



Fourth Quarter & Year-End 2012 Earnings Conference Call

February 25, 2013

Hecla MINING COMPANY

Cautionary Statements

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Statements made which are not historical facts, such as anticipated payments, litigation outcome, production, sales of assets, exploration results and plans, prospects and opportunities including reserves, resources, and mineralization, 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 and regulatory risks, labor issues, ability to raise financing and exploration risks and results. Refer to the company's Form 10-K and 10-Q reports for a more detailed discussion of factors that may impact expected future results. The company undertakes no obligation and has no intention of updating forward-looking statements other than as may be required by law.

Cautionary Statements to Investors on Reserves and 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 on this release, 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 and Form 10-Q. 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 represent non-U.S. Generally Accepted Accounting Principles (GAAP) measurements. 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 Resumes Production

- 6100 foot Silver Shaft rehabilitation complete
- First concentrates produced in February
- Production expected to ramp up through 1st half of 2013
- Full workforce recalled for full production, extensive training
- Ground support upgraded for over 7.5 miles of underground workings
- Work has resumed on $200 million #4 Shaft Project designed to access higher grade ores

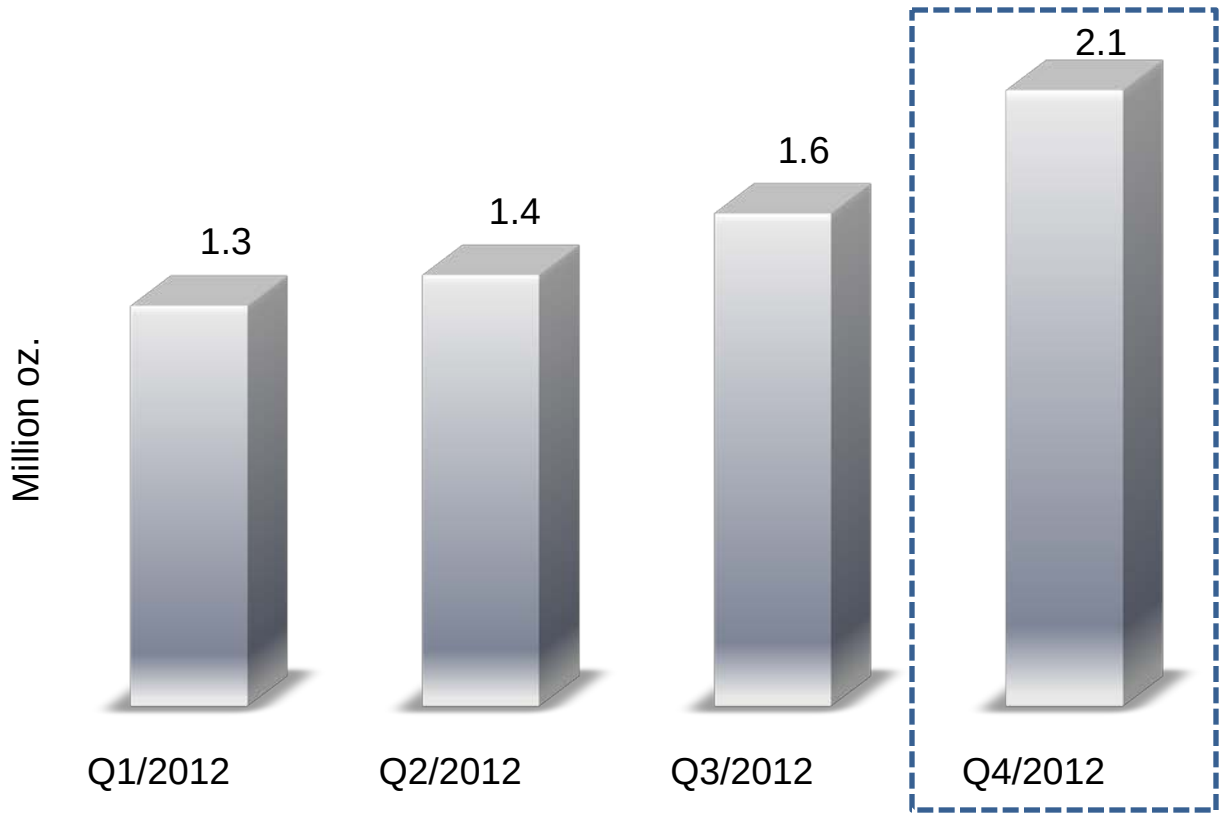
Q4 and 2012 Highlights

- Full-year silver production 6.4 million ounces
  - Average cash cost of $2.70 per ounce of silver
- Q4 silver production of 2.1 million ounces, up 31% from Q3 and up 50% from Q2 as Greens Creek continued to ramp up production
- Operating cash flow of $69 million
- Cash and equivalents of $191 million at Dec. 31, 2012
- Record silver reserves and resources for 7th consecutive year

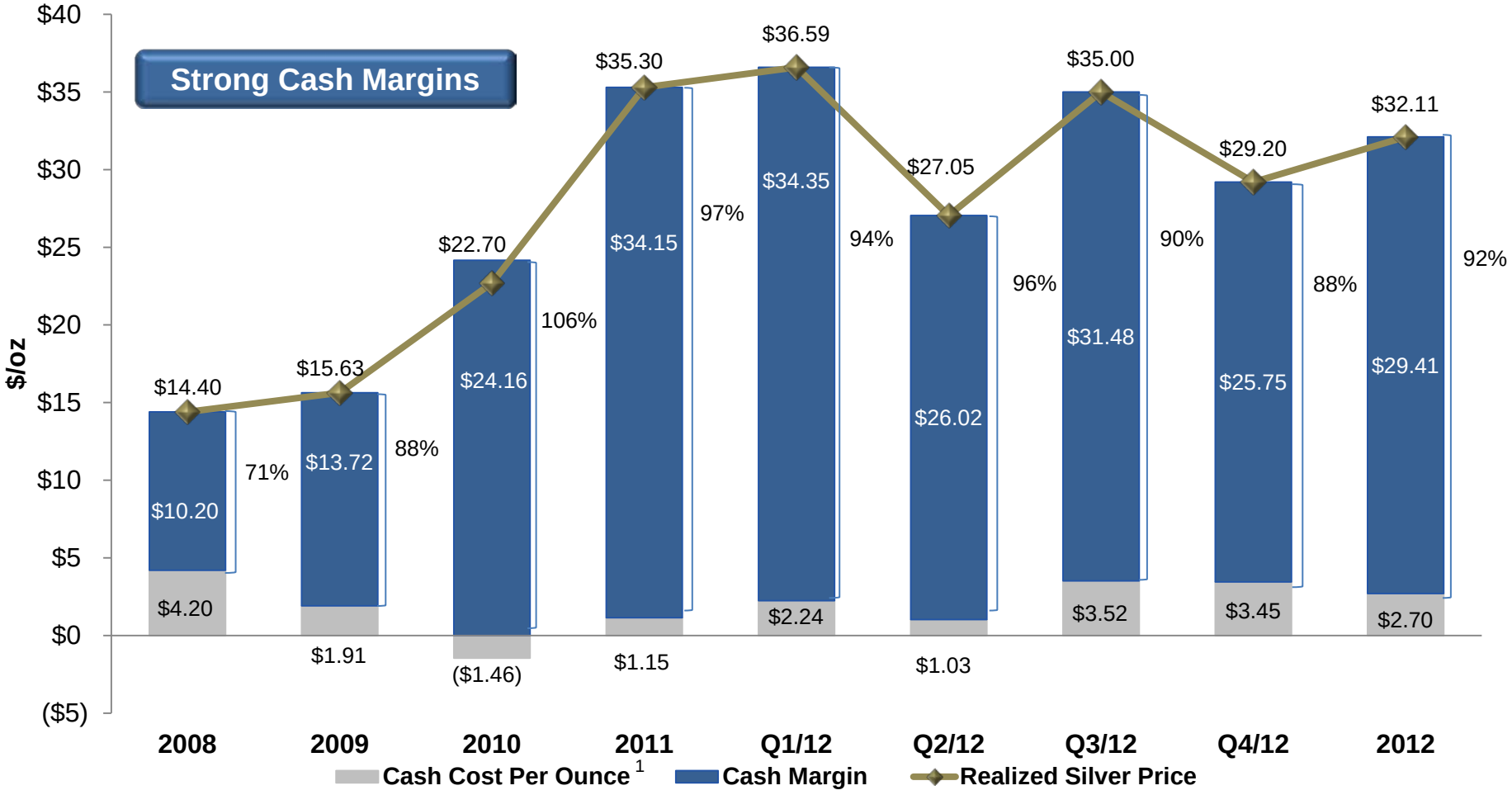
Q4/2012 Financial Review

58% Growth in Silver Production from Q1/12

Greens Creek Silver Production



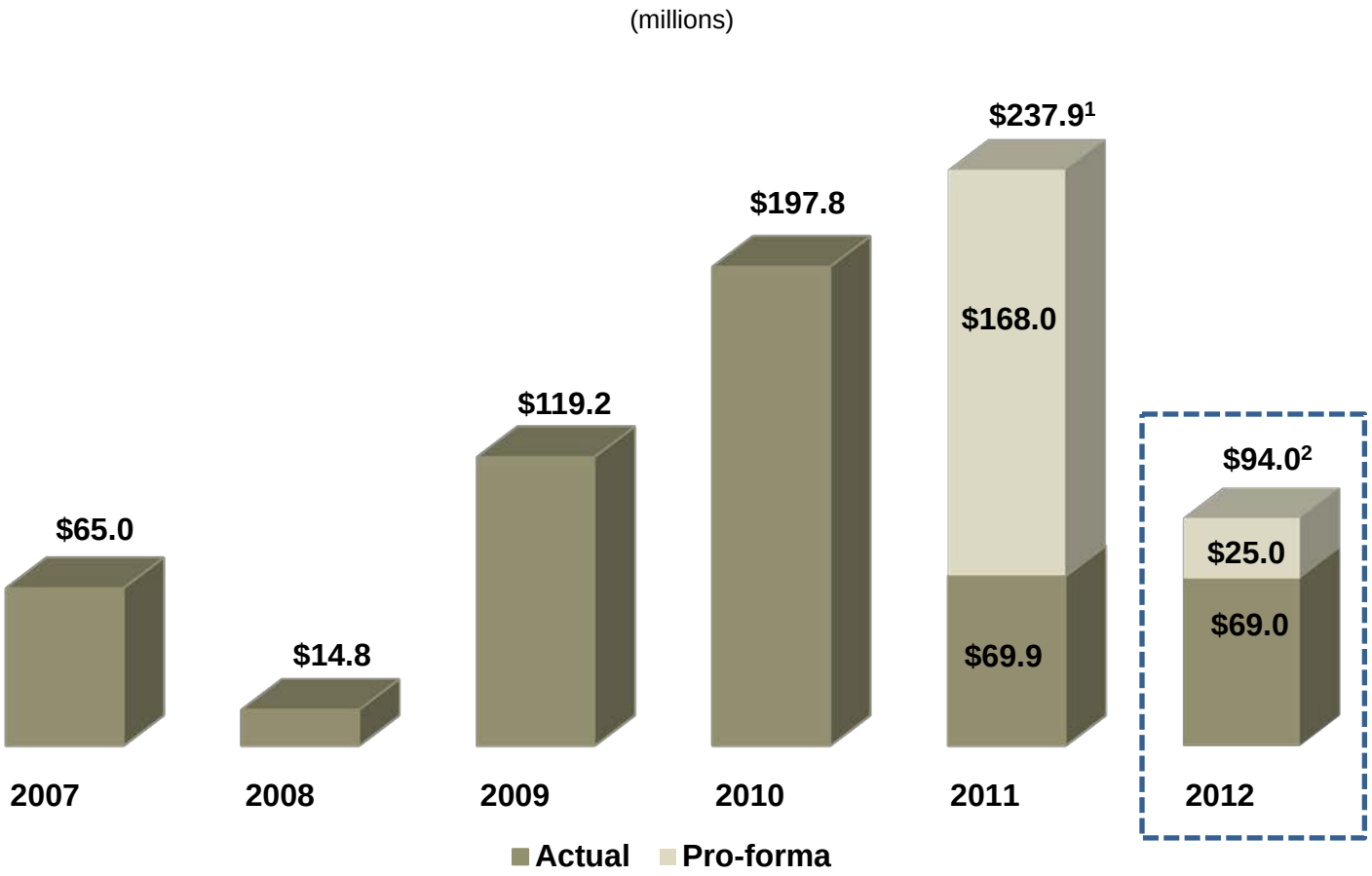
Low Cash Costs - 2012 Margin of $29.41 Per Ounce



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.

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.
2. Operating cash flow for 2012 was $69 million after the second environmental litigation settlement payment of $25 million in the fourth quarter.

Q4/2012 Financial Highlights

HIGHLIGHTS	Fourth Quarter Ended December 31, 2012	Twelve Months Ended December 31, 2012
FINANCIAL DATA (000s)		
Sales	$ 81,100	$ 321,143
Gross profit	$ 34,037	$ 143,516
Income applicable to common shareholders	$ 605	$ 14,402
Basic income per common share	$ —	$ 0.05
Diluted income per common share	$ —	$ 0.05
Net income	$ 743	$ 14,954
Cash provided by operating activities	$ 2,528	$ 69,016

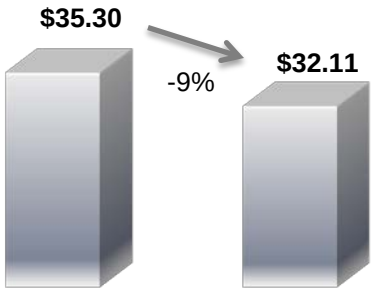
$0.12 Per Share Adjusted Earnings in 2012

- $10.5 million of non-cash mark to market valuation adjustment (base metals hedging)
- $25.3 million in suspension-related activities expensed at Lucky Friday, including $6.3 million in DDA
- Record exploration and pre-development expenditures of $49.7 million compared to year earlier period
- Lower realized average silver and base metals prices vs. 2011

2012 - Realized Metals Prices

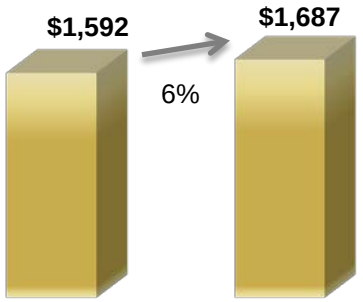
Silver

($/oz)



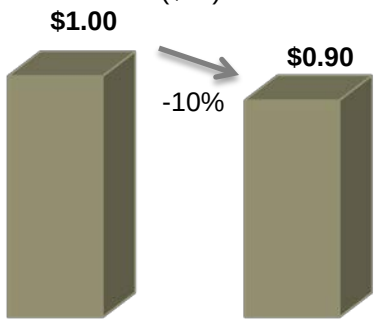
Gold

($/oz)



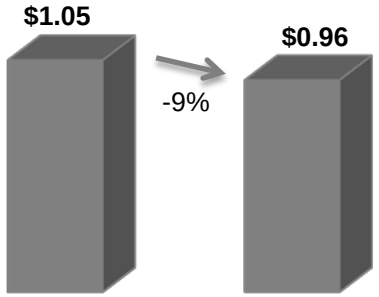
Zinc

($/lb)



Lead

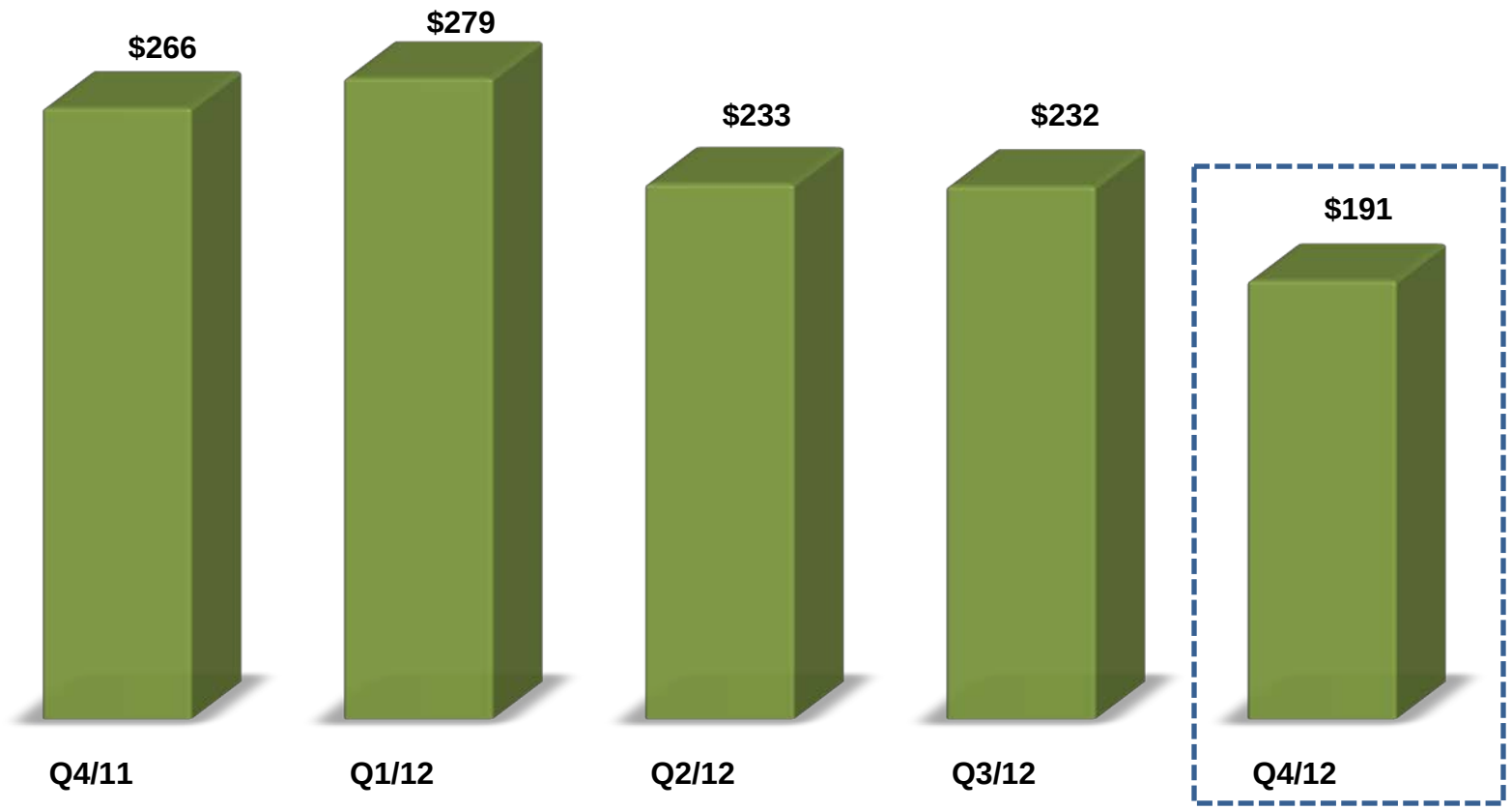
($/lb)



Strong Balance Sheet

Cash and Cash Equivalents

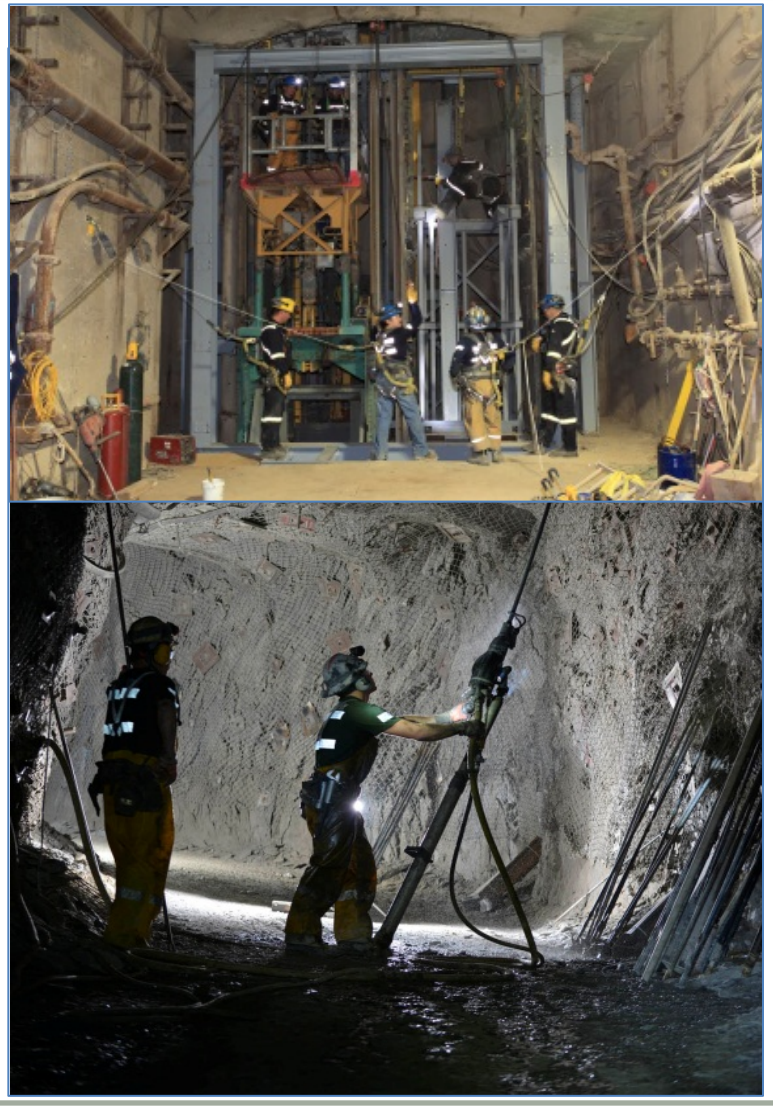
(millions)



Operations Review

Lucky Friday (Idaho) Resumes Production

- Silver production expected to ramp up to over 2 million ounces for full-year 2013
- Expected 2013 full year cash costs of $11 per ounce of silver
- All employees needed to reach full production have been recalled – extensive safety training
- Work has resumed on $200 million #4 Shaft project – already 45% complete – designed to access higher grades
- 55.5 million ounces proven and probable silver reserves
- 108.7 million ounces mineralized material silver resources



Strong 2012 Performance at Greens Creek (Alaska)

- 6.4 million ounces of silver production in 2012 - operating cash cost of $2.70 per ounce
- Q4 production of 2.1 million ounces at average cash cost of $3.45 per ounce
  - 2nd half 2012 production up 37% over 1st half
- Over 6 million ounces of silver production expected in 2013 at average cash cost of $3.25 per ounce silver net of by-products
- $77 million budgeted for 2013 Cap Ex
  - Mine rehabilitation (East Ore Zone)
  - Mine development (shop)
  - Mobile equipment

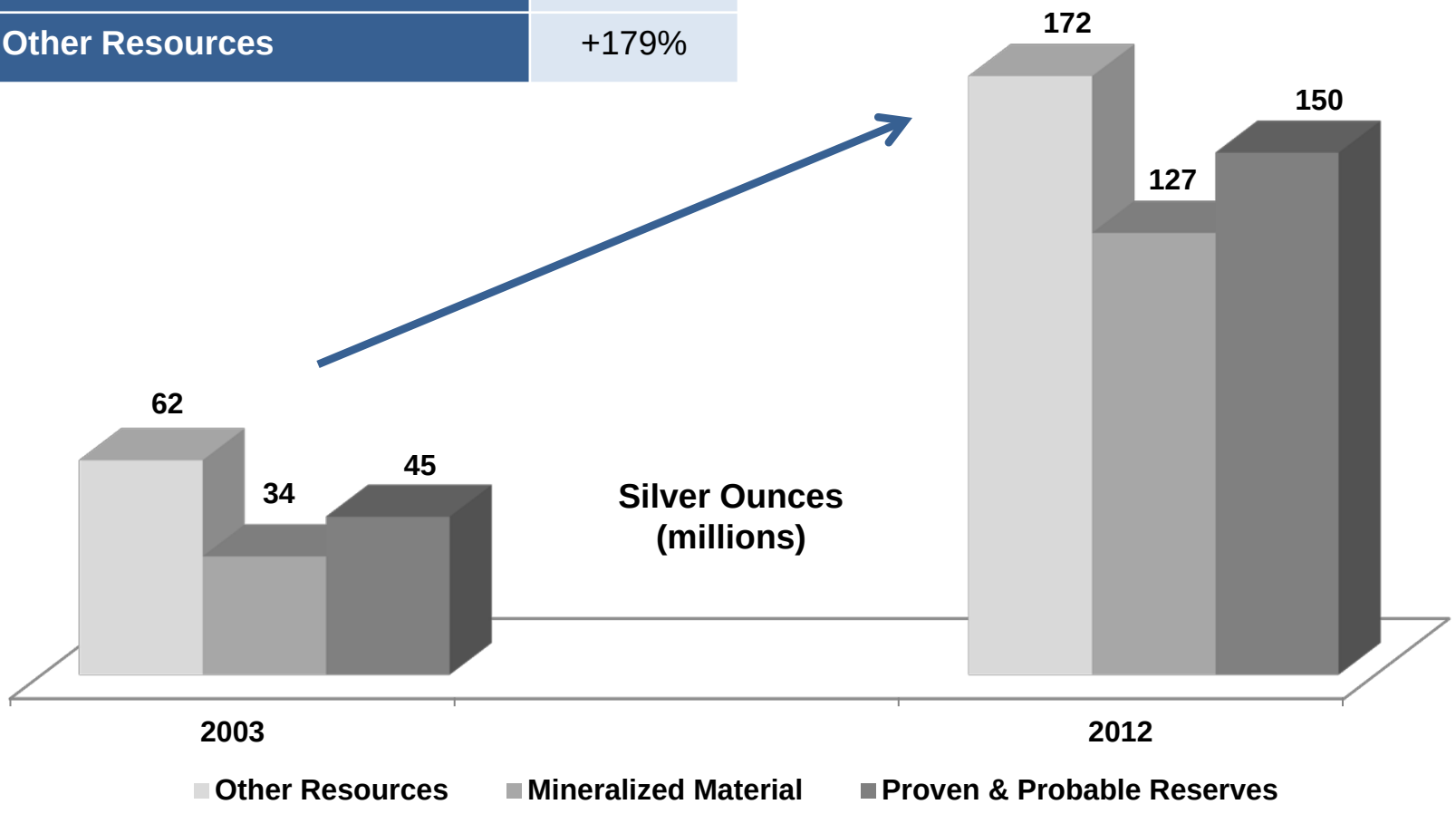




Exploration and Pre-Development Update

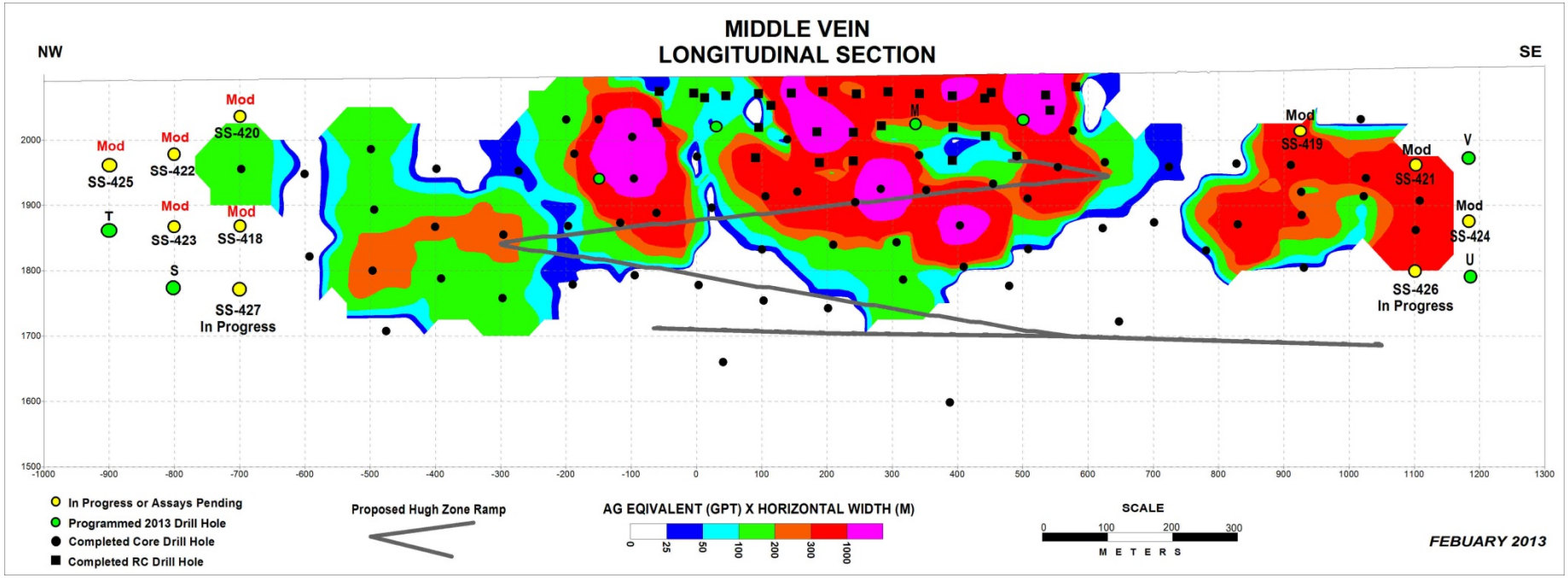
Silver Reserve and Resource Growth 2003 - 2012

Proven & Probable Reserves	+230%
Mineralized Material	+274%
Other Resources	+179%



Reserve and Resource Growth - Middle Vein

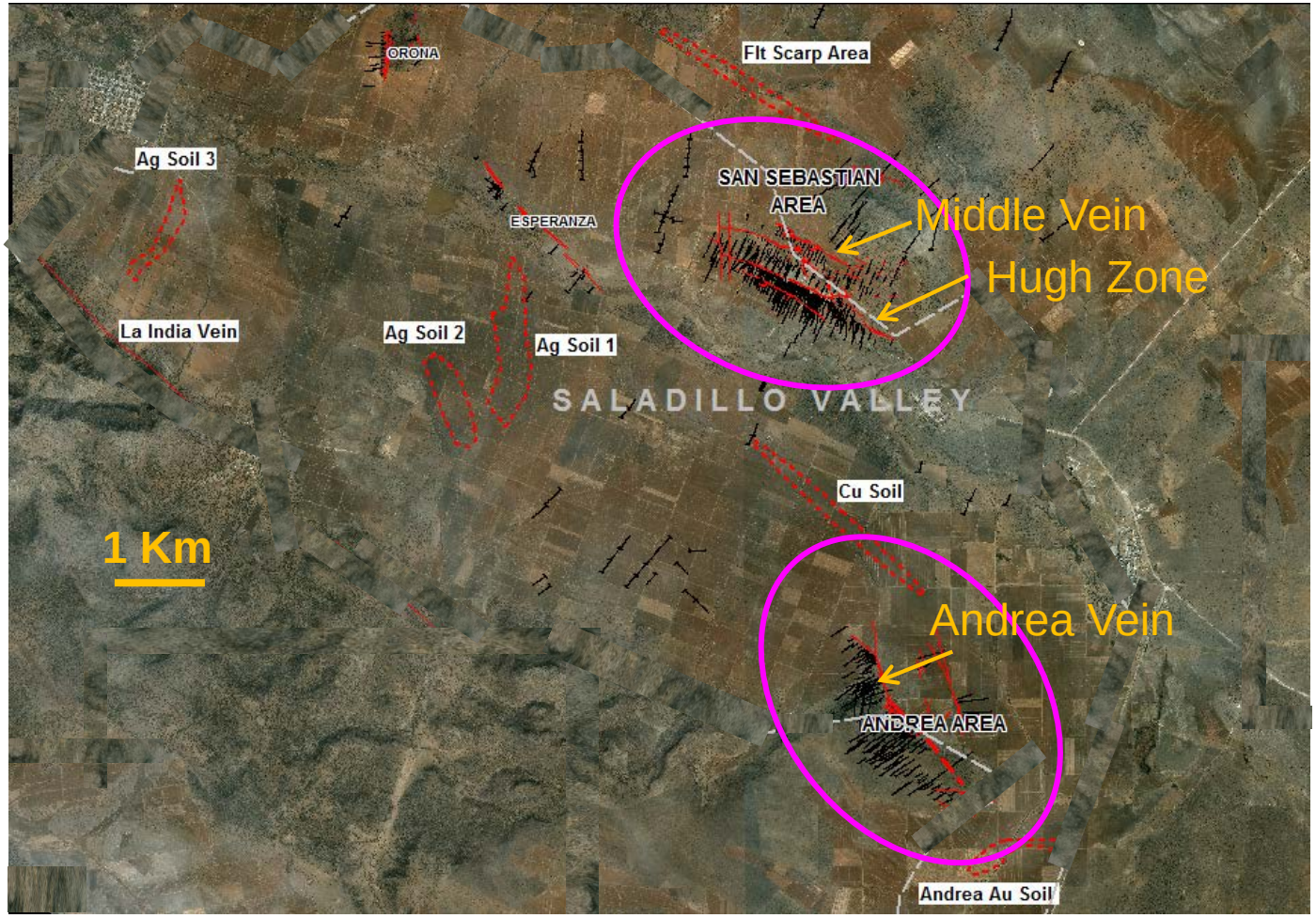
Longitudinal of Middle Vein



- Middle Vein at San Sebastian defined over 3,000 feet along strike, from surface to over 1,000 feet in depth
- New other resources of 8.8 million silver ounces and 45,000 ounces gold appears open along strike

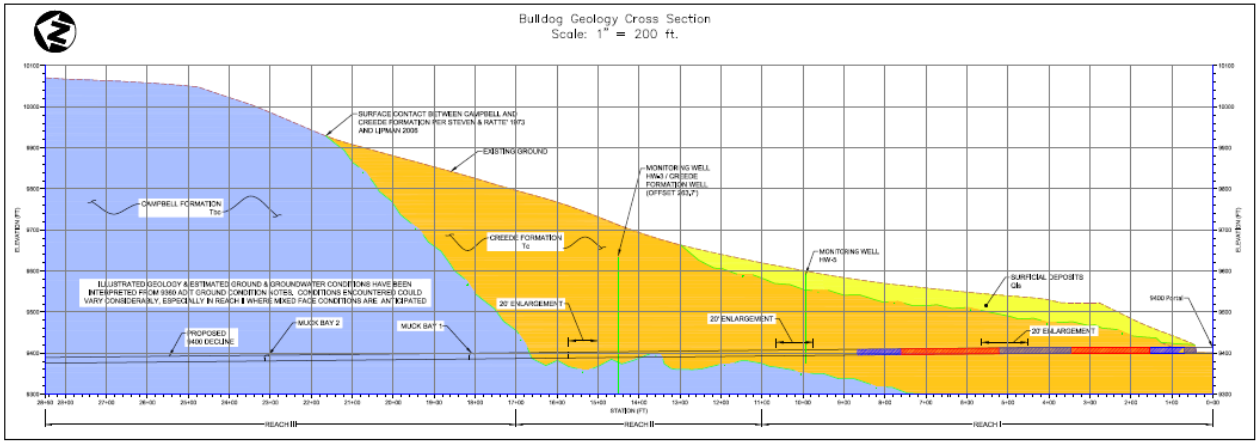
Delivering Growth - San Sebastian (Mexico)

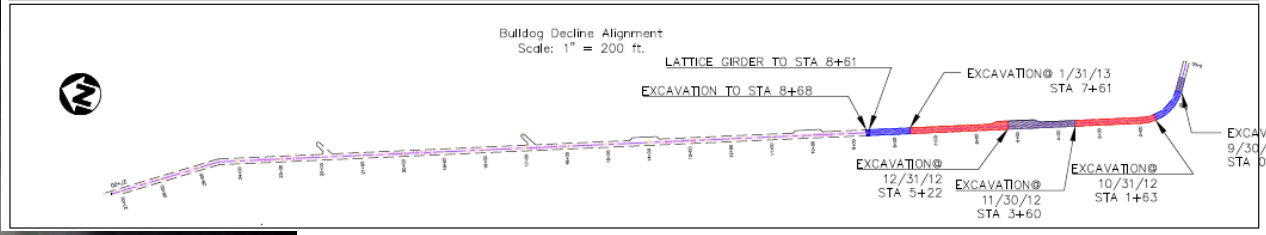
Plan View of San Sebastian Pre-development Area

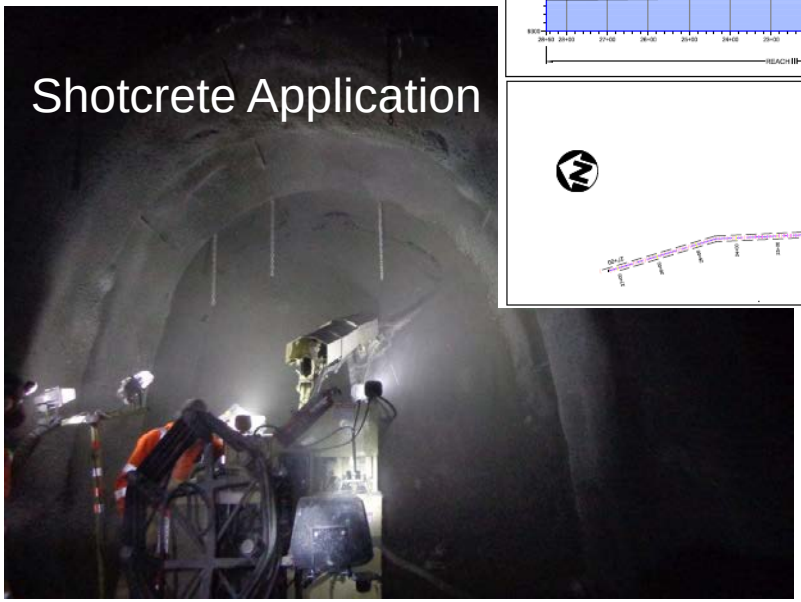


Delivering Growth - San Juan Silver (Colorado)

Advance of the Bulldog Decline







- Bulldog underground infrastructure now advanced over 800 feet
- Completion expected in 4th Quarter

Sustained 2013 Exploration/Pre-Development Program

- **$51.5 million of exploration and pre-development budget**
  - $27.1 million exploration
  - $24.4 million pre-development
- **Greens Creek (Alaska)**
  - ~$6.6 million exploration
- **Silver Valley (Idaho)**
  - ~$6.3 million exploration
- **San Juan Silver (Colorado)**
  - ~$6.2 million exploration
  - ~$18.0 million pre-development
- **San Sebastian (Mexico)**
  - ~$3.6 million exploration
  - ~$6.4 million pre-development
- **Monte Cristo (Nevada)**
  - ~$1.4 million exploration



2013 Guidance

25% Silver Production Growth Expected in 2013

- Expected 2013 full-year silver production of 8-9 million ounces
  - 25% increase over 2012 levels
- Lucky Friday expected to ramp up to 2 million ounces for 2013
- Expected consolidated 2013 cash costs of approximately $5.00 per ounce silver
- Capital expenditures of $152 million expected, up 28% from 2012, as work resumes on #4 Shaft project
- Continued strong investment in exploration and pre-development

Investments and Acquisitions

- Dolly Varden Silver Corporation
- Canamex Resource Corporation
- Brixton Metals Corporation
- Total Investment - $8.3 million





Appendix

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2012 Reserve/Resource Highlights

Highlights of 2012 Reserve/Resources report:

- For the seventh consecutive year silver reserves and resources increased to 150 million ounces (reserves), 127 million ounces (mineralized material) and 172 million ounces (other resources), respectively.
- There has been a 230% increase in silver reserves and 274% increase in silver resources (mineralized material) in the period from 2003 to 2012.
- Other resources of gold increased by 39%. Gold mineralized material increased fourfold to 1.7 million tons averaging 0.07 ounce of gold per ton and other resources increased 75% to 13.5 million tons averaging 0.05 ounce of gold per ton.
- Lead and zinc resources increased 6% and 14%, respectively.

2012 Exploration Program Highlights

Highlights of 2012 exploration program consist of:

- At Greens Creek, the 200 South zone contains a resource of 24 million ounces of silver and 247,000 ounces of gold. Over the next two years, in-fill drilling is anticipated to convert many of these ounces from resources to reserves.
- Surface drilling on the Killer Creek target, which is 1.5 miles west-northwest of the Greens Creek mine portal, has identified a broad copper-rich vein and breccia zone that is interpreted to be the center of a mineralizing vent.
- Drilling on the Middle Vein at San Sebastian has defined high-grade, gold-silver mineralization for over 3,000 feet along strike and from surface to over 1,000 feet depth. The mineralization appears to be open along strike in both directions and still has depth potential.
- Drilling has defined other resources at the Equity and North Amethyst of 3.6 million ounces silver and 36,000 ounces of gold and both mineralization trends remain open at depth.
- Resource extensions to the Noonday, Noonday Split and Moffitt veins at the Star in the Silver Valley were defined.

2013 - Exploration Programs

Highlights of 2013 exploration programs consist of:

- At Greens Creek, underground drilling expects to convert resources to reserves and define extensions to the 200 South, Southwest Bench and NNW. Surface drilling at Killer Creek may define a new mineralizing center at Greens Creek.
- At Lucky Friday, drilling will evaluate resources to the east from the 6900 to 7200 levels and at depth.
- San Sebastian drilling is expected to expand the Middle Vein resource and examine the North Vein potential along strike and at depth.
- Surface drilling at San Juan Silver will concentrate on the northern extent of the Bulldog complex and evaluate the high-grade mineralized zones at the intersection of the Equity and North Amethyst veins.
- Drilling in the Silver Valley will continue to evaluate surface targets along main mineralized trends.
- Drilling planned at Monte Cristo to examine the Black Mammoth and McLean targets.

2013 - Pre-Development Programs

Pre-development programs consist of:

San Sebastian:

- Further scoping studies are in progress to determine the production viability, rate and sequencing of mining the three areas and are expected to be completed in the third quarter.
- A ramp is being engineered for initial construction planned this year to allow access to both the Hugh Zone and the Middle Vein.

San Juan Silver:

- Expected completion of the 2800-foot decline to access the underground workings at the Bulldog.
- Advance of the scoping studies to determine the production viability, rate and sequencing of mining at the Bulldog.

Reserves & Resources Update (on Dec. 31, 2012)

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, USA	2,206,600	12.1	—	7.4	2.7	26,778,900	—	163,350	58,560
Greens Creek, USA	12,000	9.3	0.10	2.7	7.8	112,500	1,100	330	930
Subtotal Proven	**2,218,600**					**26,891,400**	**1,100**	**163,680**	**59,490**
Probable Reserves									
Lucky Friday, USA	1,931,700	14.8	—	8.7	3.2	28,676,000	—	167,390	62,300
Greens Creek, USA	7,845,600	12.0	0.09	3.4	9.0	94,481,200	718,400	267,410	702,300
Subtotal Probable	**9,777,300**					**123,157,200**	**718,400**	**434,800**	**764,600**
Total Proven & Probable	**11,995,900**					**150,048,600**	**719,500**	**598,480**	**824,090**
Mineralized Material									
Lucky Friday, USA [1]	19,028,600	5.7	—	3.8	2.3	108,704,400	—	731,460	440,470
Greens Creek, USA [2]	448,600	5.9	0.12	3.2	7.0	2,650,500	53,500	14,300	31,580
San Sebastian, Mexico [3]	1,297,300	3.4	0.06	1.1	1.5	4,371,000	73,900	14,640	19,080
San Juan Silver, USA [4]	515,500	14.8	—	2.1	1.1	7,619,600	—	10,760	5,820
Star Complex, USA [5]	1,061,200	3.0	—	6.4	7.5	3,235,200	—	68,340	80,100
Total Mineralized Material	**22,351,200**					**126,580,700**	**127,400**	**839,500**	**577,050**
Other Resources									
Lucky Friday, USA [6]	6,921,900	9.1	—	5.6	2.3	62,651,500	—	384,930	158,240
Greens Creek, USA [7]	3,784,500	11.4	0.10	2.4	6.2	42,977,300	379,200	92,130	233,110
San Sebastian, Mexico [8]	5,695,900	4.2	0.03	0.5	0.6	23,897,400	159,700	25,880	36,040
San Juan Silver, USA [9]	3,078,200	10.7	0.01	1.3	1.1	33,096,400	35,600	40,990	34,980
Star Complex, USA [10]	2,972,300	3.2	—	5.9	5.5	9,377,900	—	174,080	163,480
Monte Cristo, USA [11]	913,300	0.3	0.14	—	—	271,000	131,300	—	—
Total Other Resources	**23,366,100**					**172,271,500**	**705,800**	**718,010**	**625,850**

[1] Mineralized Material from Gold Hunter and Lucky Friday vein systems diluted and factored for expected mining recovery.
[2] Mineralized Material only in Gallagher orebody, factored for dilution and mining recovery.
[3] Mineralized Material, diluted to minimum mining width of 2.0 meters for Hugh Zone, 1.5 meters for Andrea Vein.
[4] Mineralized Material, diluted to minimum mining width of 6.0 feet for Bulldog.
[5] Mineralized Material, diluted to minimum mining width of 4.3 feet.
[6] Other Resources from Gold Hunter and Lucky Friday vein systems diluted and factored for expected mining recovery.
[7] Other Resources in East Ore, Gallagher, NWW, 200S orebodies, factored for dilution and mining recovery.
[8] Other Resources, diluted to minimum mining width of 2.0 meters for Hugh Zone, 1.5 meters for Andrea & Middle Veins.
[9] Other Resources, diluted to minimum mining width of 6.0 feet for Bulldog.
[10] Other Resources, diluted to minimum mining width of 4.3 feet.
[11] Other Resources, diluted to minimum mining width of 5 feet.

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)

	2012	Q4/2012	Q3/12	Q2/12	Q1/12	2011	2010	2009	2008
Total cash costs[1]	$ 17,262	$ 7,175	$ 5,701	$ 1,410	$ 2,976	$ 10,934	$ (15,435)	$ 20,958	$ 36,621
Divided by silver ounces produced	6,394	2,081	1,619	1,365	1,329	9,483	10,566	10,989	8,709
Total cash cost per ounce produced	$ 2.70	$ 3.45	$ 3.52	$ 1.03	$ 2.24	$ 1.15	$ (1.46)	$ 1.91	$ 4.20
Reconciliation to GAAP:									
Total cash costs	$ 17,262	$ 7,175	$ 5,701	$ 1,410	$ 2,976	$ 10,934	$ (15,435)	$ 20,958	$ 36,621
Depreciation, depletion and amortization	$ 43,522	$ 12,381	$ 11,601	$ 9,879	$ 9,661	$ 47,066	$ 60,011	$ 62,837	$ 35,207
Treatment costs	$ (73,355)	$ (21,145)	$ (18,351)	$ (16,164)	$ (17,695)	$ (99,019)	$ (92,144)	$ (80,830)	$ (70,776)
By- products credits	$ 190,916	$ 51,433	$ 47,778	$ 45,352	$ 46,353	$ 254,372	$ 267,272	$ 206,608	$ 164,963
Change in product inventory	$ (1,381)	$ (3,343)	$ (1,944)	$ 2,101	$ 1,805	$ (4,805)	$ 3,660	$ 310	$ 20,254
Suspension-related costs[2]	$ -	$ -	$ -	$ -	$ -	$ 4,135	$ -	$ -	$ -
Reclamation, severance and other costs	$ 663	$ 562	$ (223)	$ 473	$ (149)	$ (44)	$ 630	$ 1,596	$ 537
Costs of sales and other direct production costs and depreciation, depletion and amortization (GAAP)	**$ 177,627**	**$ 47,063**	**$ 44,562**	**$ 43,051**	**$ 42,951**	**$ 212,639**	**$ 223,994**	**$ 211,479**	**$ 186,806**

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 mining 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 and throughout 2012. 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

	Q4/12	Q4/11	2012	2011
Total cash costs[1]	$ 7,175	$ 5,677	$ 17,262	$ 10,934
Divided by silver ounces produced	2,081	2,490	6,394	9,483
Total cash cost per ounce produced	**$ 3.45**	**$ 2.28**	**$ 2.70**	**$ 1.15**
Reconciliation to GAAP				
Total cash costs	$ 7,175	$ 5,677	$ 17,262	$ 10,934
Depreciation, depletion and amortization	12,381	12,501	43,522	47,066
Treatment and freight costs	(21,145)	(22,758)	(73,355)	(99,019)
By-product credits	51,433	53,530	190,916	254,372
Change in product inventory	(3,343)	836	(1,381)	(4,805)
Suspension-related costs[(2)]	-	2,495		4,135
Reclamation and other costs	562	760	663	(44)
Cost of sales and other direct production costs and depreciation, depletion and amortization	**$ 47,063**	**$ 53,041**	**$ 177,627**	**$ 212,639**

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Adjusted Earnings GAAP Reconciliation

Reconciliation of Net Income Applicable to Common Shareholders (GAAP) to Earnings After Adjustments(1)
(dollars and ounces in thousands, except per share amounts - unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2012	2011	2012	2011
Net income applicable to common shareholders (GAAP)	$ 605	$ 18,431	$ 14,402	$ 150,612
Adjusting items:				
(Gains)/losses on derivatives contracts	2,344	919	10,457	(37,988)
Environmental accruals	382	336	(1,054)	4,990
Provisional price (gains)/losses	5,667	(728)	(3,820)	2,611
Lucky Friday suspension-related costs	6,564	—	25,309	—
Income tax effect of above adjustments	(5,384)	(184)	(11,121)	10,635
Earnings after adjustments applicable to common shareholders	$ 10,178	$ 18,774	$ 34,173	$ 130,860
Weighted average shares - basic	285,402	280,819	285,375	280,956
Weighted average shares - diluted	299,309	294,133	297,566	297,033
Basic earnings after adjustments per common share	$ 0.04	$ 0.07	$ 0.12	$ 0.47
Diluted earnings after adjustments per common share	$ 0.03	$ 0.06	$ 0.11	$ 0.44

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.