



First Quarter 2012 Earnings Conference Call

May 8, 2012

Hecla MINING COMPANY

Cautionary Statements

Cautionary Note Regarding Forward Looking Statements

Statements made which are not historical facts, such as strategies, plans, anticipated payments, litigation outcome (including settlement negotiations), production, sales of assets, exploration results and plans, costs, and prices or sales performance are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “may,” “will,” “should,” “expects,” “intends,” “projects,” “believes,” “estimates,” “targets,” “anticipates,” and similar expressions are used to identify these forward-looking statements. Forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those projected, anticipated, expected or implied. These risks and uncertainties include, but are not limited to, metals price volatility, volatility of metals production and costs, environmental and litigation risks, operating risks, project development risks, political risks, labor issues, ability to raise financing, and exploration risks. Refer to our Form 10-K and 10-Q reports for a more detailed discussion of factors that may impact expected future results. We undertake no obligation to update forward-looking statements other than as may be required by law.

Cautionary Note Regarding Estimates of Measured, Indicated and Inferred Resources

The United States Securities and Exchange Commission permits mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. We use certain terms in this presentation, such as “resource,” “other resources,” and “mineralized materials” that the SEC guidelines strictly prohibit us from including in our filings with the SEC. U.S. investors are urged to consider closely the disclosure in our Form 10-K. You can review and obtain copies of these filings from the SEC’s website at www.sec.gov.

Cautionary Note Regarding Non-GAAP measures

Total cash cost per ounce of silver and earnings before adjustments represents non-U.S. Generally Accepted Accounting Principles (GAAP) measurement. A reconciliation of total cash cost to cost of sales and other direct production costs and depreciation, depletion and amortization (GAAP) can be found in the Appendix.

1Q 2012 - Highlights

- Lucky Friday cleandown advanced 1,500 feet
- Greens Creek ground support work advanced
  - Production and throughput to increase remainder of year
- Continued strong margins
  - Cash cost of $2.24 per ounce[1] silver
  - Operating cash flow of $41.4 million
- All of Company's 100% - owned properties advanced
  - $9.0 million in exploration and pre-development
- Cash and cash equivalents of $279 million at 3/31/12
- Further strengthening of management team

1. Total cash cost per ounce of silver represents non-U.S. Generally Accepted Accounting Principles (GAAP) measurement. A reconciliation of total cash costs to cost of sales and other direct production costs and depreciation, depletion and amortization (GAAP) can be found in the Appendix.

3rd Consecutive Silver-linked Dividend

- Third consecutive quarterly of $0.0225 per share (includes a total amount of $6.4 million)
- Consists of Hecla's common stock dividend policy:
  - Silver-linked[1] dividend of $0.02 per share based on an average silver price of $36.59 for the 1st quarter 2012
  - Plus minimum annual dividend of $0.01 per share of common stock, payable quarterly
- Dividend policy represents a 2.3% yield based on our share price on May 7, 2012 of $3.88[1]

1. The declaration and payment of dividends remains at the sole discretion of the Board of Directors and will depend on Hecla's financial results, cash requirements, future prospects and other factors deemed relevant by the Board. Investors are cautioned that this new policy is not a guarantee that a dividend will be declared or paid in any particular period in the future.

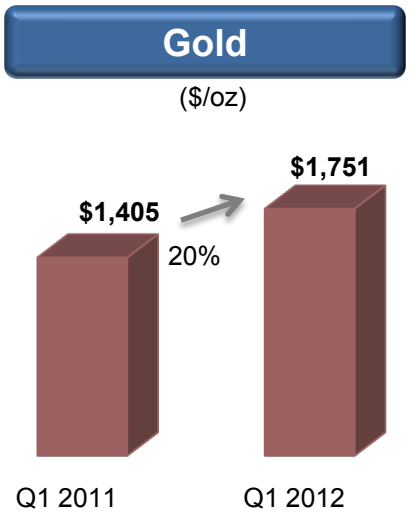
New Stock Repurchase Program

- Company authorized to repurchase up to 20 million shares of its outstanding common stock from time to time
- Purchases to be made in open market or privately negotiated transactions, depending on prevailing market conditions and other factors
- The repurchase program may be modified, suspended or discontinued at any time

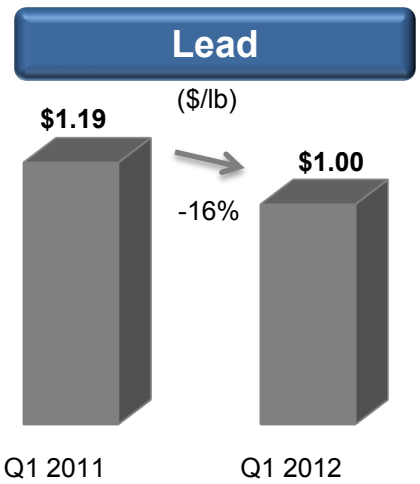
Financial Review

1Q 2012 - Realized Metals Prices



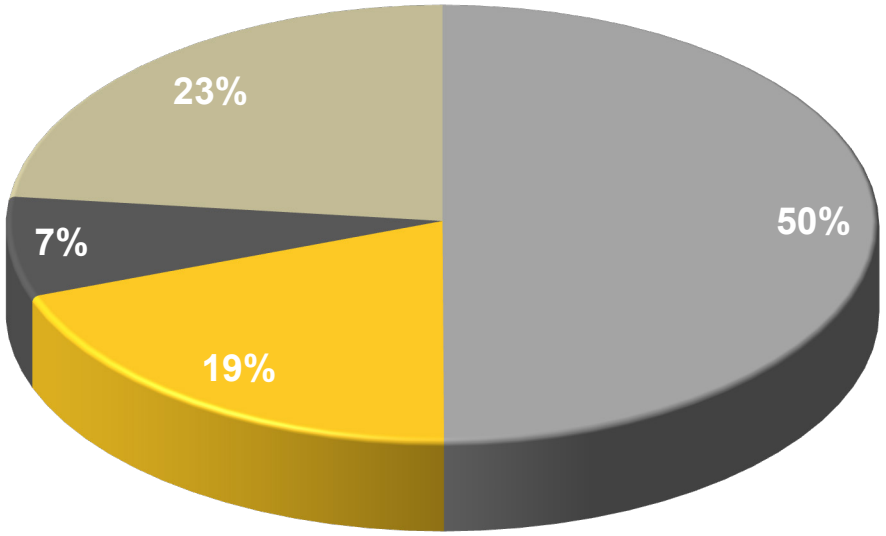






1Q 2012 - Total Revenue $91.2 million

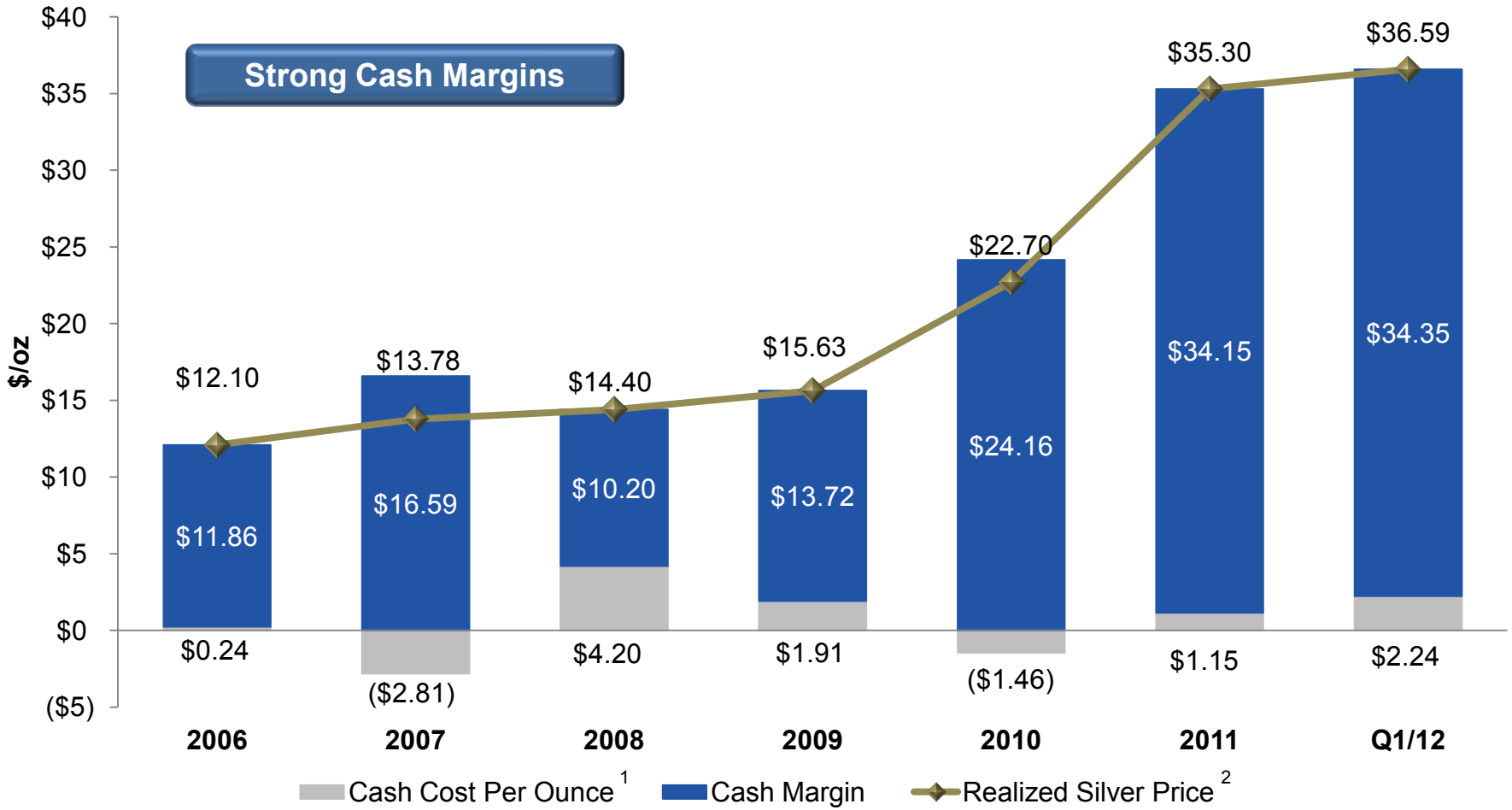
Greens Creek



Based on Realized Prices Q1/2012:

Silver	$	36.59/oz
Gold	$	1,751/oz
Zinc	$	0.95/lb
Lead	$	1.00/lb

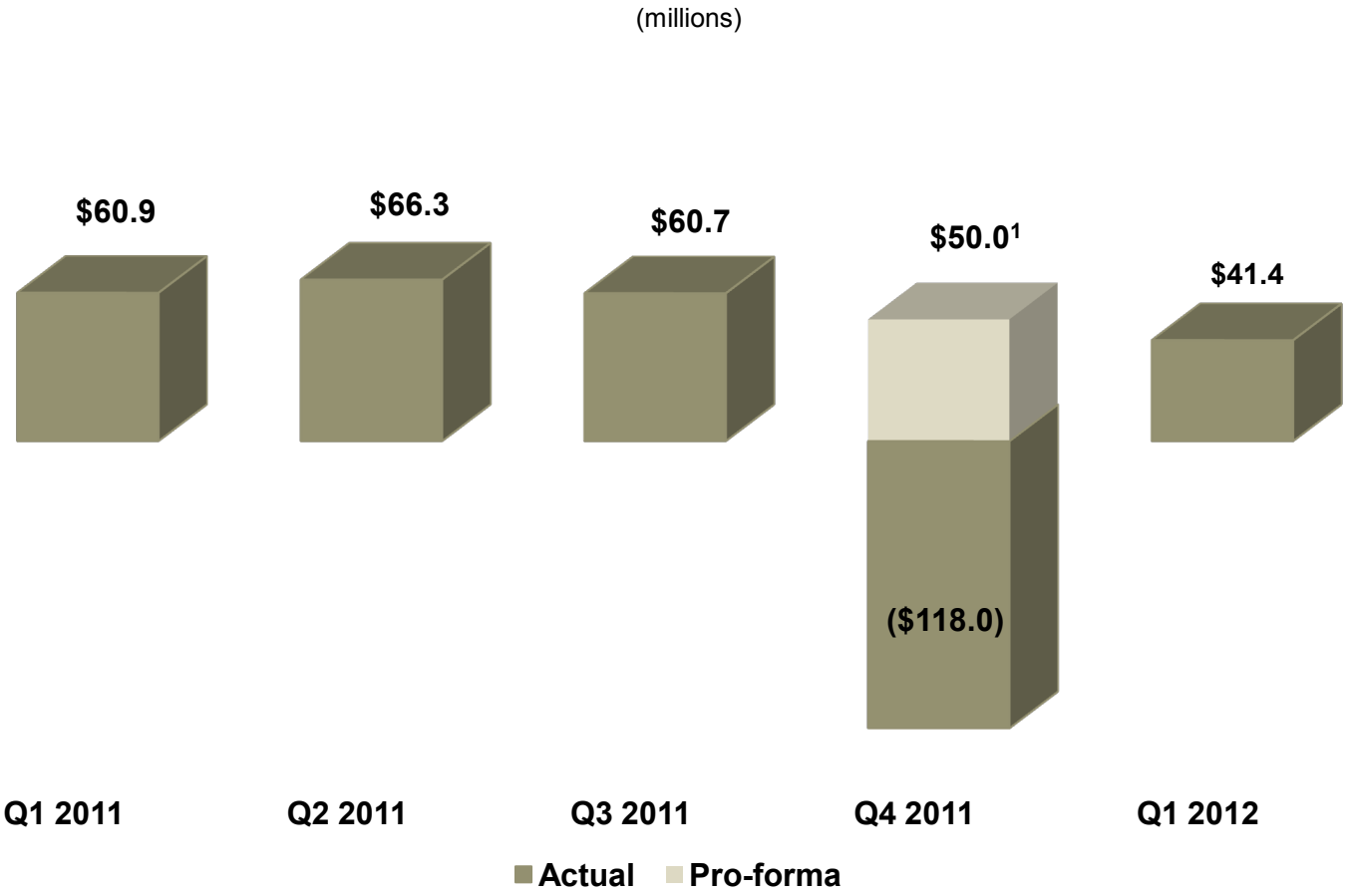
1Q 2012 - Total Cash Costs $2.24 per oz



1. Total cash cost per ounce of silver represent non-U.S. Generally Accepted Accounting Principles (GAAP) measurement. A reconciliation of total cash costs to cost of sales and other direct production costs and depreciation, depletion and amortization (GAAP) can be found in the Appendix.
2. Realized prices are calculated by dividing gross revenues for each metal by the payable quantities of each metal included in the concentrate and doré sold during the period.

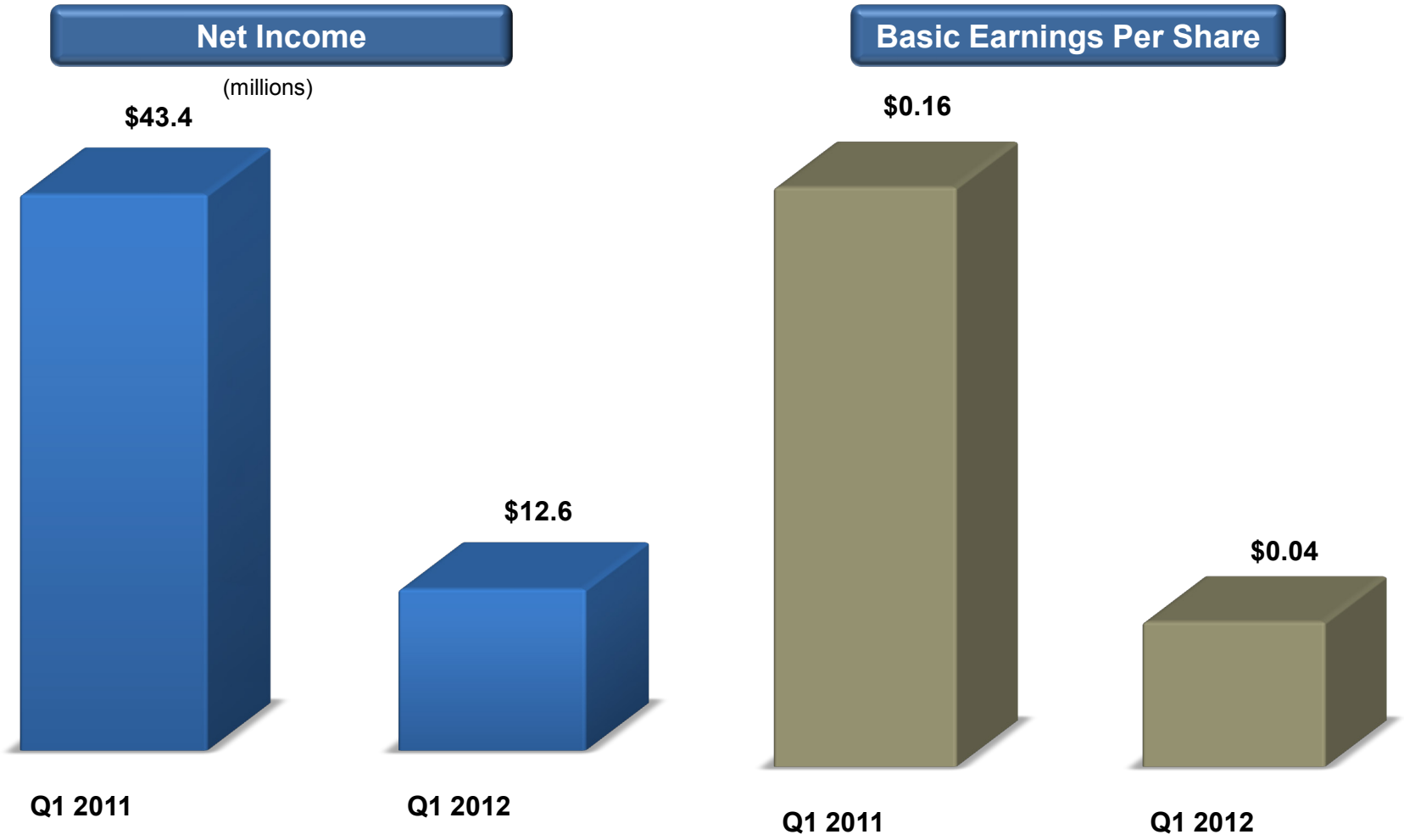
1Q 2012 - Cash Flow

Cash Provided by Operating Activities



1. Operating cash flow for 2011 was $69.9 million after environmental settlement payment of $168 million in the fourth quarter.

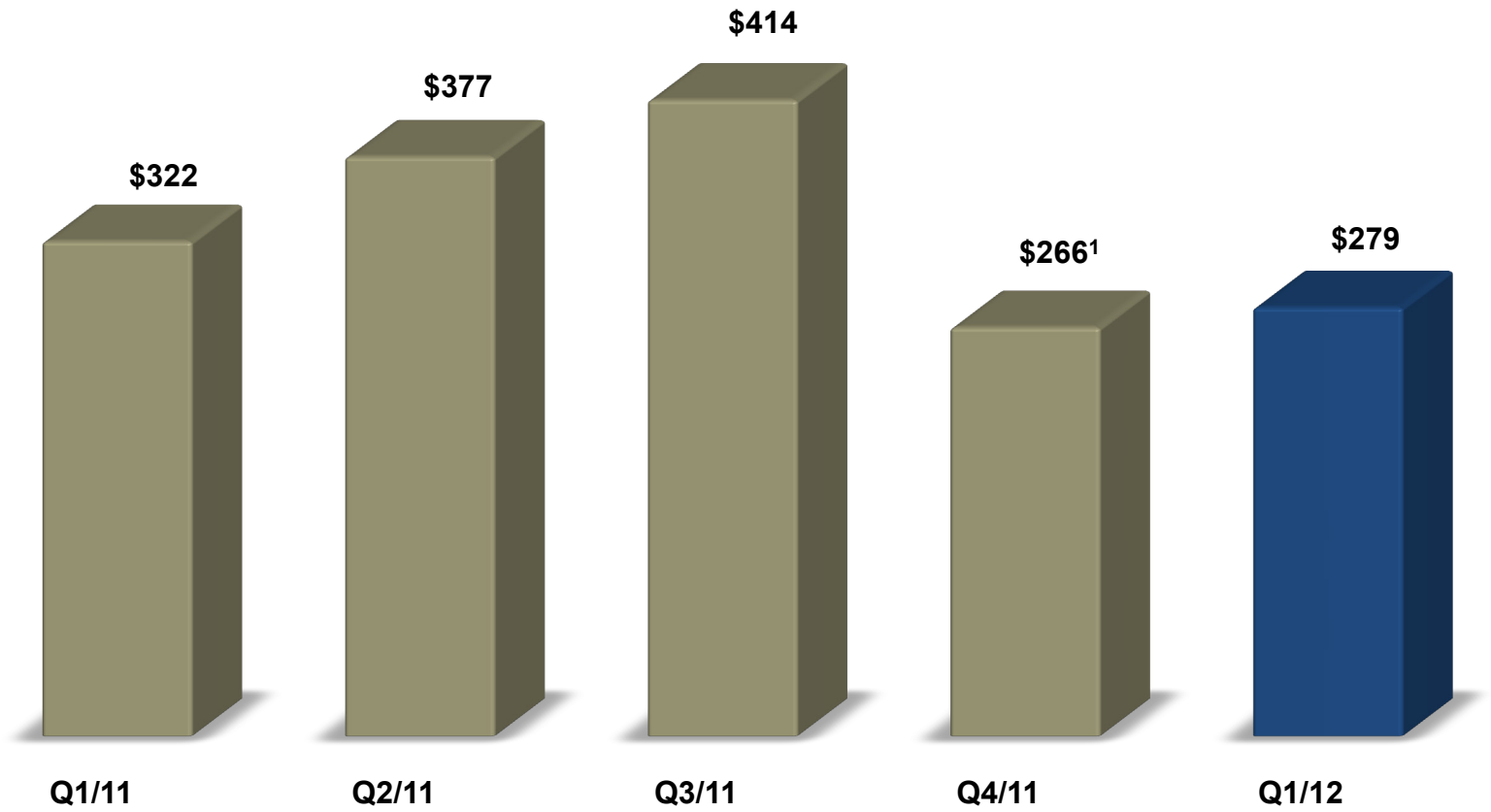
1Q 2012 - Net Income



Strong Balance Sheet

Cash and Cash Equivalents

(millions)

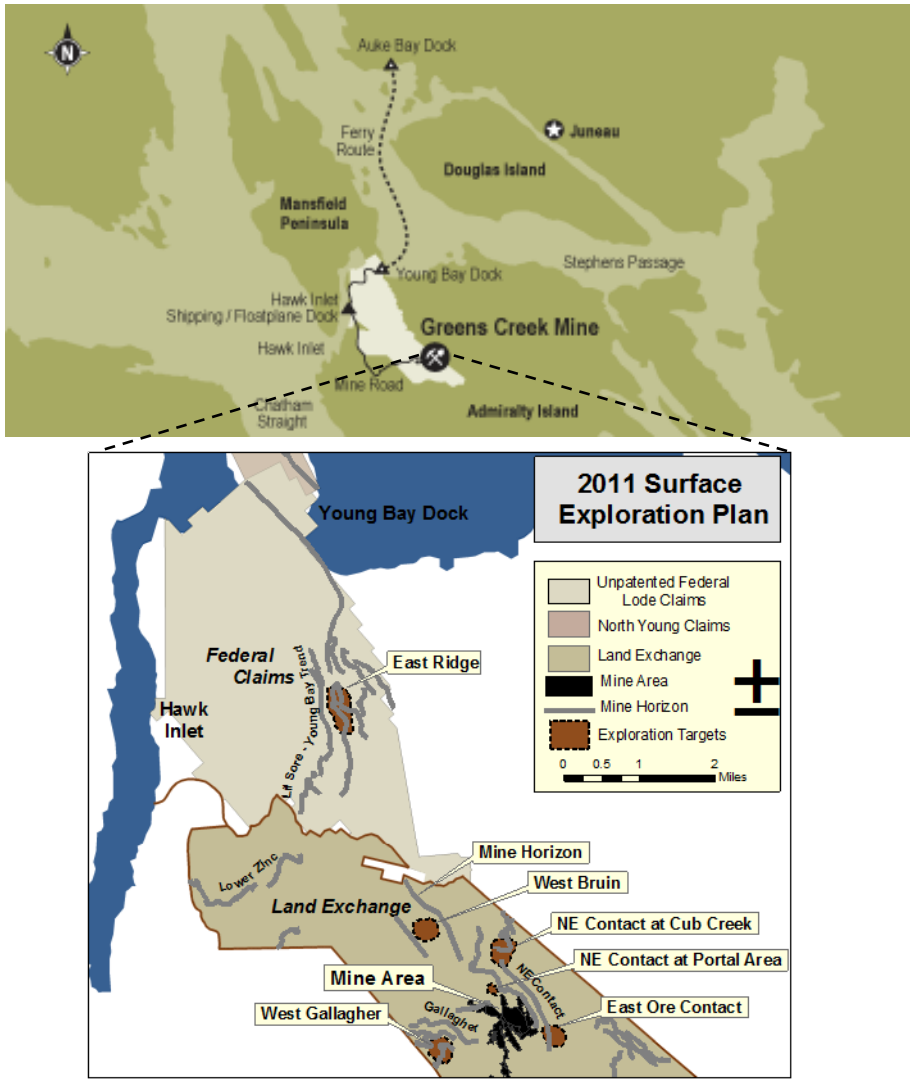


1. After environmental settlement payment of $168 million in the fourth quarter 2011.

Operations Review

Managing Our Assets - Greens Creek (Alaska)

- Production 1.3 million oz silver in 1Q
- Cash costs $2.24 per oz silver
- Production and throughput expected to increase through remainder of year
- Record $90 million CapEx program in 2012
  - Deep 200 South access development
  - Fleet replacement and additions
  - Tailings dam expansion
  - Definition drilling
  - Expand and upgrade camp facilities



Excellent Progress at Lucky Friday (Idaho)

- Rehabilitation and restoration work on main Silver Shaft
- 1,500 feet of restoration complete
- Development work expected to resume when 4900 level reached
- Entire 6,100 foot shaft restoration expected to be complete by December 2012
- Operations expected to resume and ramp up in early 2013
- 2011 production was 3.0 million silver ounces





Excellent Progress at Lucky Friday (Idaho)



Man basket



Crane

Excellent Progress at Lucky Friday (Idaho)



Setting winches





Excellent Progress at Lucky Friday (Idaho)



Galloway (work decks)



Looking down shaft at galloway and brattice



Shaft wall with electrical cable

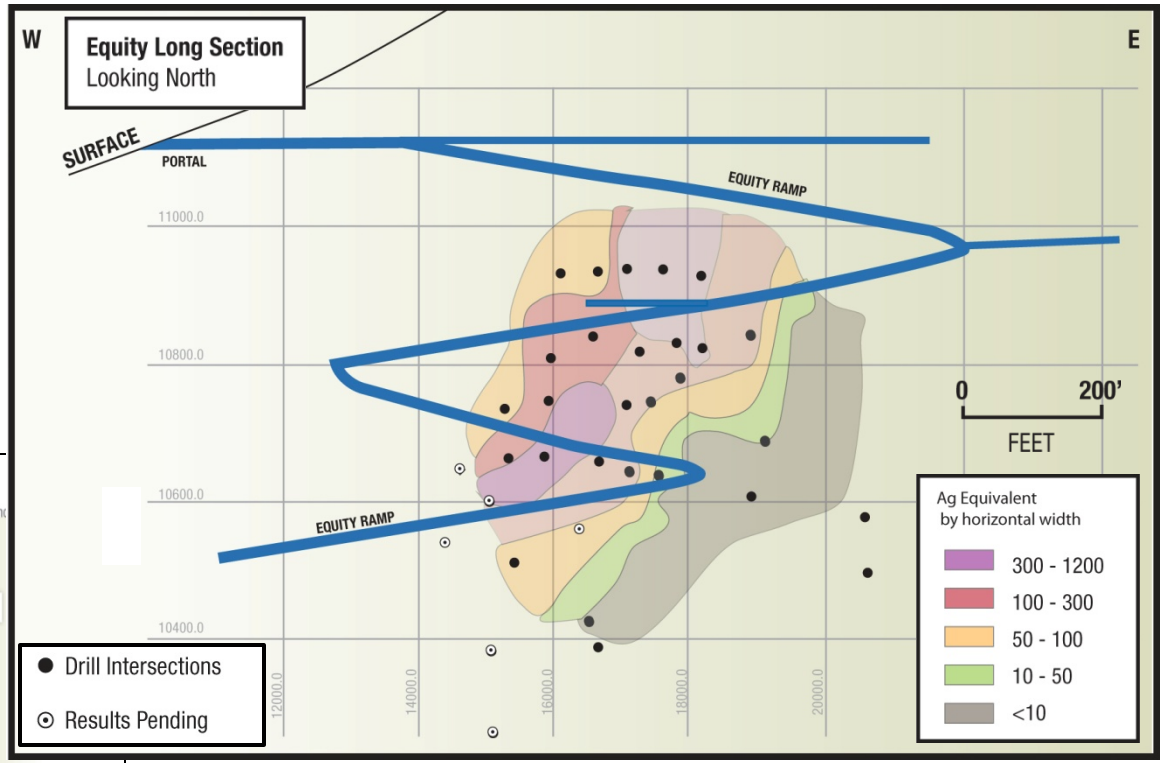
Silver Shaft Schedule

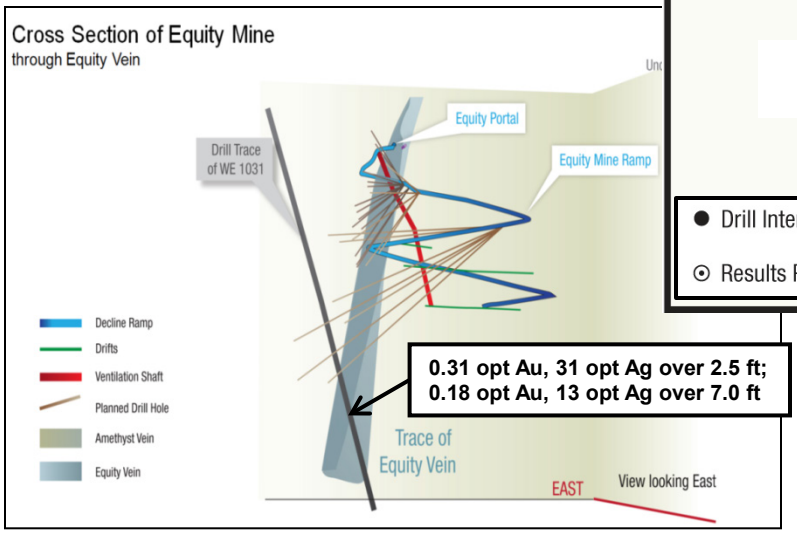
Key Activities	2011	2012	2013
☑ Project Start	Dec-11		
☑ Start Crane Work Below Silver Shaft Collar		Feb-12	
☑ Start Galloway Work		Mar-12	
☑ Start Rehabilitation at 1000 Level		Apr-12	
☐ Rehabilitation Work Complete to 4900 Level		End Aug-12	
☐ Rehabilitation Work Complete to 6100 Level		Early Dec-12	
☐ Final Utility Installation		Early Dec-12	
☐ Silver Shaft Operational		Dec-31-12	
☐ Full Production			Early 2013

Exploration and Pre-Development Update

Organic Growth - San Juan Silver (Colorado)

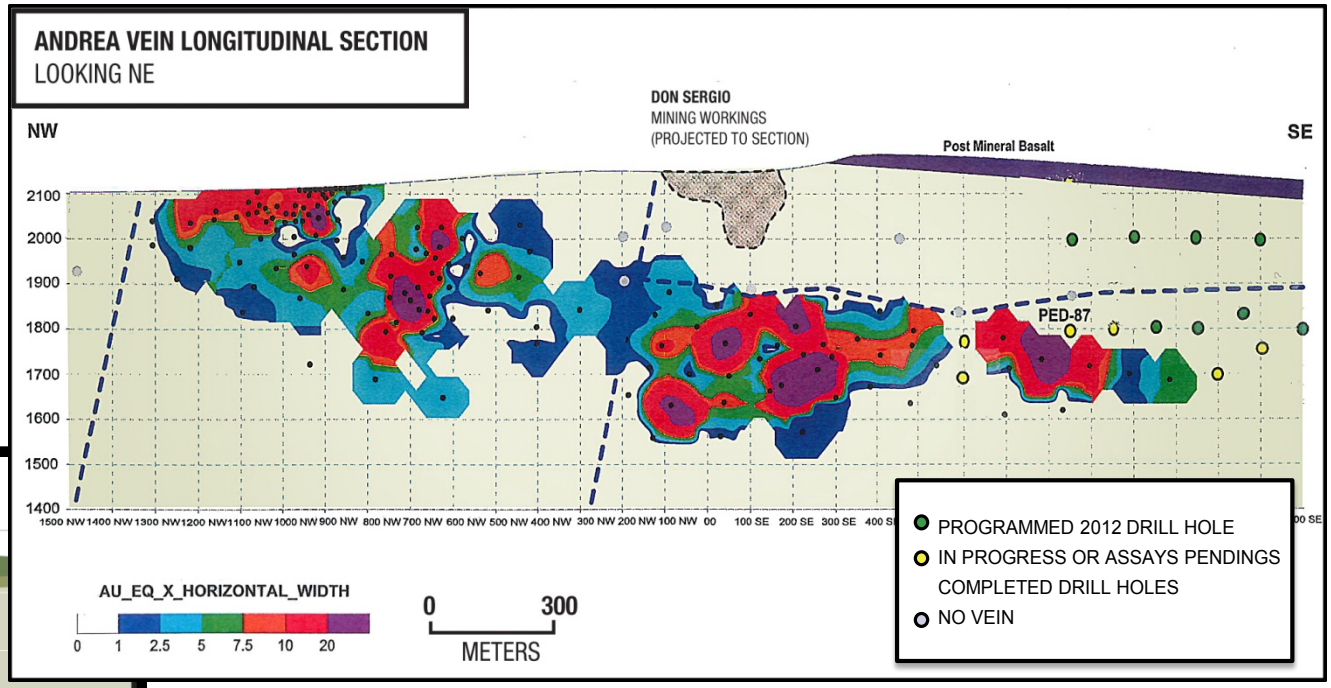
Equity Longitudinal with Development Ramp and Drilling

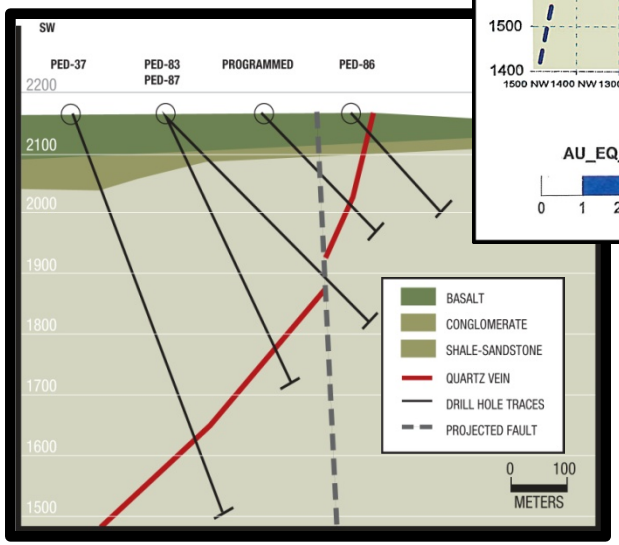




Organic Growth - San Sebastian (Mexico)

Andrea Vein - New Silver and Gold-Rich Resource





Strong Silver Markets

Positive Silver Fundamentals

- Silver supply expected to be up in 2012
- Offset by continued strong investor demand:
  - Record buying of physical bullion bars/coins/medals in 2011
  - Worldwide silver ETFs at record levels
- Fabrication demand expected to grow by 3% - 5% in 2012
- Modern/technology demand in China and India could result in a shortage of supply
- The U.S. and Japan expected to continue as large consumers of modern (technology utilized) silver
- May report says silver jewelry exports from India to the US – one of the India's major export destinations – have hit a new high

Source GFMS

Summary

- Largest U.S. silver producer - targeted 2012 production of 7 mm ounces
- 50% silver growth anticipated between 2013-2017
- Lower political risk – operations in the U.S.
- Highly prospective growth initiatives in North America
- Low cash operating costs generating strong cash flows
- Third consecutive silver-linked dividend
- Strong cash position – no debt; revolving credit facility
- Positive silver market fundamentals





Appendix

Hecla MINING COMPANY

1Q 2012 - Exploration Program

The first quarter 2012 exploration program continued to focused on:

- Definition drilling of Gallagher, 9a Zones and South West Bench at Greens Creek
- Expansion of resource at the Star Complex – two drills defining the Moffitt, North Star, and Noonday veins
- Drilling at the San Juan Silver property continues to identify strong breccia and vein mineralization
- Drilling at the Andrea vein defines a strong vein and breccia with bands of precious metal bearing sulfides

1Q 2012 - Pre-Development Programs

The first quarter 2012 pre-development programs were focused on:

- Rehabilitating the Star #5 shaft to access Upper Country levels above the Star 2000 Level, and establishing electrical substations at the Star #4 and #5 shafts
- Rehabilitating the underground workings, installing utilities down the decline and developing additional drill stations at the Equity
- Completing the water treatability studies and finalizing the design of the decline for the Bulldog
- The completion of a new mine plan at the San Sebastian project and a work plan and drill program to define the hydrology of the Andrea area

Reserves & Resources Update (on Dec. 31, 2011)

Mine	Tons	Silver (Oz/ton)	Gold (Oz/ton)	Lead (%)	Zinc (%)	Silver (Ounces)	Gold (Ounces)	Lead (Tons)	Zinc (Tons)
Proven and Probable Reserves									
Proven Ore Reserves									
Lucky Friday Unit, USA	2,345,500	12.6	-	7.8	3.0	29,573,900	-	183,100	70,160
Subtotal Proven Reserves	**2,345,500**	**12.6**		**7.8**	**3.0**	**29,573,900**	**-**	**183,100**	**70,160**
Probable Reserves									
Lucky Friday Unit, USA	1,345,300	14.7	-	9.3	3.2	19,746,200	-	124,720	42,890
Greens Creek, USA	7,991,000	12.3	0.093	3.5	9.2	98,383,300	742,400	281,620	733,140
Subtotal Probable	**9,336,300**	**12.7**	**0.080**	**4.4**	**8.3**	**118,129,500**	**742,400**	**406,340**	**776,030**
Mineralized Material									
Lucky Friday Unit, USA (1)	18,857,800	6.3	-	4.2	2.0	118,773,700	-	783,650	369,960
Greens Creek, USA (2)	445,900	5.8	0.109	3.0	7.0	2,582,400	48,500	13,430	31,170
San JuanSilver - Creede (3)	515,500	14.8	-	2.1	1.1	7,619,600	-	10,760	5,820
Star Complex (4)	986,200	3.2	-	6.8	7.7	3,146,400	-	66,730	75,620
Total Mineralized Material						**132,122,100**	**48,500**	**874,570**	**482,570**
Other Resources									
Lucky Friday Unit, USA (5)	4,396,900	9.7	-	6.4	2.0	42,531,600	-	279,770	87,300
Greens Creek, USA (6)	4,416,700	11.9	0.093	2.3	5.7	52,581,500	412,700	101,570	253,380
San Sebastian Hugh (7)	1,142,500	8.0	0.010	2.9	4.4	9,186,200	14,300	33,020	49,930
San Sebastian Andrea (8)	2,151,300	3.1	0.057	-	-	6,654,000	122,200	-	-
San Juan Silver - Creede (9)	2,577,300	11.4	-	1.6	1.4	29,446,100	-	40,990	34,980
Star Complex (10)	2,379,100	3.5	-	5.9	6.0	8,213,800	-	139,590	142,650
Total Other Resources						**148,613,200**	**549,100**	**594,940**	**568,240**

Totals may not match due to rounding for significant figures

(1) Measured and Indicated resources from Gold Hunter and Lucky Friday vein systems, diluted and factored for expected mining recovery.

(2) Indicated resources, Gallagher ore body, factored for dilution and mining recovery.

(3) Indicated resources diluted and factored to minimum mining width mechanized 6.0 feet -A vein only -100% Hecla

(4) Indicated resources diluted and factored to minimum mining width for conventional mining.

(5) Inferred resources from Gold Hunter and Lucky Friday vein systems, diluted and factored for expected mining recovery.

(6) Inferred resources, East, West, SW, Gallagher, NWW, '9A', and 200S ore bodies, factored for dilution and mining recovery.

(7) Inferred resources, Hugh zone (Deep Francine) - diluted and factored to minimum mining width (also contains 23,540 tons copper).

(8) Inferred resources diluted and factored to minimum mining width - 2 meter.

(9) Inferred resources, diluted and factored to minimum mining width. San Juan JV (Creede, CO) - 100% Hecla in 2011.

(10) Inferred resources diluted and factored to minimum mining width for conventional mining.

Total Cash Cost GAAP Reconciliation

Reconciliation of Cash Costs per Ounce to Generally Accepted Accounting Principles (GAAP)

(dollars and ounces in thousands, except per ounce - unaudited)

	Q1/12	2011	2010	2009	2008	2007	2006
Total cash costs[1]	$ 2,976	$ 10,934	$ (15,435)	$ 20,958	$ 36,621	$ (15,873)	$ 1,329
Divided by silver ounces produced	1,329	9,483	10,566	10,989	8,709	5,643	5,510
Total cash cost per ounce produced	$ 2.24	$ 1.15	$ (1.46)	$ 1.91	$ 4.20	$ (2.81)	$ 0.24
Reconciliation to GAAP:							
Total cash costs	$ 2,976	$ 10,934	$ (15,435)	$ 20,958	$ 36,621	$ (15,873)	$ 1,329
Depreciation, depletion and amortization	$ 9,661	$ 47,066	$ 60,011	$ 62,837	$ 35,207	$ 12,323	$ 11,757
Treatment costs	$ (17,695)	$ (99,019)	$ (92,144)	$ (80,830)	$ (70,776)	$ (27,617)	$ (33,523)
By- products credits	$ 46,353	$ 254,372	$ 267,272	$ 206,608	$ 164,963	$ 112,079	$ 86,216
Change in product inventory	$ 1,805	$ (4,805)	$ 3,660	$ 310	$ 20,254	$ (1,261)	$ 1,278
Suspension-related costs[2]	$ -	$ 4,135	$ -	$ -	$ -	$ -	$ -
Reclamation, severance and other costs	$ (149)	$ (44)	$ 630	$ 1,596	$ 537	$ 203	$ 190
Costs of sales and other direct production costs and depreciation, depletion and amortization (GAAP)	**$ 42,951**	**$ 212,639**	**$ 223,994**	**$ 211,479**	**$ 186,806**	**$ 79,854**	**$ 67,247**

1. Cash cost per ounce of silver represents non-U.S. Generally Accepted Accounting Principles (GAAP) measurements that the Company believes provide management and investors an indication of net cash flow. Management also uses this measurement for the comparative monitoring of performance of mining operations period-to-period from a cash flow perspective. “Total cash cost per ounce” is a measure developed by gold companies in an effort to provide a comparable standard; however, there can be no assurance that our reporting of this non-GAAP measure is similar to that reported by other mining companies. Cost of sales and other direct production costs and depreciation, depletion and amortization, was the most comparable financial measures calculated in accordance with GAAP to total cash costs.
2. Various accidents and other events resulted in temporary suspensions of production at the Lucky Friday unit during 2011. See the Lucky Friday Segment section for more further discussion of these events. Care-and-maintenance, mine rehabilitation, investigation, and other costs incurred during the suspension periods not related to production have been excluded from total cash costs and the calculation of total cash cost per ounce produced.

Total Cash Cost GAAP Reconciliation

Reconciliation of Cash Costs per Ounce to Generally Accepted Accounting Principles (GAAP)
(dollars and ounces in thousands, except per ounce - unaudited)

	Q1/12	Q1/11	YTD March 31, 2012
Total cash costs[1]	$ 2,976	$ 2,530	$ 2,976
Divided by silver ounces produced	1,329	2,455	1,329
Total cash cost per ounce produced	**$ 2.24**	**$ 1.03**	**$ 2.24**
Reconciliation to GAAP			
Total cash costs	$ 2,976	$ 2,530	$ 2,976
Depreciation, depletion and amortization	9,661	12,262	9,661
Treatment and freight costs	(17,695)	(24,236)	(17,695)
By-product credits	46,353	64,511	46,353
Change in product inventory	1,805	1,533	1,805
Reclamation and other costs	(149)	191	(149)
Cost of sales and other direct production costs and depreciation, depletion and amortization	**$ 42,951**	**$ 56,791**	**$ 42,951**

1. Cash cost per ounce of silver represents a non-U.S. Generally Accepted Accounting Principles (GAAP) measurement that the Company believes provides management and investors an indication of net cash flow. Management also uses this measurement for the comparative monitoring of performance of mining operations period-to-period from a cash flow perspective. "Total cash cost per ounce" is a measure developed by silver companies in an effort to provide a comparable standard; however, there can be no assurance that our reporting of this non-GAAP measure is similar to that reported by other mining companies. Cost of sales and other direct production costs and depreciation, depletion and amortization, was the most comparable financial measures calculated in accordance with GAAP to total cash costs.

Adjusted Earnings Reconciliation

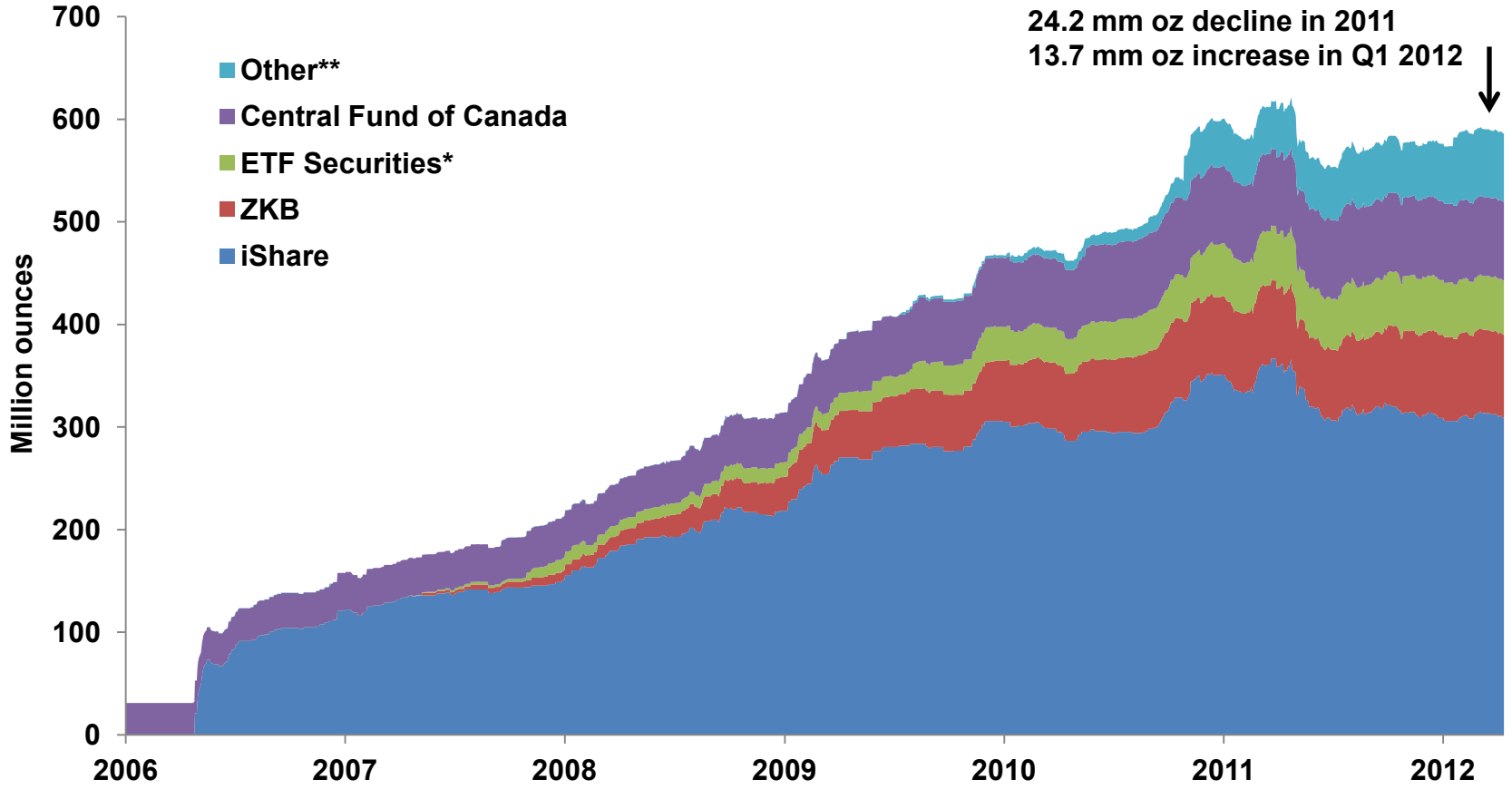
Reconciliation of Net Income Applicable to Common Shareholders (GAAP) to Earnings Before Adjustments
(dollars and ounces in thousands, except per ounce - unaudited)

	Three Months Ended March 31, 2012	
	2012	**2011**
Net income applicable to common shareholders (GAAP)	**$ 12,434**	$ 43,219
Adjusting items:		
(Gains)/losses on derivatives contracts	**5,231**	2,034
Environmental accruals	**769**	-
Provisional price (gains)/losses	**(5,137)**	(7,822)
Lucky Friday suspension-related costs	**6,166**	-
Income tax effect of above adjustments	**(2,530)**	2,084
Adjusted income applicable to common shareholders	**$ 16,933**	$ 39,515
Weighted average shares - basic	**285,292**	278,448
Weighted average shares - diluted	**296,928**	296,244
Basic adjusted income per common share	**$ 0.06**	$ 0.14
Diluted adjusted income per common share	**$ 0.06**	$ 0.13

1. Earnings After Adjustments and Earnings After Adjustments per share are non-GAAP measures which are indicators of our performance. They exclude certain impacts which are of a nature which we believe are not reflective of our underlying performance. Management believes that earnings after adjustments per common share provides investors with the ability to better evaluate our underlying operating performance.

Continued Strong ETF Investment Demand

Silver ETF Holdings



*Includes: ETFS London, Australia, NYSE, GLTR and WITE, ** Includes: Sprott Physical Silver Trust, Julius Baer, DB Physical Silver, Claymore, Mitsubishi UFJ Tokyo, Silver Bullion Trust, iShare Physical Silver ETC, Source: Respective issuers