



Third Quarter 2012 Earnings Conference Call

November 6, 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.

Lucky Friday Anticipated 2013 Production

- Operations and production expected to resume in Q1/2013
- Production planned to ramp up during 2013, with more than 2 million ounces of full-year silver production expected
- Rehabilitation work completed to approximately 5700 level of Silver Shaft
- All employees needed to reach full production have been recalled
- Planned resumption of work on #4 Shaft in Q1/2013

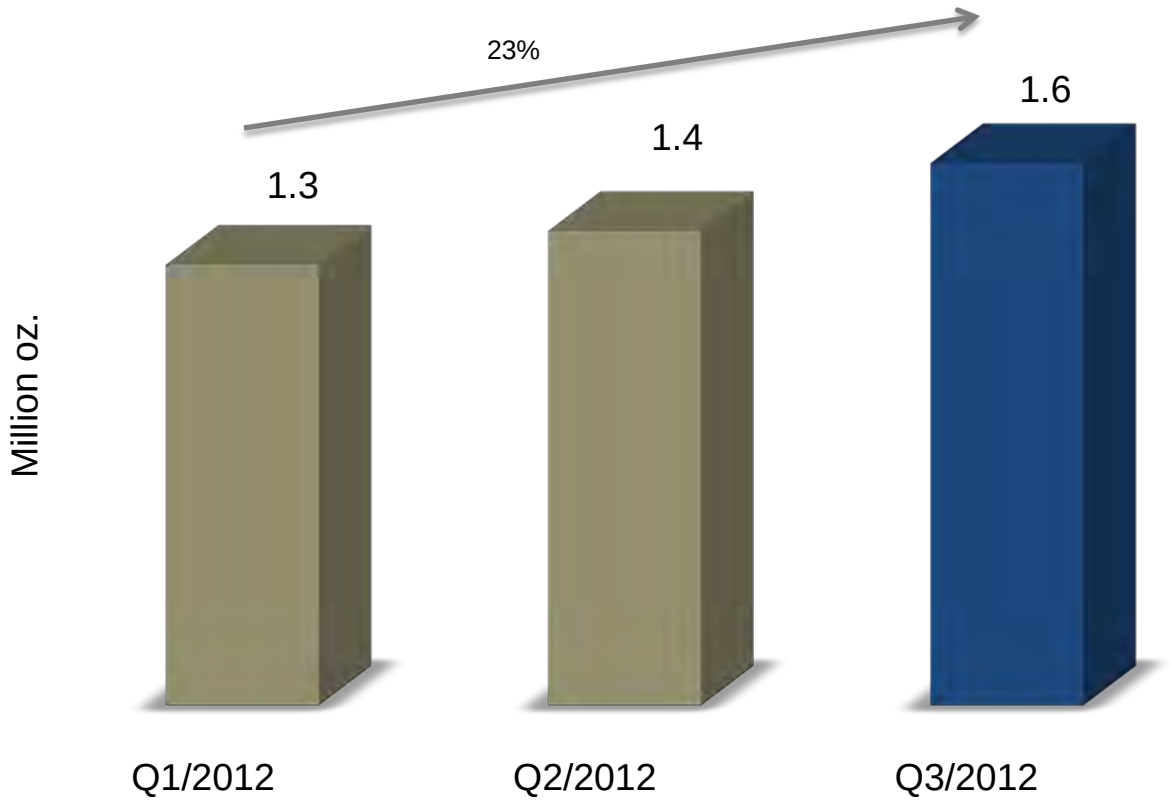
Q3 2012 - Highlights

- Silver production of 1.6 million ounces, up 19% from Q2/2012
- Operating cash flow of $35.2 million
- Exceptional Greens Creek exploration results
- Common stock dividend of $0.0225 declared

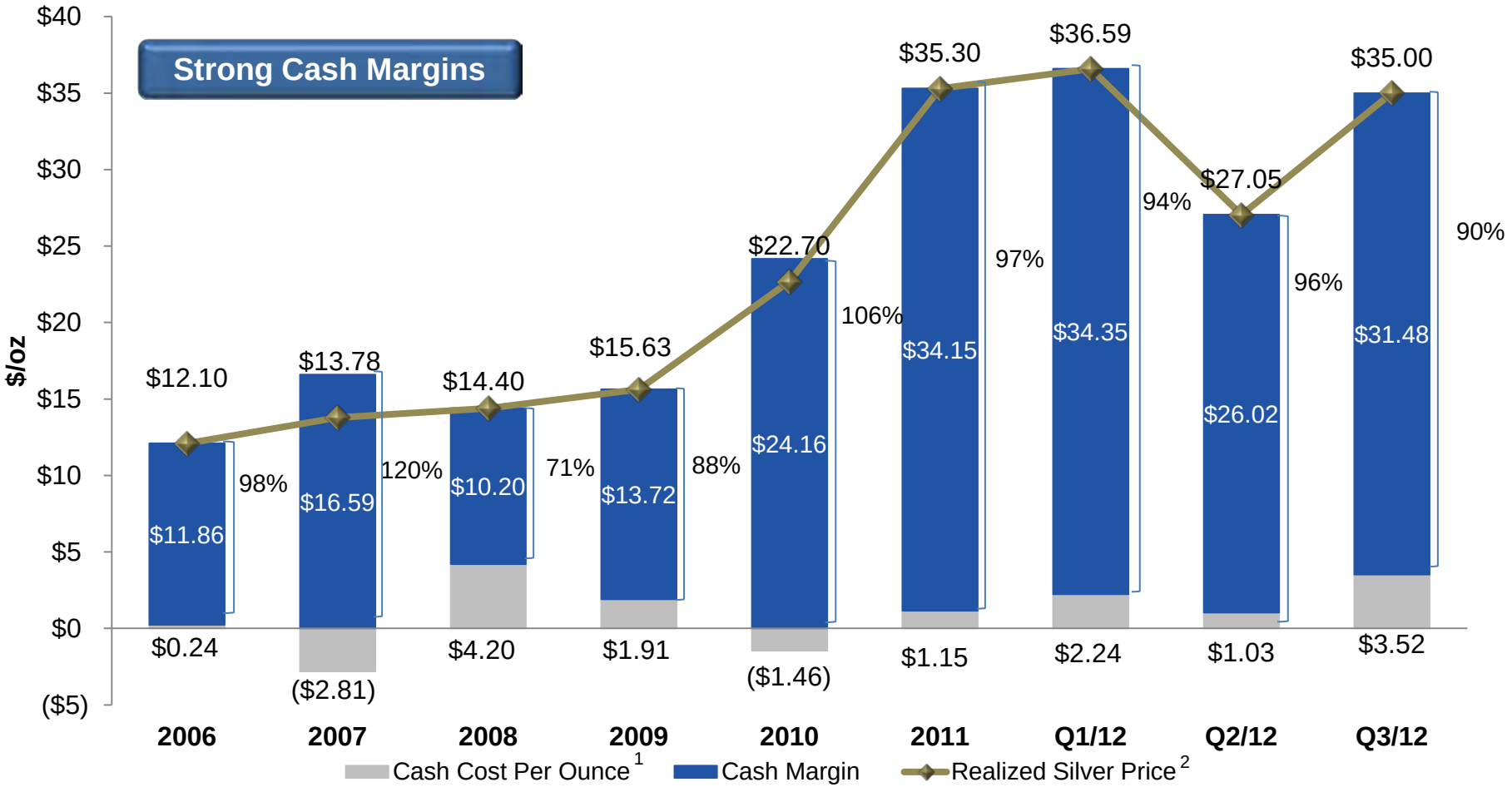
Financial Review

19% Higher Silver Production in Q3

Greens Creek Silver Production



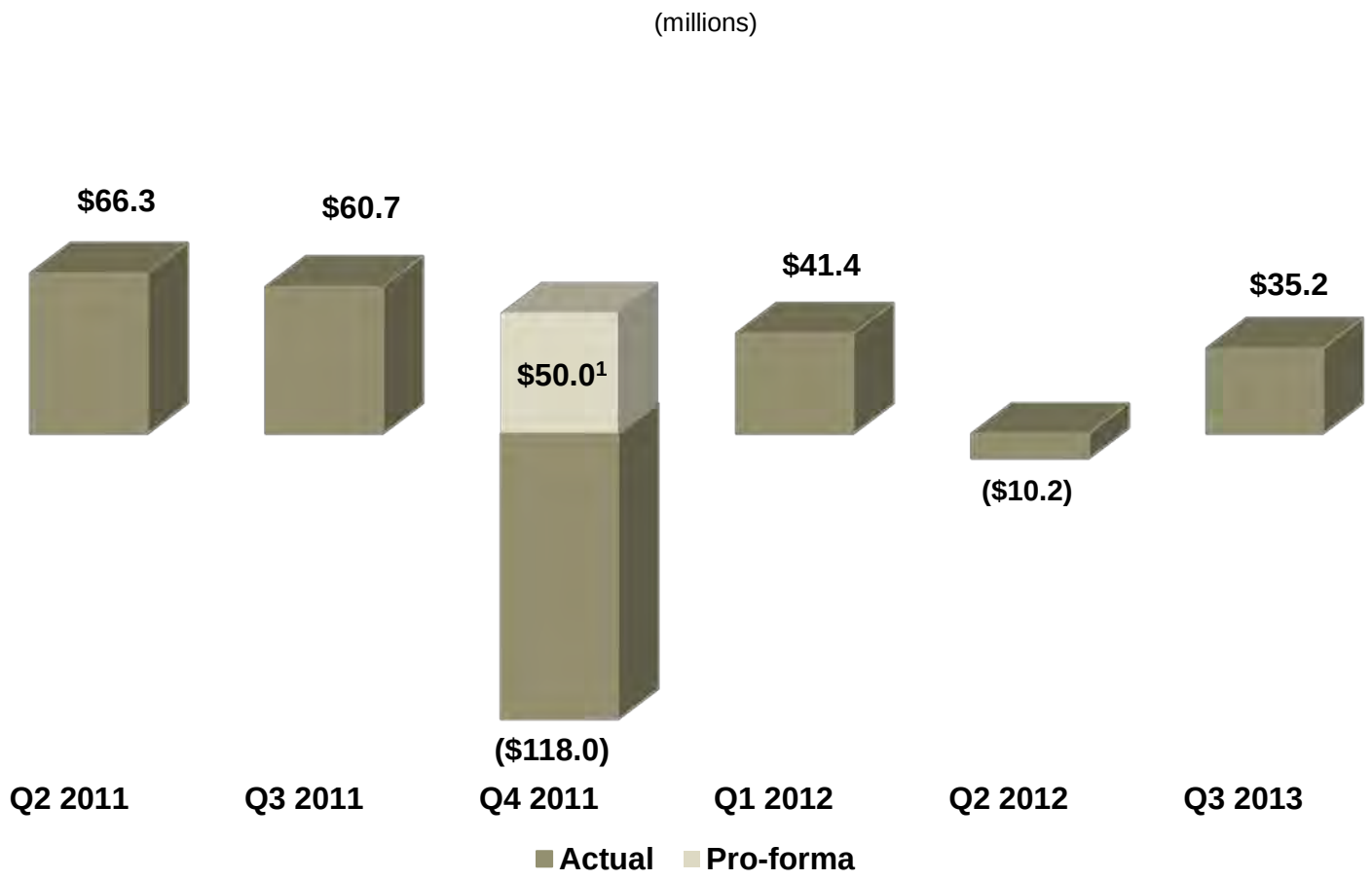
Low Cash Costs - Margin of $31.48 Per Ounce



1. Total cash cost per ounce of silver represents a 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.

Q3 2012 - Cash Flow

Cash Provided by Operating Activities

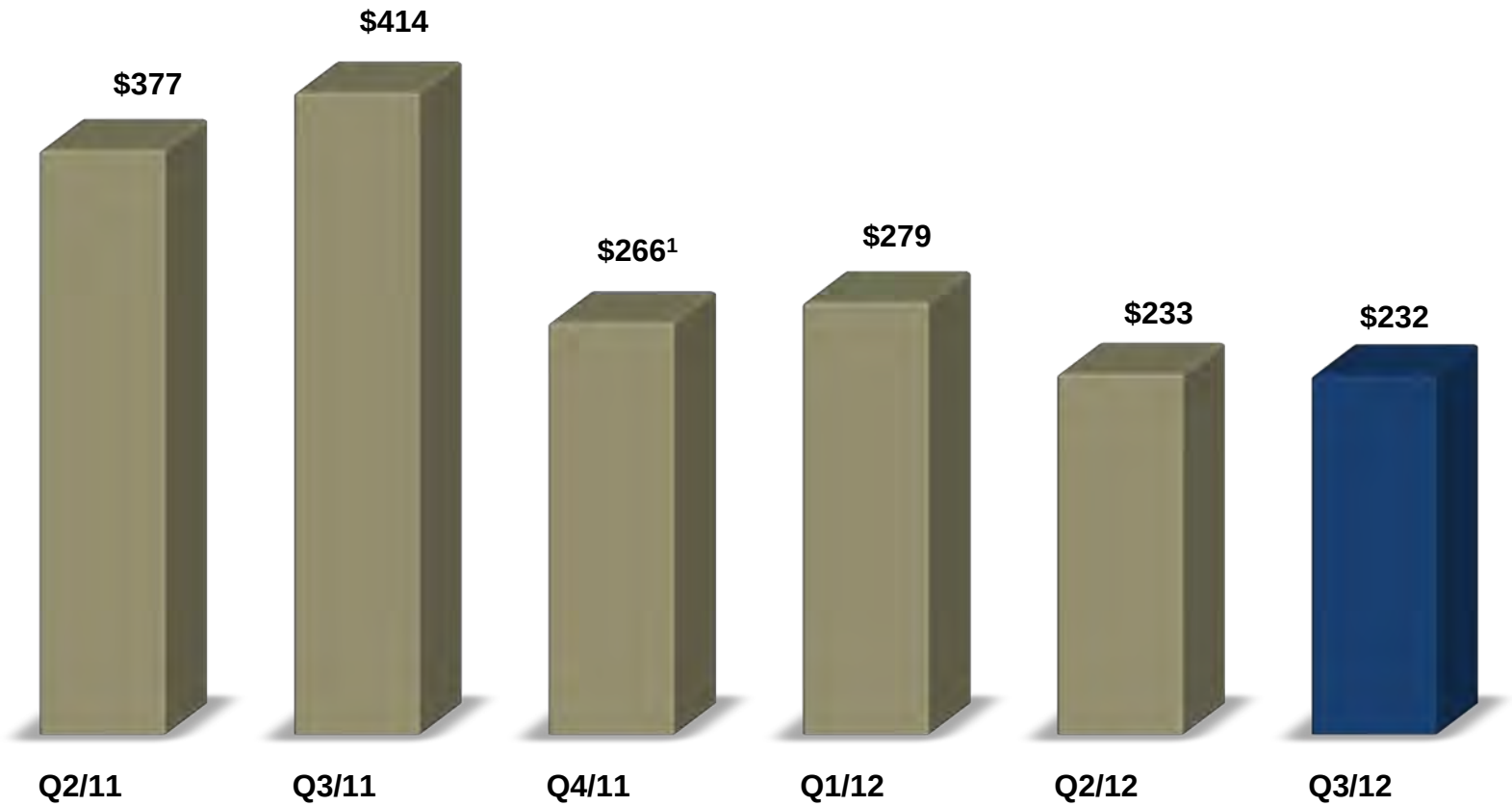


1. Operating cash flow for 2011 was $69.9 million after environmental litigation settlement payment of $168 million in the fourth quarter.

Strong Balance Sheet

Cash and Cash Equivalents

(millions)

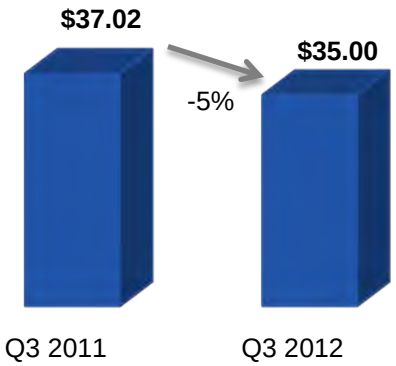


1. After environmental litigation settlement payment of $168 million in the fourth quarter 2011.

Q3 2012 - Realized Metals Prices

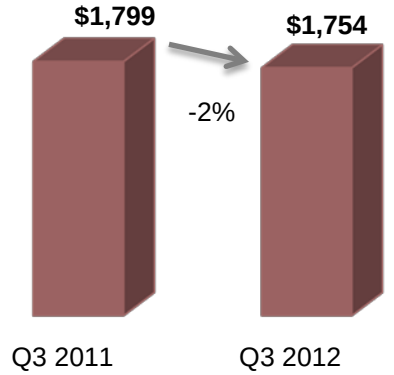
Silver

($/oz)



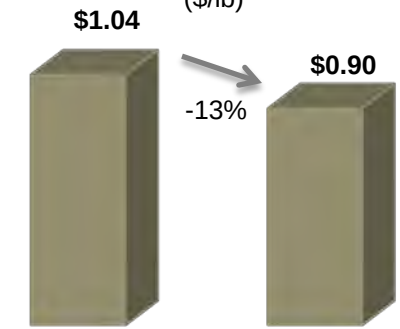
Gold

($/oz)



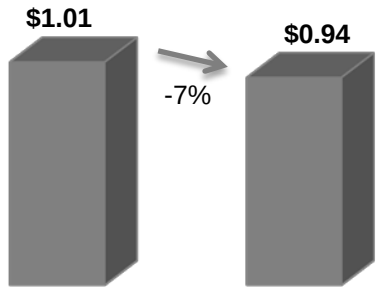
Zinc

($/lb)



Lead

($/lb)



$0.01 Per Share Adjusted Earnings in Q3

- $6.1 mm in suspension-related activities at Lucky Friday
- Lower average silver and base metals prices vs. Q3 2011
- Exploration and pre-development expense up 47% to $17.1 mm compared to year earlier period
- $9.1 mm non-cash loss for mark-to-market adjustments
- $14,000 tax provision compared to $27.3 mm in the same period in 2011, due to higher pre-tax income
- Gains of $5.9 mm on provisional price adjustments vs. losses of $3.6 mm in Q3 2011

Operations Review

Planned Re-opening of Lucky Friday (Idaho)

- Mine operations expected to resume in Q1/13
- Production expected to ramp up to over 2 million ounces of silver in 2013
- Rehabilitation work complete to approximately 5700 level
- All employees needed to reach full production have been recalled
- Entire shaft restoration expected to be complete by January 2013
- Planning work resumes on #4 Shaft; sinking expected to resume when the Silver Shaft work is completed

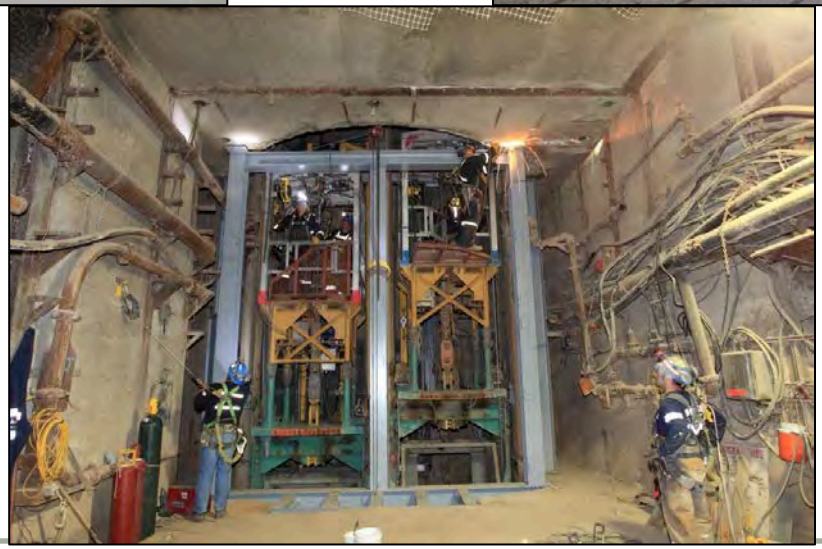




Excellent Progress at Lucky Friday (Idaho)







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 5700 Level		Nov-12	
☐ Rehabilitation Work Complete to 6030 Level		Start of 2013	
☐ Final Utility Installation		Jan -13	
☐ Silver Shaft Operational		Dec-12	
☐ Production commences			Early 2013

19% Higher Silver Production at Greens Creek (Alaska)

- Q3/2012 production of 1.6 million ounces of silver, up 19% from Q2/2012 and 2011
- Average Q3 cash costs $3.52 per ounce of silver
- Mining cost per ton increased 23%, and milling cost per ton decreased by 19%
- Full-year production expected at over 6.0 million ounces
- Record 2012 CapEx projects advance

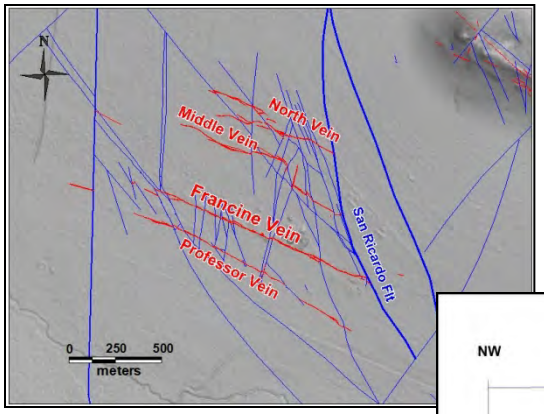


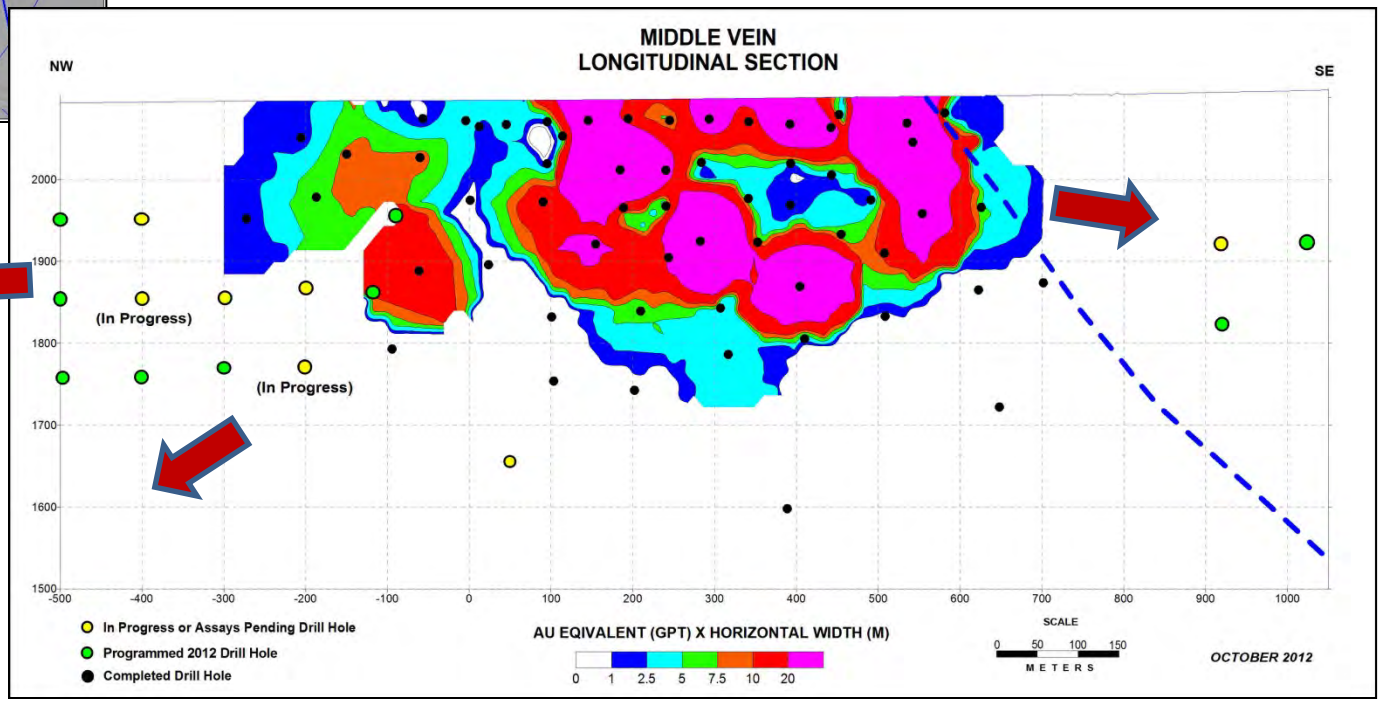


Exploration and Pre-Development Update

Organic Growth - San Sebastian (Mexico)

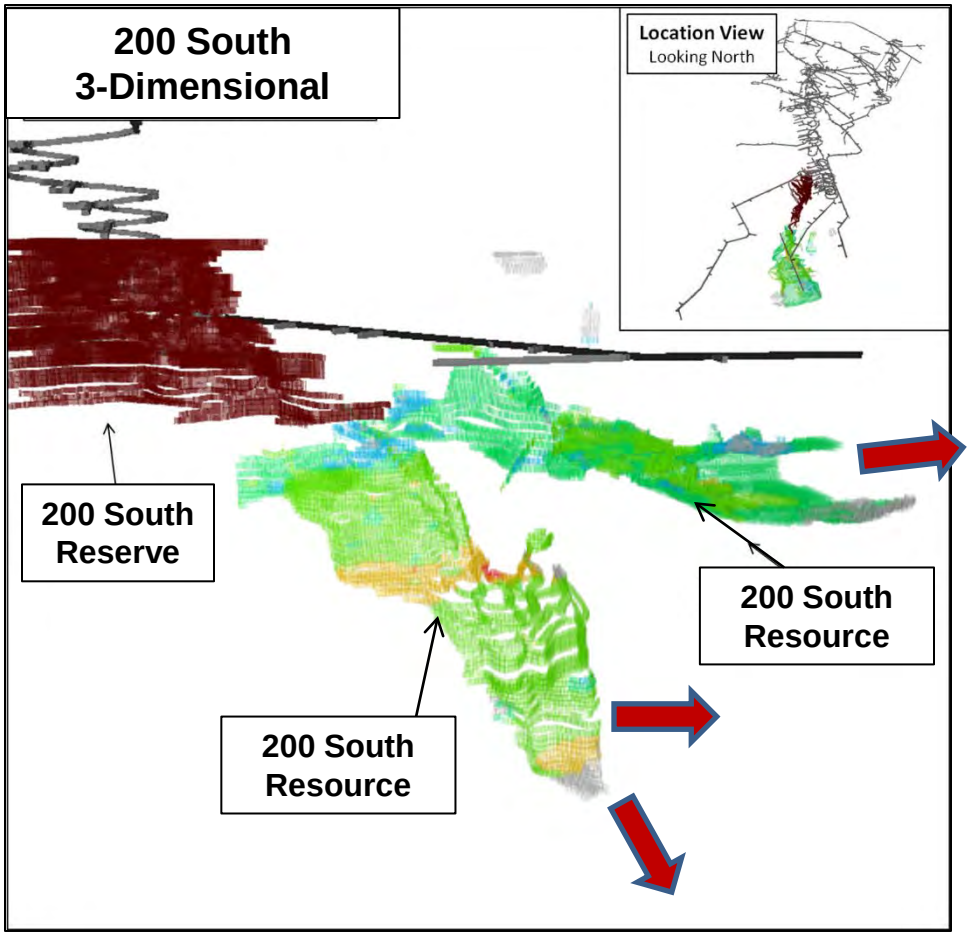
San Sebastian – Middle Vein Longitudinal

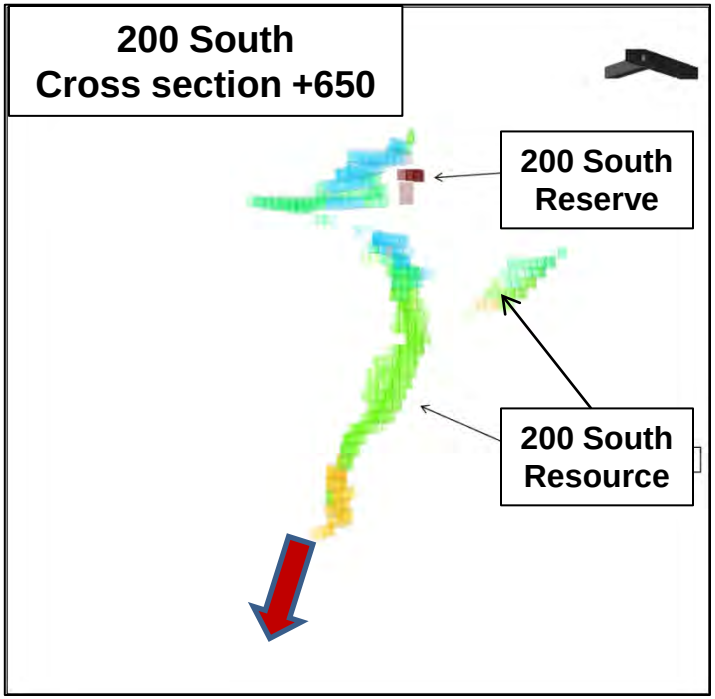




Organic Growth - Greens Creek (Alaska)

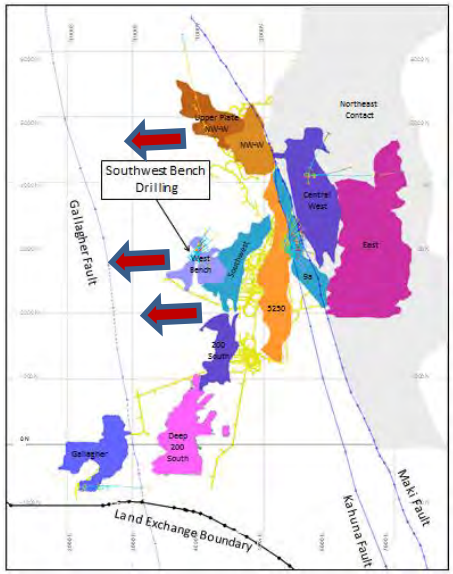
200 South - Reserves and Resources

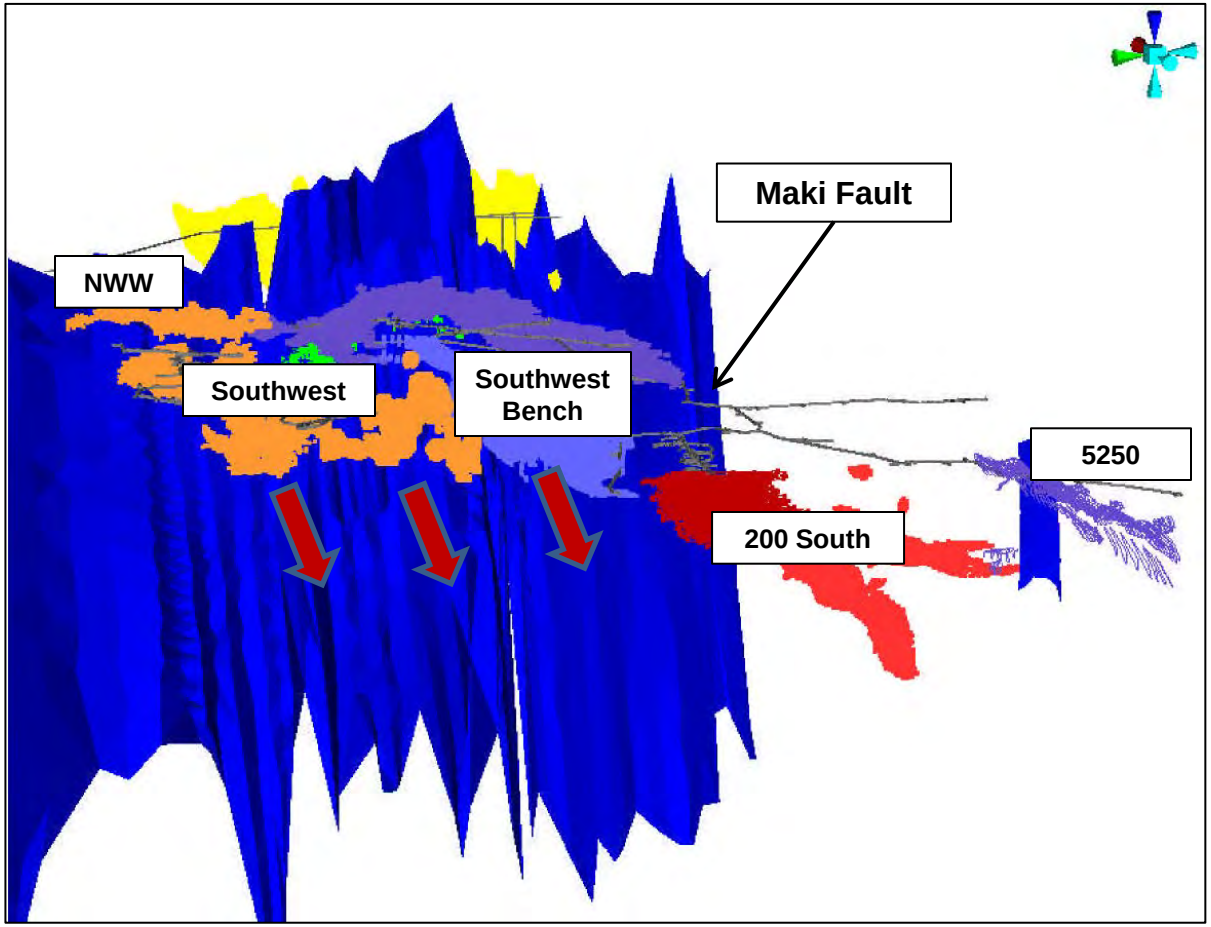




Organic Growth - Greens Creek (Alaska)

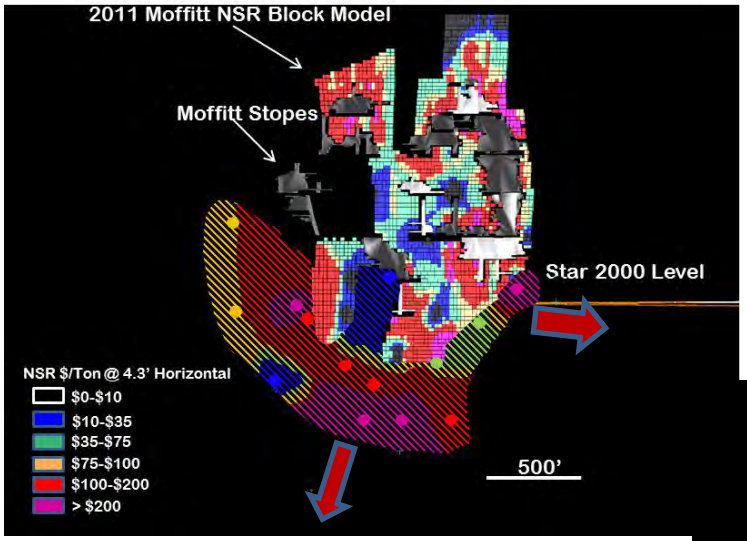
NWW, Southwest & Southwest Bench – Exploration Drilling

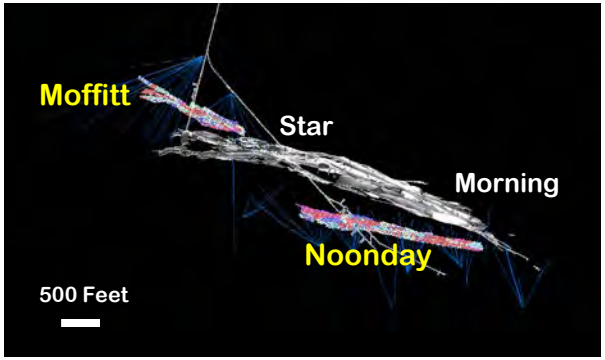


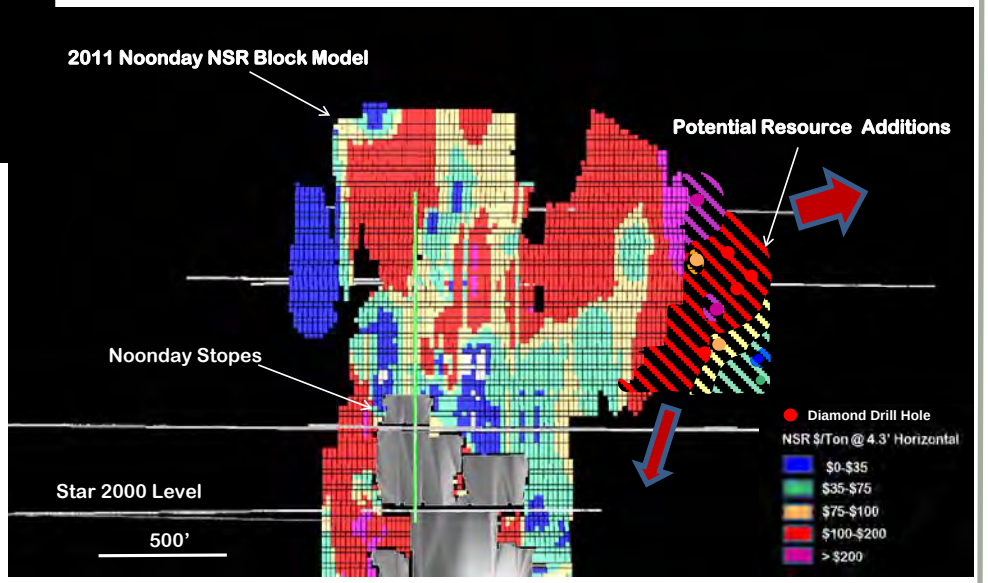


Organic Growth - Star Project (Idaho)

Silver Valley (Star) – Moffitt & Noonday Vein Resource





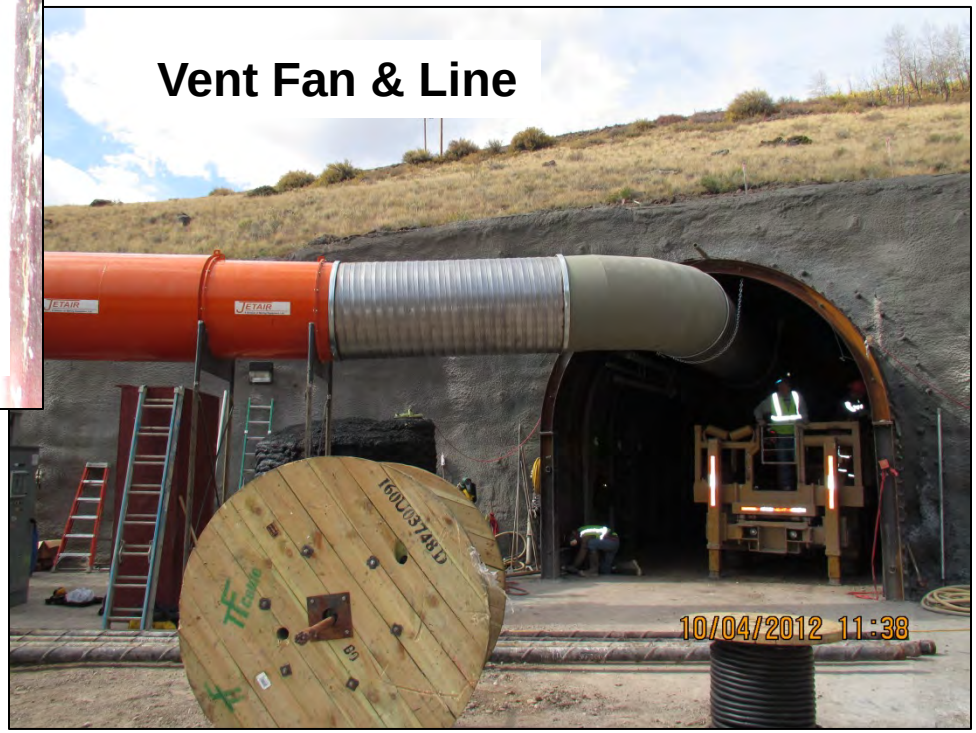


Organic Growth - San Juan Silver (Colorado)

Bulldog Development



Portal Sets & Face



Vent Fan & Line

Organic Growth - San Juan Silver (Colorado)

Bulldog Development



Rock Bolting



Flash Coating

Organic Growth - San Juan Silver (Colorado)

Bulldog Infrastructure



Expecting Over 30% Higher Production in 2013

- Full year 2012 silver production on track of more than 6 million ounces
- Lucky Friday production expected to resume in Q1/2013
- Lucky Friday production expected to ramp up during 2013 to over 2 million ounces
- Resumption of work on #4 Shaft at Lucky Friday in Q1/2013
- Continued advancement of exploration and pre-development projects
- Strong cash position – no significant debt; revolving credit facility
- Dividend policy
- Expected strong silver market fundamentals





Appendix

Hecla MINING COMPANY

Q3 2012 - Exploration Programs

Highlights of Q3/2012 exploration program consist of:

- Underground definition and exploration drilling upgrade and expand resources at 200 South, Gallagher, South West Bench, 5250 and 9a Zones at Greens Creek
- Intersections of mineralization at Killer Creek and Gallagher from surface drilling at Greens Creek
- Drilling at the Middle Vein at San Sebastian defines strong vein and breccia mineralization from surface to 300 meters (1,312 feet) depth and is now defined for over 800 meters (2,624 feet)
- Expansion of resource at the Star Complex – two underground drilling extensions of the Moffitt, Star, and North Star veins. Two surface drills extending the Noonday and Noonday Split veins
- Drilling on the Equity Vein at the San Juan Silver property extended the strike of high-grade, silver-gold mineralization up to 250 feet along a 600-foot down plunge. Drilling along the Amethyst structure has defined the upper position of two high-grade zones

Q3 2012 - Pre-Development Programs

Highlights of Q3/2012 pre-development program consist of:

- The development contractor has completed the initial structural steel support for the portal section of the Bulldog decline and advanced the drift to 110 feet as of October 26th
- The Bulldog support infrastructure including the maintenance shop and shortcrete plant are operational and winterized so development should continue to advance through the winter months
- Excavation of the southeast extension of the Star 2000 exploration drift and drill stations is complete and drilling to evaluate the silver-rich Noonday-Morning Vein extensions has begun
- Work on the ventilation drift repair at the Equity is nearing completion and a ventilation upgrade is in process to advance exploration and development activities
- The hydrology testwork at the Andrea and a new mine plan for the Hugh Zone are being completed at the San Sebastian project

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 Juan Silver - 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)

	Q3/12	Q2/12	Q1/12	2011	2010	2009	2008	2007	2006
Total cash costs[1]	$ 5,701	$ 1,410	$ 2,976	$ 10,934	$ (15,435)	$ 20,958	$ 36,621	$ (15,873)	$ 1,329
Divided by silver ounces produced	1,619	1,365	1,329	9,483	10,566	10,989	8,709	5,643	5,510
Total cash cost per ounce produced	$ 3.52	$ 1.03	$ 2.24	$ 1.15	$ (1.46)	$ 1.91	$ 4.20	$ (2.81)	$ 0.24
Reconciliation to GAAP:									
Total cash costs	$ 5,701	$ 1,410	$ 2,976	$ 10,934	$ (15,435)	$ 20,958	$ 36,621	$ (15,873)	$ 1,329
Depreciation, depletion and amortization	$ 11,601	$ 9,879	$ 9,661	$ 47,066	$ 60,011	$ 62,837	$ 35,207	$ 12,323	$ 11,757
Treatment costs	$ (18,351)	$ (16,164)	$ (17,695)	$ (99,019)	$ (92,144)	$ (80,830)	$ (70,776)	$ (27,617)	$ (33,523)
By- products credits	$ 47,778	$ 45,352	$ 46,353	$ 254,372	$ 267,272	$ 206,608	$ 164,963	$ 112,079	$ 86,216
Change in product inventory	$ (1,944)	$ 2,101	$ 1,805	$ (4,805)	$ 3,660	$ 310	$ 20,254	$ (1,261)	$ 1,278
Suspension-related costs[2]	$ -	$ -	$ -	$ 4,135	$ -	$ -	$ -	$ -	$ -
Reclamation, severance and other costs	$ (223)	$ 473	$ (149)	$ (44)	$ 630	$ 1,596	$ 537	$ 203	$ 190
Costs of sales and other direct production costs and depreciation, depletion and amortization (GAAP)	**$ 44,562**	**$ 43,051**	**$ 42,951**	**$ 212,639**	**$ 223,994**	**$ 211,479**	**$ 186,806**	**$ 79,854**	**$ 67,247**

1. Cash cost per ounce of silver represents a non-U.S. Generally Accepted Accounting Principles (GAAP) measurement 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)

	Q3/12	Q3/11	YTD September 30, 2012	YTD September 30, 2011
Total cash costs[1]	$ 5,701	$ 1,533	$ 10,087	$ 5,257
Divided by silver ounces produced	1,619	2,288	4,313	6,993
Total cash cost per ounce produced	**$ 3.52**	**$ 0.67**	**$ 2.34**	**$ 0.75**
Reconciliation to GAAP				
Total cash costs	$ 5,701	$ 1,533	$ 10,087	$ 5,257
Depreciation, depletion and amortization	11,601	11,099	31,141	34,565
Treatment and freight costs	(18,351)	(26,078)	(52,210)	(76,261)
By-product credits	47,778	69,400	139,483	200,842
Change in product inventory	(1,944)	(3,010)	1,962	(5,641)
Reclamation and other costs	(223)	(206)	101	836
Cost of sales and other direct production costs and depreciation, depletion and amortization	**$ 44,562**	**$ 52,738**	**$ 130,564**	**$ 159,598**

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 GAAP 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 September 30		Nine Months Ended September 30	
	2012	**2011**	**2012**	**2011**
Net income applicable to common shareholders (GAAP)	**$ (1,023)**	$ 55,783	**$ 13,797**	$ 132,181
Adjusting items:				
(Gains)/losses on derivatives contracts	**9,053**	(40,382)	**8,113**	(38,907)
Environmental accruals	**(2,750)**	4,851	**(1,436)**	4,851
Provisional price (gains)/losses	**(5,861)**	3,621	**(9,487)**	3,340
Lucky Friday suspension-related costs	**6,114**	-	**18,745**	-
Income tax effect of above adjustments	**(2,360)**	11,488	**(5,737)**	11,058
Adjusted income applicable to common shareholders	**$ 3,173**	$ 35,361	**$ 23,995**	$ 112,523
Weighted average shares - basic	**285,492**	279,541	**285,400**	279,067
Weighted average shares - diluted	**297,498**	295,000	**296,739**	295,739
Basic adjusted income per common share	**$ 0.01**	$ 0.13	**$ 0.08**	$ 0.40
Diluted adjusted income per common share	**$ 0.01**	$ 0.12	**$ 0.08**	$ 0.38

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.