$1,555,537 (\$89.05 per ore ton), \$342,257 less than budget (\$5.10 per ore ton less than budget). Year-to-date production costs total \$19,324,440 (\$75.82 per ore ton), \$1,052,397 less than budget (\$1.82 per ore ton better than budget).

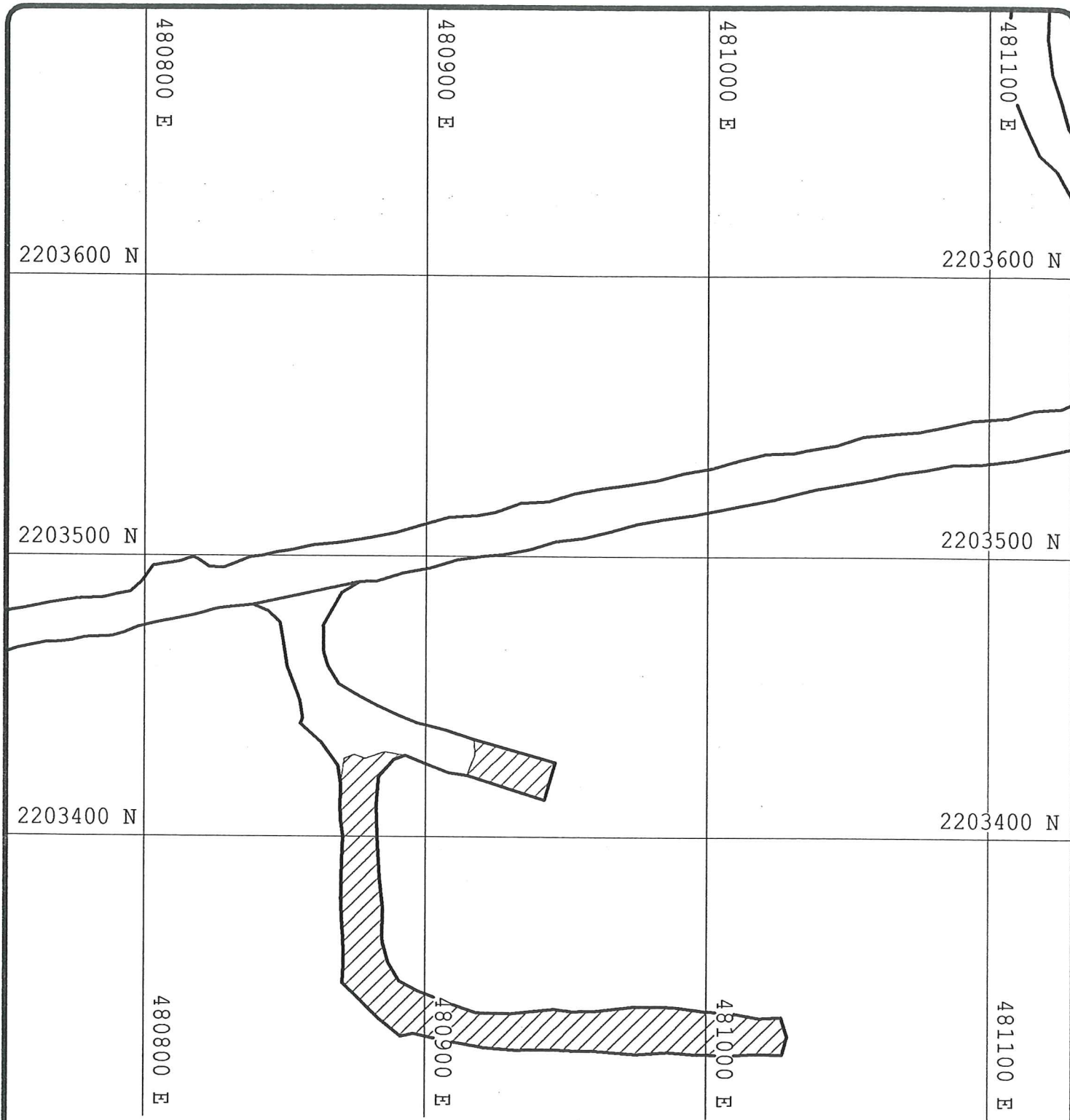
Joint Venture exploration costs for November totaled \$30,151, which is \$251 more than budget. Year-to-date Joint Venture exploration costs total \$1,386,443, which is \$263,643 more than budget. Hecla 100% exploration costs for November totaled \$17,717, and year-to-date costs total \$360,974, all unbudgeted.

The per gold ounce produced costs achieved during September were:

- | | | |
|--|-----------|----------------------------|
| • Cash operating cost per gold ounce | \$ 288.75 | \$ 124.50 more than budget |
| • Total cash cost per gold ounce | \$ 299.57 | \$ 116.76 more than budget |
| • Total production cost per gold ounce | \$ 398.68 | \$ 145.04 more than budget |

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

- | | | |
|--|-----------|---------------------------|
| • Cash operating cost per gold ounce | \$ 175.83 | \$ 25.07 less than budget |
| • Total cash cost per gold ounce | \$ 191.49 | \$ 26.04 less than budget |
| • Total production cost per gold ounce | \$ 269.83 | \$ 19.00 less than budget |



HECLA MINING COMPANY - ROSEBUD MINE

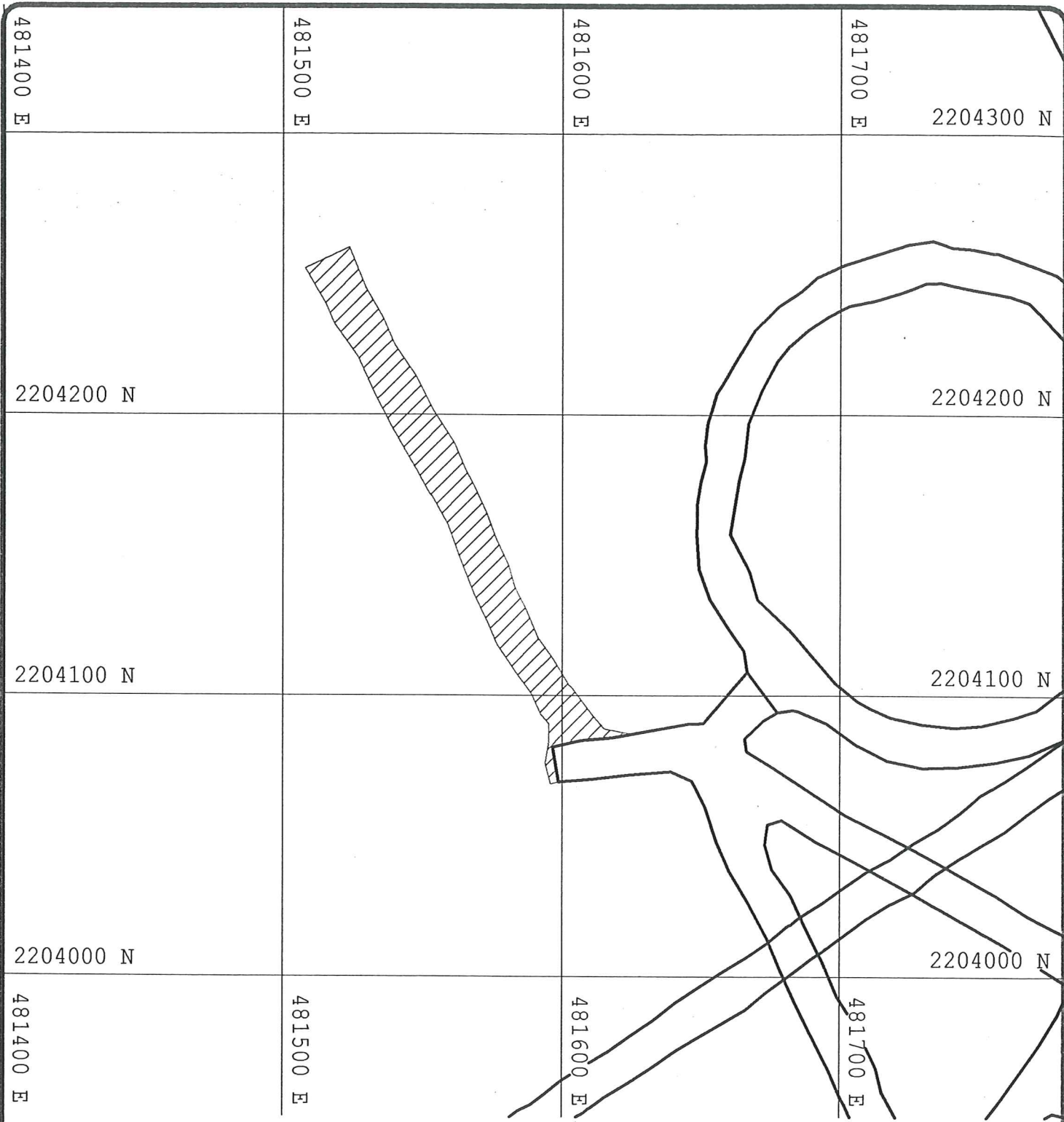
Development
November 1999

DATE:

02-Dec-99

DRAWN BY:

MJB



HECLA MINING COMPANY - ROSEBUD MINE

Development
November 1999

DATE:

02-Dec-99

DRAWN BY:

MJB

**Newmont Mining Corporation
Rosebud Mining Company LLC**

To: Mike Dexter
cc: Kurt Allen
Ron Clayton

Date: December 14, 1999

Fr: R. B. Vance

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

Geology

A draft report by Peter Mitchell summarizes his thoughts on the exploration targets at the **Wildrose** prospect. He has modified his original hole locations and supplied them to Kurt in advance of the upcoming RC drilling.

Reclamation

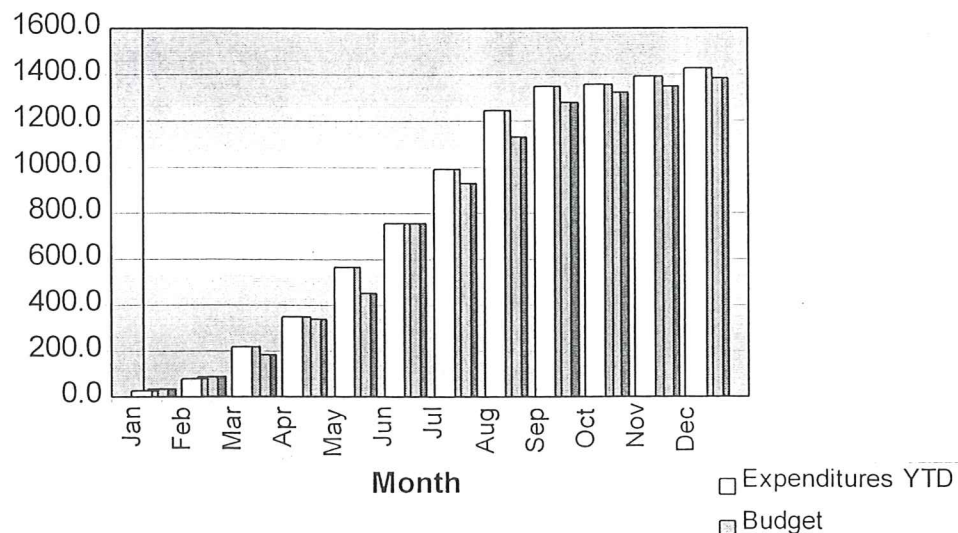
Nearly 7 acres of exploration disturbance have been reclaimed, with about one acre left.

Administration

The Rosebud exploration expenditure during November was \$30,151, bringing the YTD expenditure to \$1,386,444 (100.8% of the revised budget). Based on the work to be completed in December, reclamation will exceed the \$20,000 budget by about \$10,000. The 1999 expenditure is projected to be \$50,000 over budget (3.6%), and is shown in Table 1 as \$1.425 million.

Table 1.

Rosebud 1999 Cumulative Budget & Expenditures



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

	MONTH			QUARTER TO DATE			YEAR TO DATE		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
November 1999									
Gross production value (GPV)	\$ 91.41	\$ 148.22	\$ (56.81)	\$ 90.86	\$ 140.58	\$ (49.72)	\$ 118.56	\$ 114.60	\$ 3.96
Less: Euro Nevada royalty	(3.66)	(5.93)	2.27	(3.63)	(5.62)	1.99	(4.74)	(4.58)	(0.16)
Less: Shipping and refining	(0.89)	(0.79)	(0.10)	(0.70)	(0.70)	-	(0.69)	(0.59)	(0.10)
Net production value	86.86	141.50	(54.64)	86.53	134.26	(47.73)	113.13	109.43	3.70
Cost of production									
Mine production costs	28.85	21.00	(7.85)	26.22	21.00	(5.22)	24.34	21.00	(3.34)
Fixed mining costs	13.52	8.85	(4.67)	10.65	8.49	(2.16)	9.43	8.39	(1.04)
L.L.C. Development	7.16	6.12	(1.01)	3.33	5.94	2.61	2.28	4.37	2.09
Milling costs	21.32	19.94	(1.38)	16.76	18.70	1.94	16.52	18.52	2.00
Trucking and site processing	13.06	11.44	(1.62)	9.23	10.54	1.31	10.44	10.68	0.24
Site and general administration	10.74	10.22	(0.52)	8.83	9.89	1.06	9.55	10.35	0.80
Geology	2.73	1.77	(0.96)	2.15	1.70	(0.45)	1.97	1.68	(0.29)
Delineation drilling	0.22	1.11	0.89	0.09	1.06	0.97	0.26	0.74	0.48
Engineering	1.58	1.58	-	1.56	1.52	0.16	1.27	1.50	0.23
Change in ore stockpile and in-circuit inventory	(10.13)	1.92	12.05	(2.22)	0.10	2.32	(0.24)	0.41	0.65
Total cost of production	89.05	83.95	(5.10)	76.40	78.94	2.54	75.82	77.64	1.82
Other costs									
Property taxes	0.43	0.44	0.01	0.36	0.42	0.06	0.32	0.42	0.10
Net proceeds taxes	(0.41)	2.73	3.14	0.30	2.62	2.32	1.69	1.43	(0.26)
Reclamation expense	1.73	1.07	(0.66)	1.34	0.99	(0.35)	1.18	1.00	(0.18)
Interest (income)	(0.28)	(0.29)	(0.01)	(0.31)	(0.28)	0.03	(0.23)	(0.27)	(0.04)
(Gain) loss on the sale of fixed assets	-	-	-	-	-	-	(0.04)	-	0.04
Depreciation	28.03	31.97	3.94	26.86	30.48	3.62	30.99	24.78	(6.21)
Total other costs	29.50	35.92	6.42	28.54	34.23	5.68	33.91	27.36	(6.55)
Total operating costs	118.55	119.87	1.32	104.95	113.17	8.22	109.73	105.00	(4.73)
Exploration expenditures - Joint Venture	1.73	1.32	(0.11)	0.98	1.18	0.50	5.41	4.28	(1.16)
Exploration expenditures - 100% Hecla	1.01	-	(1.01)	5.97	-	(5.97)	1.12	-	(1.42)
Discretionary expenditures	-	-	-	-	-	-	0.43	0.38	(0.05)
Total costs	121.29	121.19	(0.10)	111.90	114.65	2.75	117.02	109.66	(7.36)
Net income (loss) to Exhibit B	\$ (34.43)	\$ 20.31	\$ (54.74)	\$ (25.37)	\$ 19.61	\$ (44.98)	\$ (3.89)	\$ (0.23)	\$ (3.66)
Cash operating cost per gold ounce	\$288.75	\$164.25	(\$124.50)	\$255.65	\$163.34	(\$92.31)	\$175.83	\$200.90	\$25.07
Total cash costs per gold ounce	\$299.57	\$182.81	(\$116.76)	\$269.27	\$181.88	(\$87.39)	\$191.49	\$217.53	\$26.04
Total production costs per gold ounce	\$398.68	\$253.64	(\$145.04)	\$366.89	\$252.63	(\$114.26)	\$269.83	\$288.83	\$19.00
Summary of Production									
Tons of ore mined:	17,469	22,607	(5,138)	41,878	47,114	(5,236)	254,896	262,410	(7,514)
Gold - ounces per ton	0.397	0.328	0.069	0.336	0.390	(0.060)	0.417	0.371	0.046
Silver - ounces per ton	2.33	1.92	0.41	1.56	2.23	(0.67)	1.38	1.97	(0.59)
Tons of ore milled:	24,409	24,507	(98)	45,411	47,052	(1,641)	261,949	263,706	(3,757)
Gold - ounces per ton	0.282	0.448	(0.166)	0.306	0.464	(0.158)	0.423	0.372	0.051
Silver - ounces per ton	1.00	2.52	(1.52)	1.11	2.36	(1.25)	1.50	2.00	(0.50)
Mill recovery rate - gold	94.2%	96.1%	-1.9%	91.9%	96.0%	-4.1%	95.2%	96.0%	-0.8%
Mill recovery rate - silver	54.8%	55.0%	-0.2%	56.2%	55.1%	1.1%	59.4%	55.0%	4.4%
Products produced:									
Gold - ounces	5,245	10,546	(5,301)	12,100	20,955	(8,855)	104,661	94,870	9,791
Silver - ounces	11,387	33,986	(22,599)	23,781	61,200	(37,416)	233,020	292,990	(59,970)
Employees at end of period:									
Hourly	68	75	7	68	75	7	68	75	7
Salary	24	27	3	24	27	3	24	27	3
Capitalized expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99,818	\$ 470,000	\$ 370,182

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

November 1999

	MONTH			QUARTER TO DATE			YEAR TO DATE		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Gross production value (GPV)	\$ 1,596,809	\$ 3,350,723	\$ (1,753,914)	\$ 3,804,976	\$ 6,623,100	\$ (2,818,124)	\$ 30,220,831	\$ 30,072,447	\$ 148,384
Less: Euro Nevada royalty	(63,872)	(134,029)	70,157	(152,199)	(264,924)	112,725	(1,208,833)	(1,202,899)	(5,934)
Less: Shipping and refining	(15,465)	(17,813)	2,348	(29,281)	(32,862)	3,581	(175,183)	(155,146)	(20,037)
Net production value	1,517,472	3,198,881	(1,681,409)	3,623,496	6,325,314	(2,701,818)	28,836,815	28,714,402	122,413
Cost of production									
Mine production costs	503,993	474,747	(29,246)	1,098,061	989,394	(108,667)	6,203,639	5,510,610	(693,029)
Fixed mining costs	236,221	200,075	(36,146)	445,873	400,150	(45,723)	2,403,152	2,200,825	(202,327)
L.L.C. Development	125,132	138,250	13,118	139,360	280,000	140,640	582,406	1,148,000	565,594
Milling costs	372,514	450,709	78,195	701,676	881,242	179,566	4,210,387	4,861,110	650,723
Trucking and site processing	228,067	258,588	30,521	386,381	496,474	110,093	2,660,522	2,803,623	143,101
Site and general administration	187,544	231,125	43,581	369,709	465,750	96,041	2,433,275	2,715,075	281,800
Geology	47,720	40,100	(7,620)	90,158	80,200	(9,958)	502,936	441,100	(61,836)
Delinication drilling	3,803	25,000	21,197	3,803	50,000	46,197	65,025	195,000	129,975
Engineering	27,547	35,800	8,253	57,091	71,600	14,509	324,562	393,800	69,238
Change in ore stockpile and in-circuit inventory	(177,004)	43,400	220,404	(93,101)	4,698	97,799	(61,464)	107,694	169,158
Total cost of production	1,555,537	1,897,794	342,257	3,199,011	3,719,508	520,497	19,324,440	20,376,837	1,052,397
Other costs									
Property taxes	7,500	10,000	2,500	15,000	20,000	5,000	82,500	110,000	27,500
Net proceeds taxes	(7,137)	61,734	68,871	12,615	123,649	111,034	430,678	375,349	(55,329)
Reclamation expense	30,244	24,179	(6,065)	56,267	46,422	(9,845)	299,840	262,148	(37,692)
Interest (income)	(4,868)	(6,500)	(1,632)	(12,778)	(13,000)	(222)	(57,948)	(71,500)	(13,552)
(Gain) loss on the sale of fixed assets	-	-	-	-	-	-	(8,981)	-	8,981
Depreciation	489,581	722,780	233,199	1,124,939	1,436,170	311,231	7,898,662	6,502,004	(1,396,658)
Total other costs	515,320	812,193	296,873	1,196,043	1,613,241	417,198	8,644,751	7,178,001	(1,466,750)
Total operating costs	2,070,857	2,709,987	639,130	4,395,054	5,332,749	937,695	27,969,191	27,554,838	(414,353)
Exploration expenditures - Joint Venture	30,151	29,900	(251)	41,035	69,500	28,465	1,386,443	1,122,800	(263,643)
Exploration expenditures - 100% Hecla	17,717	-	(17,717)	250,039	-	(250,039)	360,974	-	(360,974)
Discretionary expenditures	-	-	-	-	-	-	109,191	100,000	(9,191)
Total costs	2,118,725	2,739,887	621,162	4,686,128	5,402,249	716,121	29,825,799	28,777,638	(1,048,161)
Net income (loss) to Exhibit B	\$ (601,253)	\$ 458,994	\$ (1,060,247)	\$ (1,062,632)	\$ 923,065	\$ (1,985,697)	\$ (988,984)	\$ (63,236)	\$ (925,748)
Cash operating cost per gold ounce	\$288.75	\$164.25	(\$124.50)	\$255.65	\$163.34	(\$92.31)	\$175.83	\$200.90	\$25.07
Total cash costs per gold ounce	\$299.57	\$182.81	(\$116.76)	\$269.27	\$181.88	(\$87.39)	\$191.49	\$217.53	\$26.04
Total production costs per gold ounce	\$398.68	\$253.64	(\$145.04)	\$366.89	\$252.63	(\$114.26)	\$269.83	\$288.83	\$19.00
Summary of Production									
Tons of ore mined:	17,469	22,607	(5,138)	41,878	47,114	(5,236)	254,896	262,410	(7,514)
Gold - ounces per ton	0.397	0.328	0.069	0.330	0.390	(0.060)	0.417	0.371	0.046
Silver - ounces per ton	2.33	1.92	0.41	1.56	2.23	(0.67)	1.38	1.97	(0.59)
Tons of ore milled:	24,409	24,507	(98)	45,411	47,052	(1,641)	261,949	265,706	(3,757)
Gold - ounces per ton	0.282	0.448	(0.166)	0.306	0.464	(0.158)	0.423	0.372	0.051
Silver - ounces per ton	1.00	2.52	(1.52)	1.11	2.36	(1.25)	1.50	2.00	(0.50)
Mill recovery rate - gold	94.2%	96.1%	-1.9%	94.9%	96.0%	-1.1%	95.2%	96.0%	-0.8%
Mill recovery rate - silver	54.8%	55.0%	-0.2%	56.2%	55.1%	1.1%	59.4%	55.0%	4.4%
Products produced:									
Gold - ounces	5,245	10,546	(5,301)	12,100	20,955	(8,855)	104,661	91,870	9,791
Silver - ounces	11,387	33,986	(22,599)	25,781	61,200	(35,416)	233,020	292,990	(59,970)
Employees at end of period:									
Hourly	68	75	7	68	75	7	68	75	7
Salary	24	27	3	24	27	3	24	27	3
Capitalized expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99,818	\$ 470,000	\$ 370,182

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

November 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	-	-	-	-	10,000	10,000	-	10,000	10,000
Underground equipment rebuilds (9126) 99-0002-xxx	-	-	-	109,191	60,000	(49,191)	109,191	60,000	(49,191)
Total Expensed Discretionary	\$ -	\$ -	\$ -	\$ 109,191	\$ 100,000	\$ (9,191)	\$ 514,331	\$ 507,506	\$ (6,825)