Expected Production Growth | Lucky Friday Improvements | Reserves & Resources Growth | Greens Creek Long Life





Annual Meeting of Shareholders

May 24, 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.

In Memorium

Larry ‘Pete’ Marek

April 11, 1958 – April 15, 2011

Brandon Gray

August 11, 1985 – November 19, 2011

CORESAFETY

Committed to Excellence in Mining Safety

HOME | WHY CORE SAFETY | CORE SAFETY OVERVIEW | CORE SAFETY FRAMEWORK | GET INVOLVED

Setting Goals.

0 fatalities.
Reduce injury rate by **50%**.
In **5** years.
This is the **0:50:5** goal.

Safety Comes First



NMA
THE AMERICAN RESOURCE

Central Mine Rescue Competition



Lucky Friday

Central Mine Rescue Competition

Field Competition

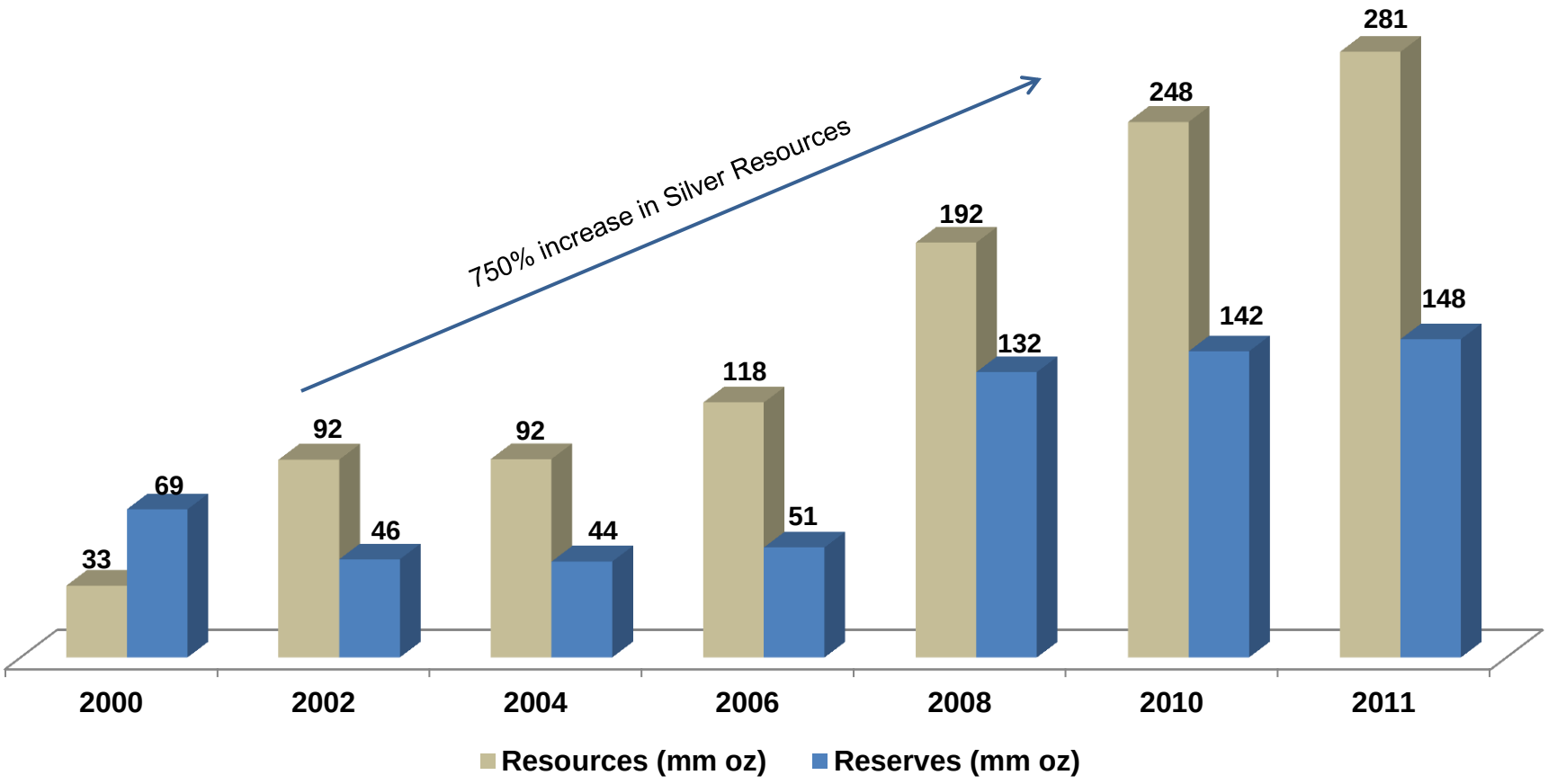


Delivering Shareholder Value



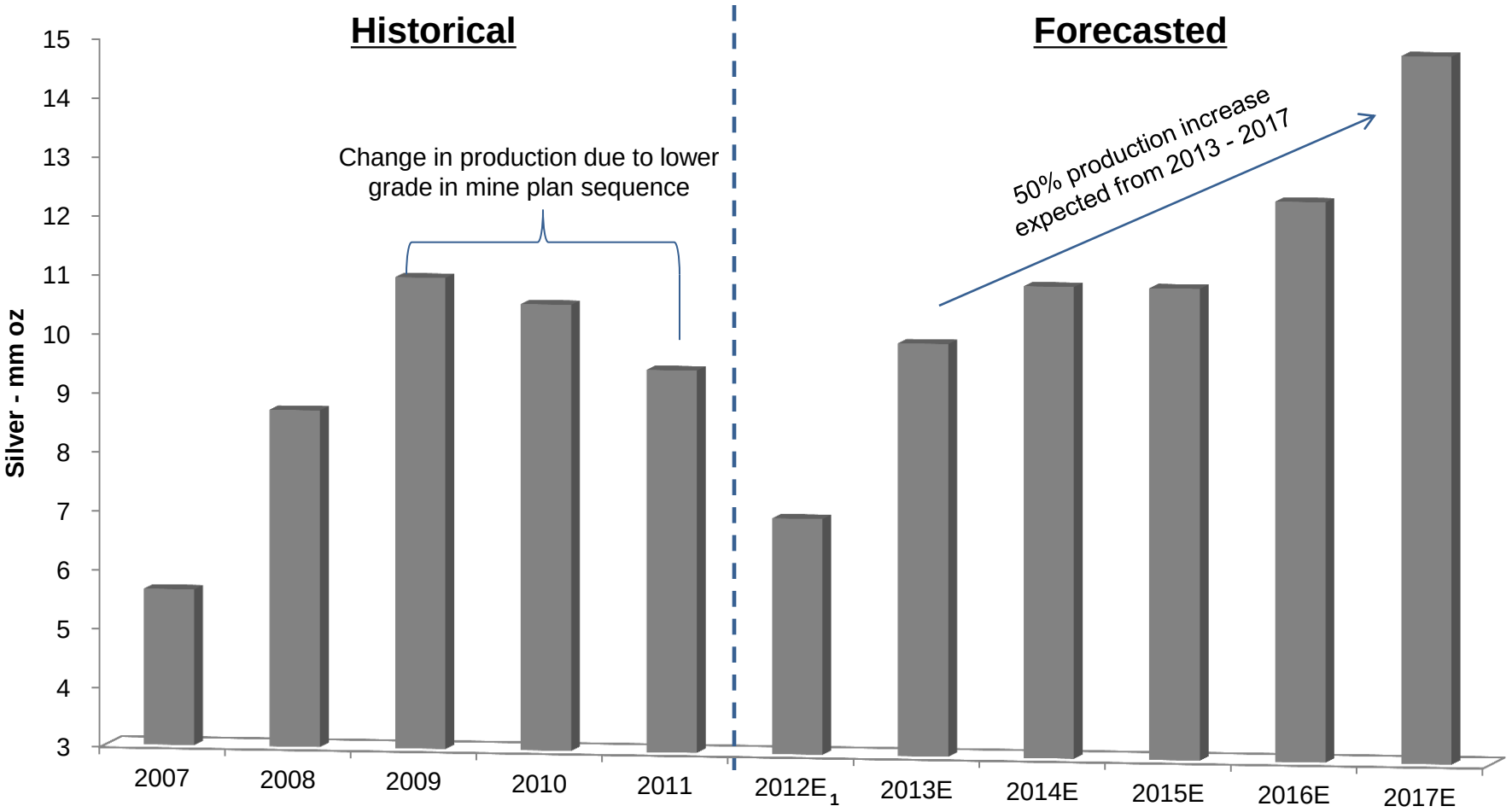
Delivering Value: Reserve and Resource Growth

115% Increase of Silver Reserves from 2000-2011



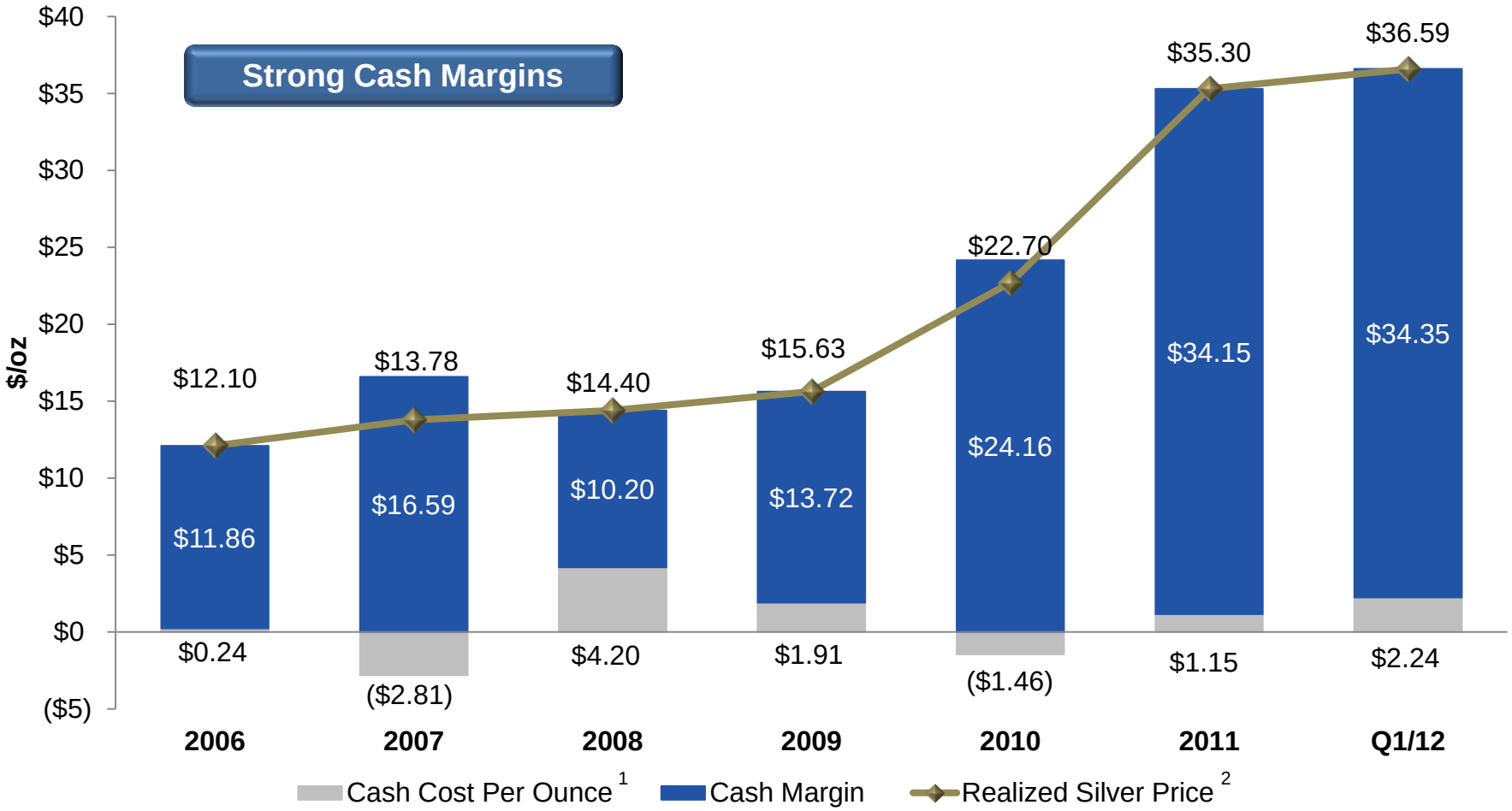
Delivering Value - Production Growth

Silver Production



1. No production at Lucky Friday in 2012 – Silver Shaft clean-up and mine upgrades (see slide in Appendix).

Delivering Value: Low Costs/Strong Margins

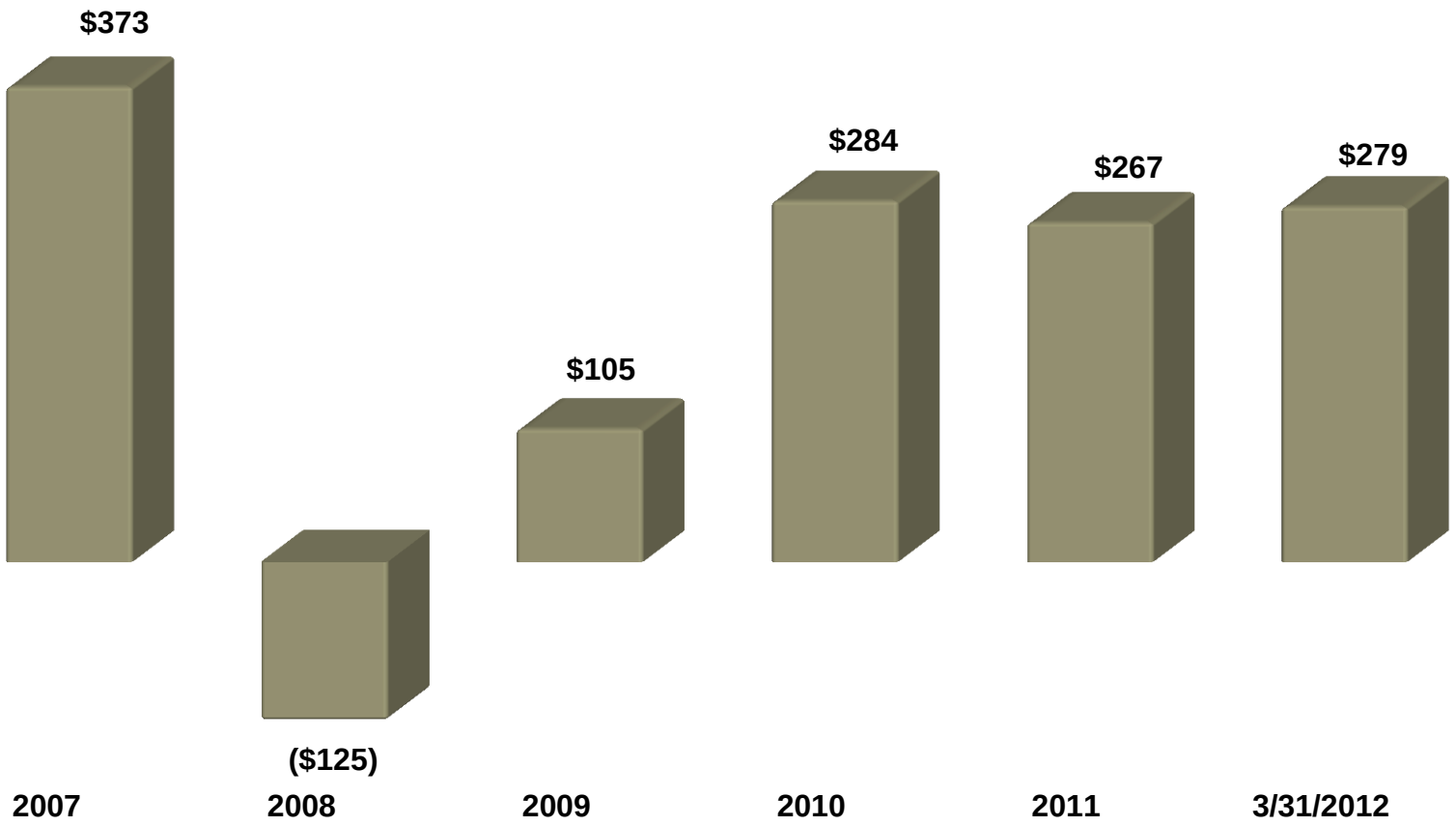


1. Total cash cost per ounce of silver represent non-U.S. Generally Accepted Accounting Principles (GAAP) measurement. A reconciliation of total cash costs to cost of sales and other direct production costs and depreciation, depletion and amortization (GAAP) can be found in the Appendix.
2. Realized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

Delivering Value: Strongest Balance Sheet in Hecla's History

Cash Net of Debt

(millions)



Delivering Value: Dividends and Stock Repurchases

Current dividend yield of over 2%

- Among highest of precious metals companies
- Competing alternative to ETFs
- Additional leverage to silver price

Stock repurchases

- Plan to repurchase up to 7% of the Company over two years
- Underscores Hecla's asset base, cash flow generation and balance sheet

Delivering Value: 3 Acquisitions/2 Divestitures in Last 5 Years

- **Green's Creek (100%)**
  - Remaining 70.3% operating interest acquired in 2008
- **Lucky Friday (100%)**
  - Remaining 18.5% interest acquired in 2008
- **San Juan Silver Project** (100%)
  - Acquired 70% JV interest in 2008
  - Remaining 30% interest acquired in 2011
  - Current 37 million oz silver resource in prolific Colorado district
- **Two Divestitures**
  - Hollister to GBG
  - Venezuelan assets to Rusoro



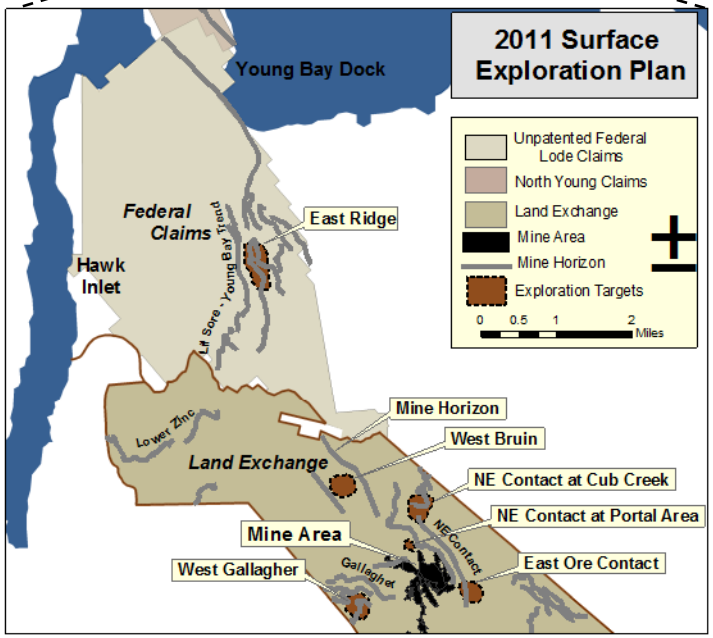
Managing Our Assets - Greens Creek (Alaska)

- Long-life operations since 1989
- Among lowest-cost silver mines in the world
- 200 million ounces of historical silver production
- 100 million ounces of current silver reserves
- 27-square-mile land position

<u>2012</u>

- 1Q production 1.3 million oz silver
- 1Q cash costs $2.24 per oz silver
- Production and throughput expected to increase through remainder of year
- Exploration advancing
- $90 million CapEx program in 2012





Organic Growth - Key Milestones

4 Key Growth Initiatives

Properties/Activities	2011	2012	2013	2014	2015	2016
LUCKY FRIDAY #4 SHAFT (MULLAN, ID)						
☑ Board Approval	Q3/11					
☑ Pre-sink & Set up	Q4/11					
☑ Initiate Shaft Sinking	Q4/11		☐ Complete Shaft Sinking Q1/16			
STAR (SILVER VALLEY, ID)						
☑ Star 2000 Rehabilitation	Q3/11					
☑ Initiate Underground Drilling	Q4/11					
☐ PEA (Upper Country)		Q3/12				
☐ Dewatering Study		Q3/12				
SAN JUAN SILVER (CREEDE, CO)						
☑ Equity Ramp Rehabilitation	Q4/11					
☑ Initiate Equity Drilling	Q4/11					
☐ Begin Bulldog Portal		Q3/12				
SAN SEBASTIAN (MX)						
☐ Scoping Study		Q3/12				

Investing in the Lucky Friday and Silver Valley

- $40 million of capital in 2012
  - Silver shaft
  - Bypass construction on the 5900 Mainline
  - Improvements to site
  - Tailings dam expansion
- Commitment to employees
- Restarting the #4 shaft in 2013
- Optimizing the mine
- Exploring in the Star and our 25-square-mile land package







Silver Shaft: Restoration and Improvements



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 1500 Level		May-8	
☐ Rehabilitation Work Complete to 4900 Level		Aug-12	
☐ Rehabilitation Work Complete to 6100 Level		Early Dec-12	
☐ Final Utility Installation		Early Dec-12	
☐ Silver Shaft Operational		Dec -12	
☐ Full Production		Early 2013	

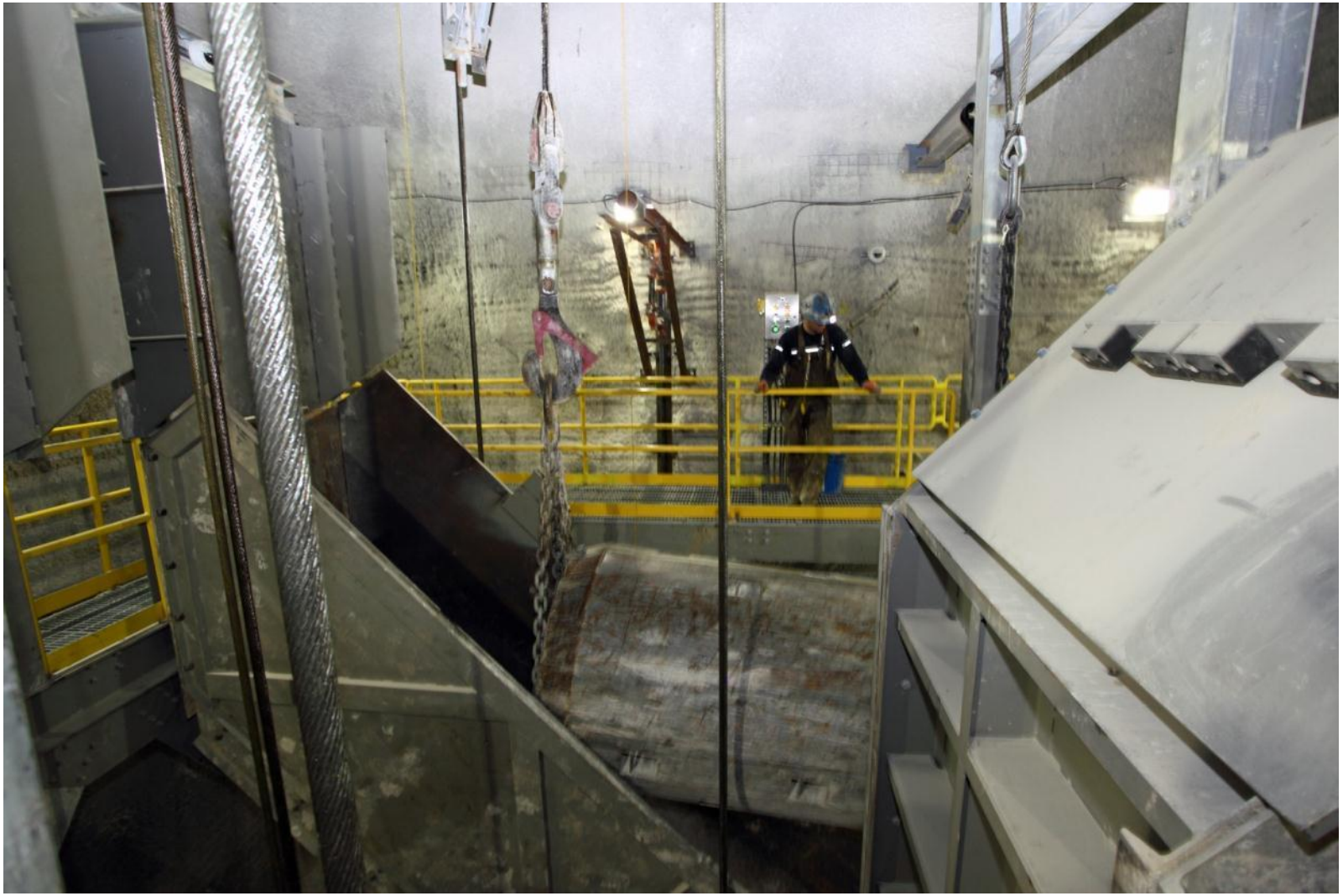
Commitment to Employees

- Normal headcount 250
  - Retained 139 employees
  - Total 111 laid off – 108 hourly; 3 salaried
  - Found other jobs – 76
    - 43 in the Silver Valley
    - 21 at Hecla locations
- Continued health benefits
- Grocery voucher program
- Financial counseling
- Employee Assistance Program
- Travel and living expenses for employees working at Hecla locations
- Early callback for training of miners and supervisors

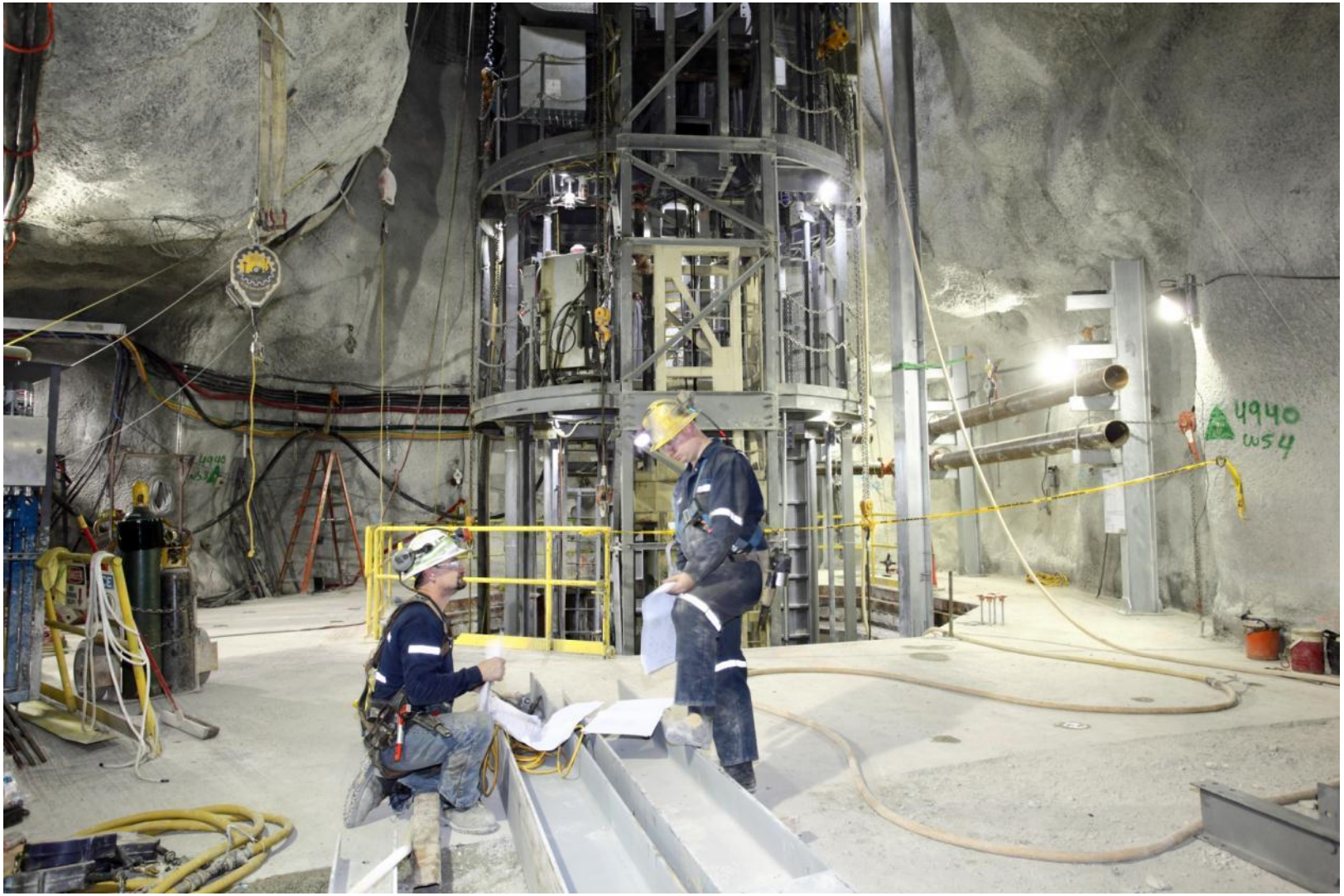
Lucky Friday Optimization Study

- Mine capacity currently 1,000 tpd
- Electrical=Hoisting=Ventilation=Refrigeration
- With bratticing - more hoisting in the Silver Shaft
- Dewatering the Star could be a source of ventilation for the Lucky Friday
- Mill expansion to match mine production

Bucket Dump



Top Station

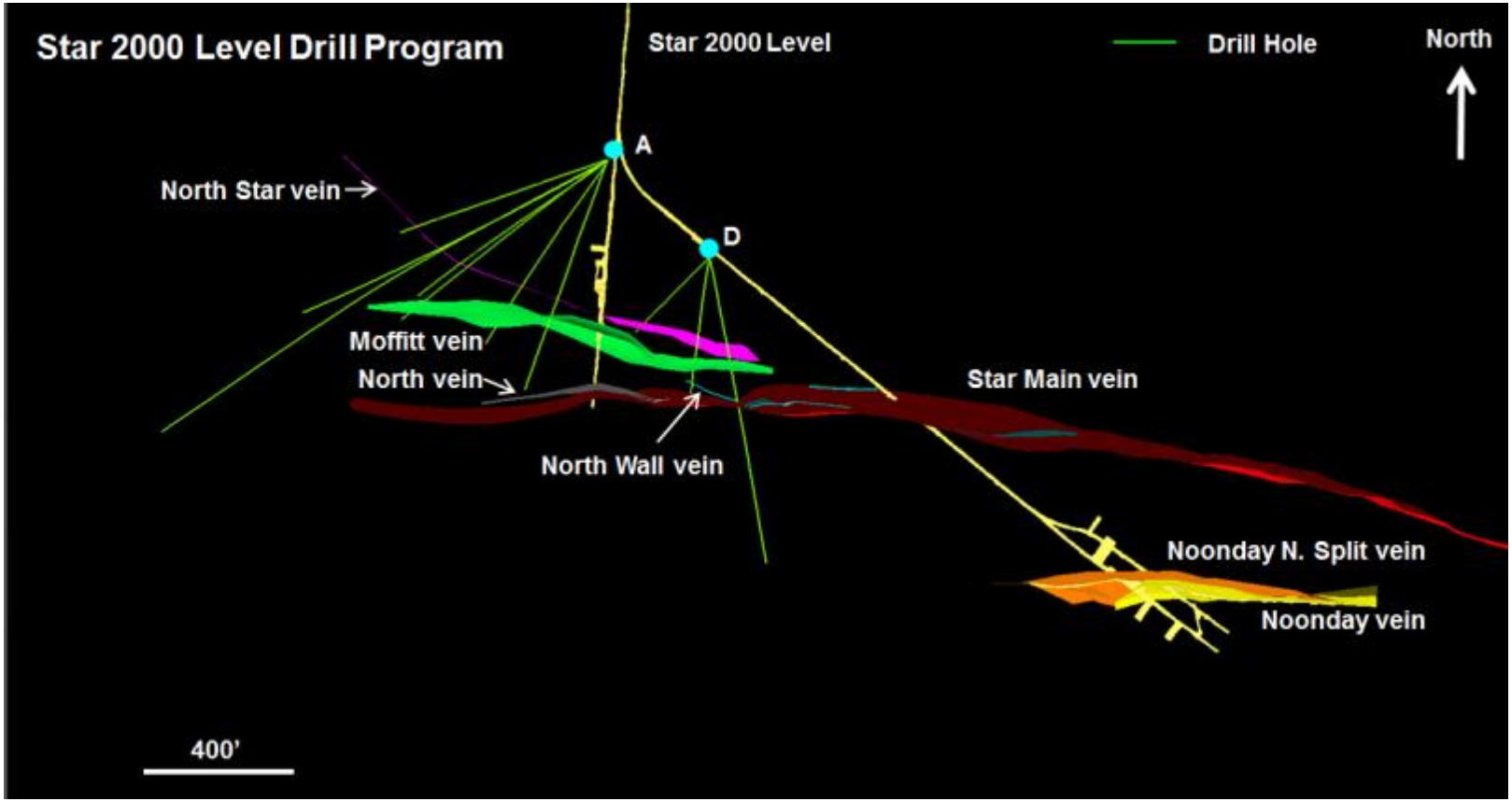


Shaft Bottom



Organic Growth – Star Complex (Idaho)

Extensions of the Moffitt, North Star and Noonday Veins



Operating Management Team

Corporate

- Larry Radford – Vice President - Operations
- John Jordan – Vice President of Technical Services
- Michael Wegleitner – Director of Health and Safety
- Mark Board – Corporate Director of Geotechnical Engineering

Lucky Friday

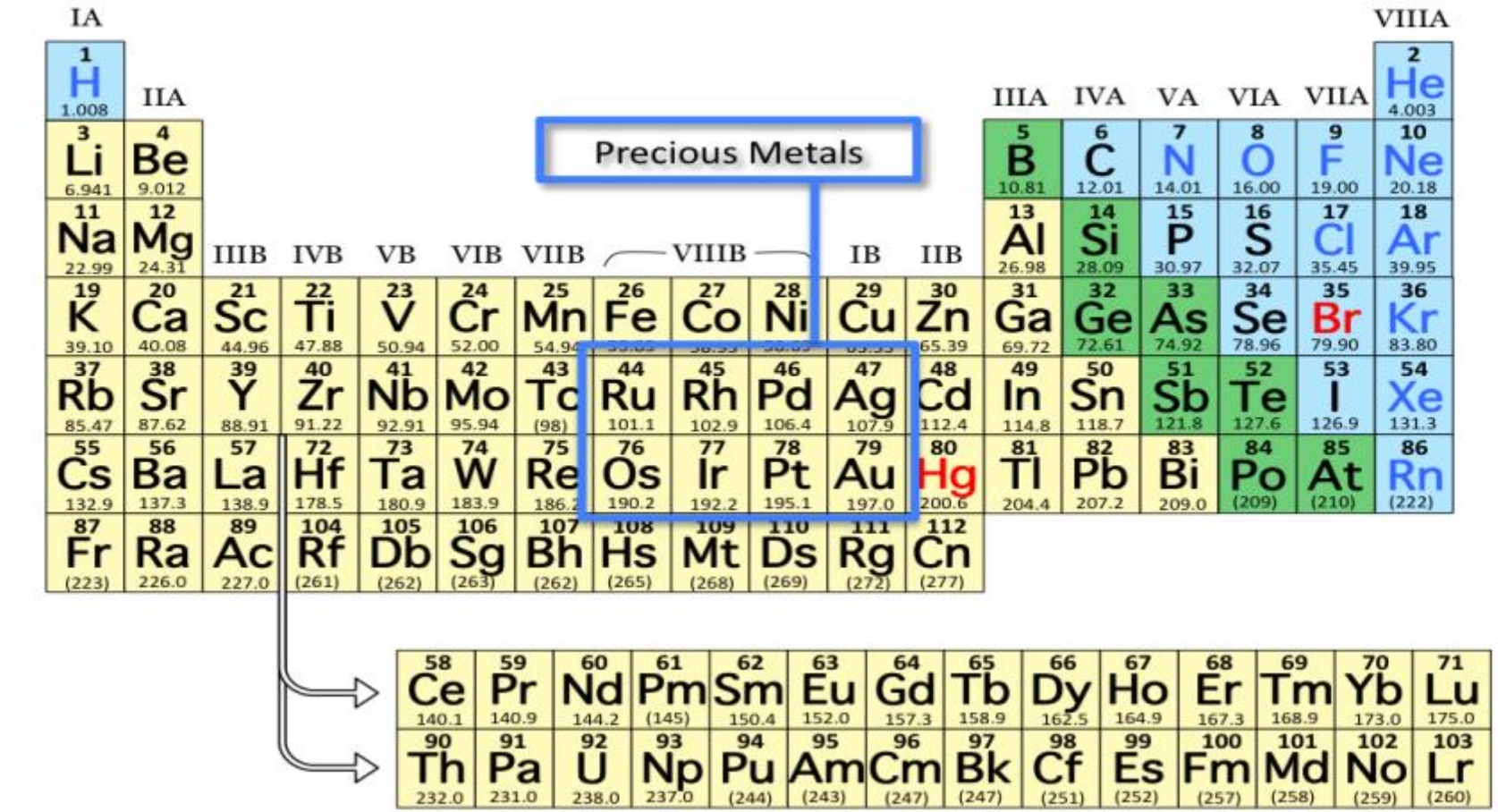
- Ed Sutich – Vice President and General Manager



Strong Silver Markets

Properties of Silver

A Precious Metal…A Currency…A Lifestyle Metal



Source – Clear Science 2010

Silver – The Metal of this Age

- Has the highest electrical conductivity of all the metals
  - 80% more conductive than aluminum
  - 50% more conductive than gold, 6% more conductive than copper
  - Critically important in the miniaturization of circuits as electronic items become increasingly compact and users expect more power or utility
- Has superior thermal conductivity
  - Transfers heat efficiently; doesn't overheat
- Highest reflectivity (94%) in visible light of the metals
  - Gold 72%, Aluminum 92%






 Source –The Silver Institute 2011

The Metal for New Technology

Uses of Silver in 2010

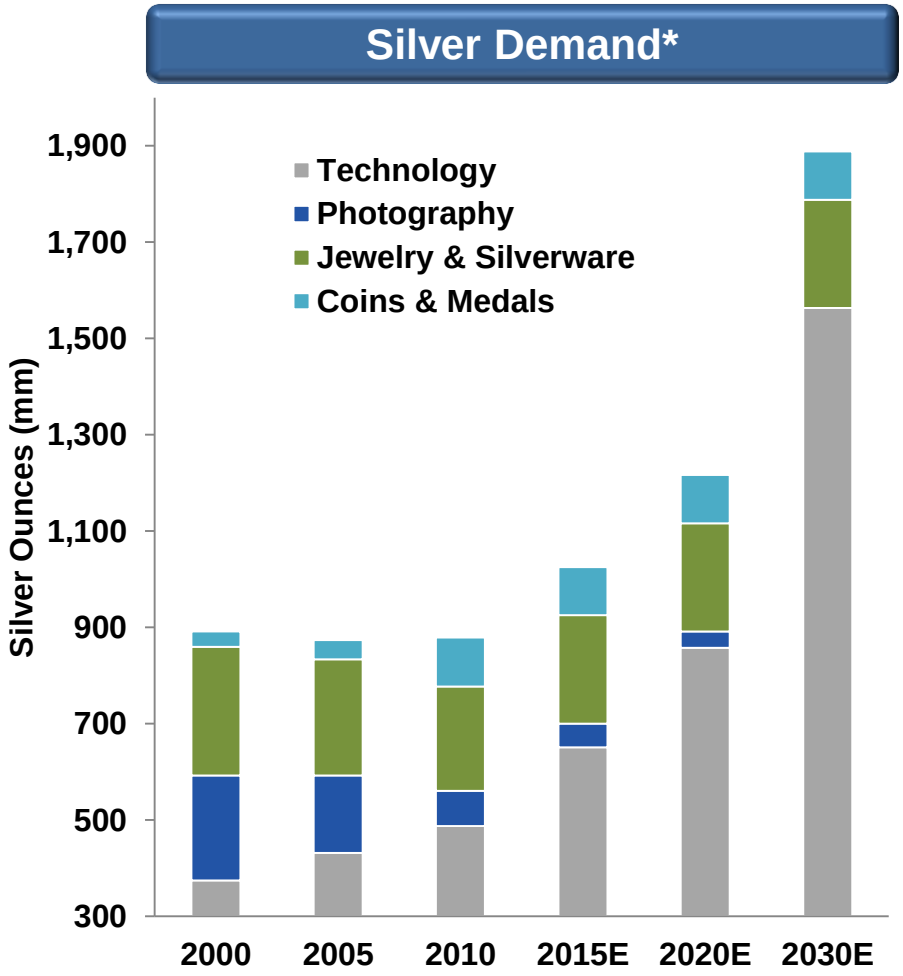
	**Cell Phones:** ~1.6 bn units (250 mg/handset) consumed 13 mm oz of silver		**Solar Panels:** ~ 40 mm oz of silver consumed in 2010; demand is expected to double by 2015
	**PC's & Laptops:** ~ 690 mm units (1g/unit) used 22 mm oz of silver		**Batteries:** consumed ~ 5 mm oz of silver (1g/unit of silver)
	**Automobiles:** ~ 72 mm vehicles (10-30g/vehicle) consumed 36 mm oz of silver		**Water Filters:** silver prevents bacteria and algae from building up in filters

New technologies and innovations have the potential for creating new sources of silver demand such as RFID's

Source – GFMS, The Silver Institute 2011

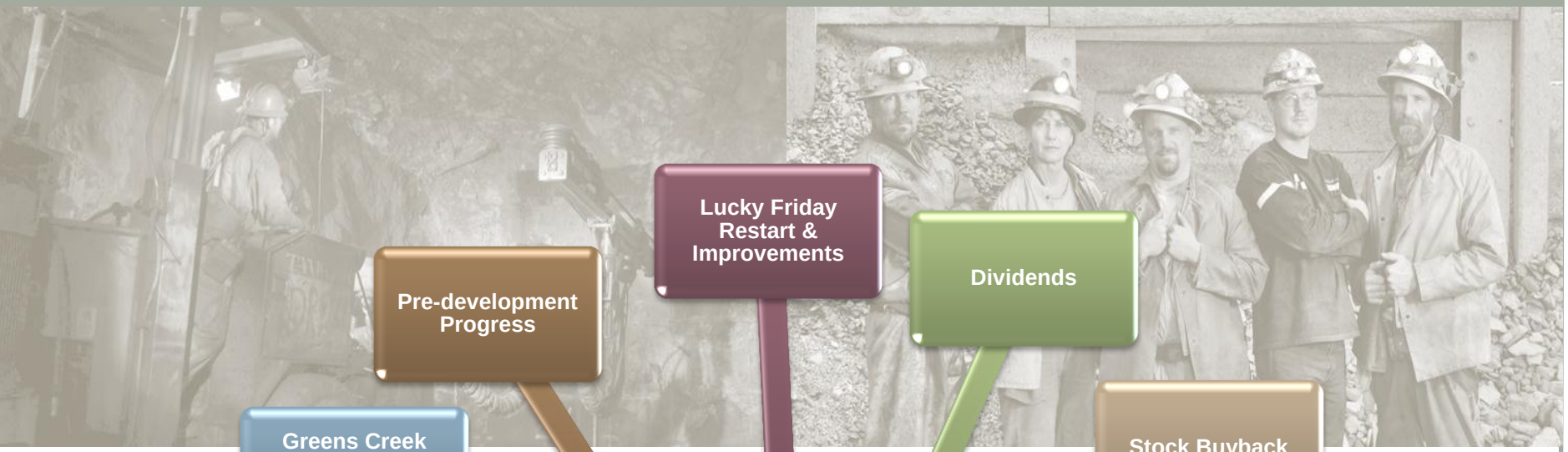
Strong Silver Market Fundamentals

- Mine production rise of 40% over past 20 years to 700 million ounces
- Modern/technology-driven demand up 78% in same period to nearly 500 million ounces – nearly half total world demand
- Strong ETF demand
- China and India expected to see the largest growth in modern/technology driven demand of approximately 9% annually
- The U.S. and Japan expected to continue to be large consumers of modern silver



*Source – Does not include investment/ETF demand

Largest, Lowest-Cost Primary U.S. Silver Producer







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.