

6000 1865

DISTRICT	Rosebud
DIST_NO	4010
COUNTY If different from written on document	Pershing
TITLE If not obvious	The Winters Company RMI Audit 1995 - Rosebud Feasibility Study and Ore Reserves
AUTHOR	Winters H; Clayton, R; Dorsey J; Earnest D
DATE OF DOC(S)	1995
MULTI_DIST Y / N?	
Additional Dist_Nos:	
QUAD_NAME	Sulphur 7½'
P_M_C_NAME (mine, claim & company names)	Rosebud Mine; Rosebud Project; Winters Co. Hecla Mining Co.
COMMODITY If not obvious	gold; silver
NOTES	Correspondence; reserves; handwritten notes  4p

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 8/1/08  
Initials Date

DB: \_\_\_\_\_  
Initials Date

SCANNED: \_\_\_\_\_  
Initials Date

TWC. 11/95 ROSEBUD FEASIBILITY STUDY & ORE  
RESERVES.

6000 1865

4010

THE WINTERS COMPANY  
6125 E. Grant Road  
Tucson, Arizona 85712  
(520) 886-9725  
(520) 721-5853 (fax)

DATE:

11/8/95

PROJECT NO.:

52-14

TO:

Ron Clayton

COMPANY:

Rouland Marie

FAX NO.:

402-427-7781

FROM:

John Dorsey

COMPANY:

The Winters Company

FAX NO.:

(520) 721-5853

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**THE WINTERS COMPANY**

AN ARIZONA CORPORATION  
6125 E. GRANT RD  
TUCSON, ARIZONA 85712  
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FAX: (520) 885-8823

TO: Ron Clayton

FROM: Harry Winters, John Dorsey, Don Earnest 

SUBJECT: ROSEBUD FEASIBILITY STUDY AND ORE RESERVES

DATE: November 8, 1995

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In the opinion of THE WINTERS COMPANY (TWC), the Rosebud Feasibility Study constitutes a bankable study, provided that the changes and additions outlined in TWC's November 1995 Feasibility Study Review are made.

TWC has reviewed the Rosebud Project ore reserves which were developed by the Hecla Rosebud geology staff with assistance from Mine Design Associates (MDA) of Reno, Nevada. During the course of the review, TWC's observations and concerns were openly discussed in detail with Hecla project personnel and all but one were ultimately resolved to TWC's satisfaction. The only issue which remains a concern to TWC is the possible overestimation of high grade blocks within Domain 4 in the South Zone (see August 16, 1995 memo to Ron Clayton And Charlie Muerhoff, "Final Summary of TWC Observations and Recommendations, Rosebud Ore



Reserve Model"). According to recent discussions with Hecla Rosebud Project personnel, the early results of underground infill drilling which is currently underway indicate that the initial grade estimates of the high grade blocks in question have been substantiated. However, until TWC has a chance to review these recent results, in TWC's opinion 50,000 ounces of gold should be removed from the stated mineable proven and probable ore reserves for the Rosebud Project.

For categorizing mineable ore reserves, TWC considers only material which can be classified as proven and probable ore reserves under the definitions established by the United States Securities and Exchange Commission (SEC). By following the Society of Mining Engineers (SME) guidelines, Hecla has in fact also conformed to the SEC definitions, since both organizations use identical definitions for proven and probable ore. TWC stresses that proven and probable ore are not equivalent in terms of certainty of existence. TWC considers proven and probable ore to have 90 percent and 75 percent certainty factors, respectively. This does not mean that ore reserve totals for these categories should be reduced by these factors, nor does it imply that adjustments are necessary in cash flow projections. Although Hecla has not yet itemized the proven and probable portions of the Rosebud ore reserves, TWC emphasizes the need to do so as soon as possible.

Hecla states the combined proven and proven and probable diluted mineable ore reserve for the Rosebud Project as follows:

1,190,000 tons grading 0.456 ounces Au/ton and 2.67 ounces Ag/ton. 542,640 Au Oz (558)

Removal of the 50,000 ounces of gold discussed earlier in this memorandum from this total results in an adjusted mineable ore reserve of:

1,190,000 tons grading 0.414 ounces Au/ton and 2.67 ounces Ag/ton. 492,640 Au Oz (460)

TWC currently endorses this adjusted total as proven and probable mineable diluted ore reserves for the Rosebud Project. If TWC agrees after an examination of the results from the current infill drilling program that this reduction is not necessary, TWC will promptly issue a revised statement in support of the unadjusted figure.