



BMO Capital Markets Global Metals & Mining Conference

February 27, 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.



Growth and Value in Silver – NYSE:HL

- Largest U.S. Primary Silver Producer
- Expected 25% silver growth in 2013 with re-opened Lucky Friday mine
- Among lowest operating cost per ounce of major producers
- Lower risk North American focus
- Strong cash position – no significant debt; revolving credit facility
- Advanced stage exploration and pre-development projects
- Dividend policy further leverages strong silver market

Delivering Growth & Value in a Strong Silver Market

NYSE:HL

Production and Cash Flow Growth

Record Exploration and Pre-Development



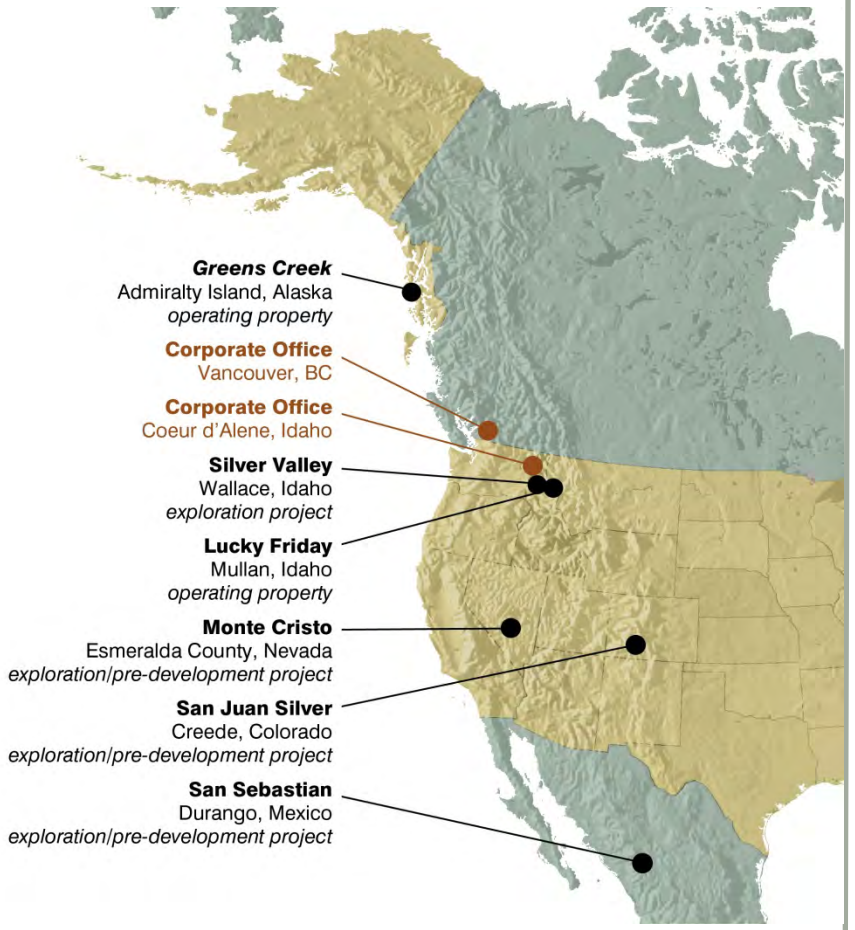
Low Political Risk

Low Cost Producer

Strong Balance Sheet

North American Focus

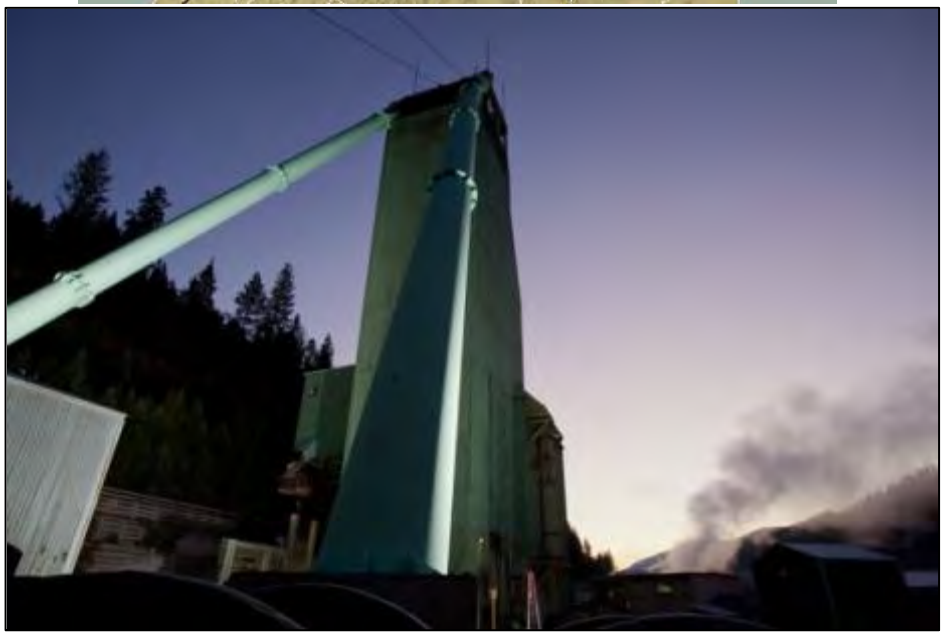
- Two **long-lived** silver mines
  - 150 million ounces of high-grade silver reserves
- **Largest U.S. silver producer**
  - 2nd largest zinc
  - 3rd largest lead
- **Lucky Friday** mine has resumed production
  – Expected 2 million ounces of silver production in 2013
- **Total 8–9 million ounces** company-wide silver production expected in 2013
- **Low Production Costs -** $5.00 per ounce cash costs company-wide expected in 2013
- **Planned Organic growth:** Over 15 million ounces of silver production expected by 2017



Re-Opened and Renewed Lucky Friday (Idaho)

- Operations and production resumed in Q1/13
- $29.8 million rehabilitation of 6100 foot Silver Shaft – MSHA clearance
- $26.2 million in other capital projects invested during 2012
- Expected to produce 2 million ounces of silver in 2013
- Full year cash costs of $11 per ounce of silver expected in 2013





Lucky Friday Re-Opened and Renewed (cont'd)

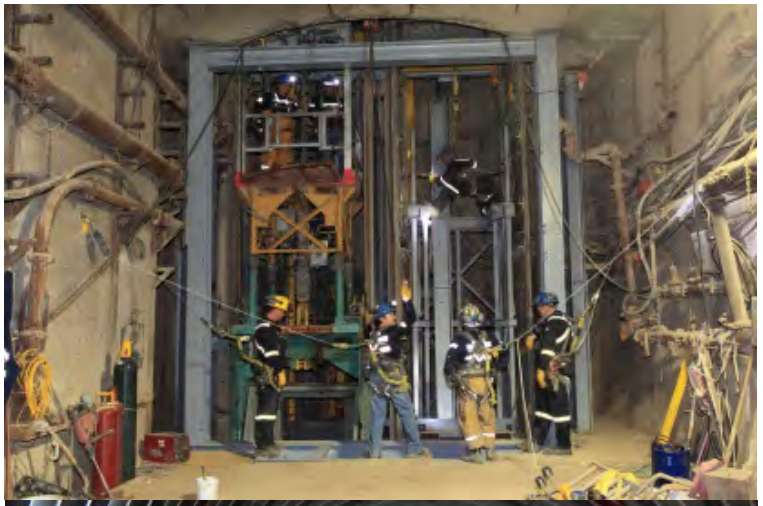
- Bypass drift completed at 5900 level
- 7.5 miles of underground workings upgraded
- Incorporation of recently developed ground support bolting products
- All employees necessary for full production recalled
- Continuous safety training
- Enhanced mining methods





#4 Shaft Work Resumed - the Future of Lucky Friday

- Work has also resumed on $200 million #4 Shaft Project – currently about 45% complete
- Access to higher grades
- Currently 55.5 million ounces of Proven and Probable silver reserves
- Additional 108.7 million ounces of silver Mineralized Material
- 62.7 million ounces of silver Other Resources





Greens Creek (Alaska) - 6.4 million ounces in 2012

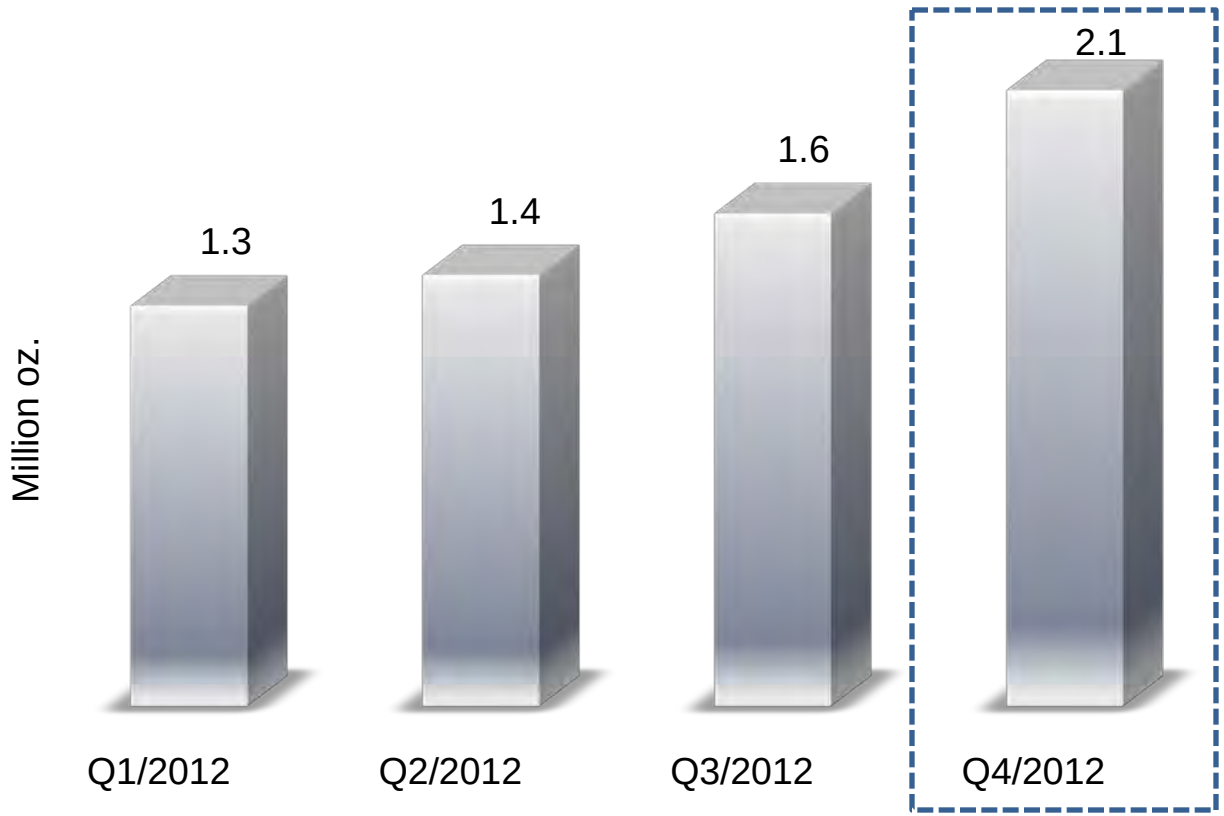
- One of the largest and lowest cost primary silver mines in the world
- Expected full-year 2013 production of over 6 million silver ounces at estimated $3.25 per ounce cash costs
- Large and under-explored 27-square-mile land position – further reserve development in 2013
- Current 94.6 million ounces of Proven & Probable silver reserves
- Additional 2.7 million ounces of silver Mineralized Material and 43.0 million ounces of silver Other Resources



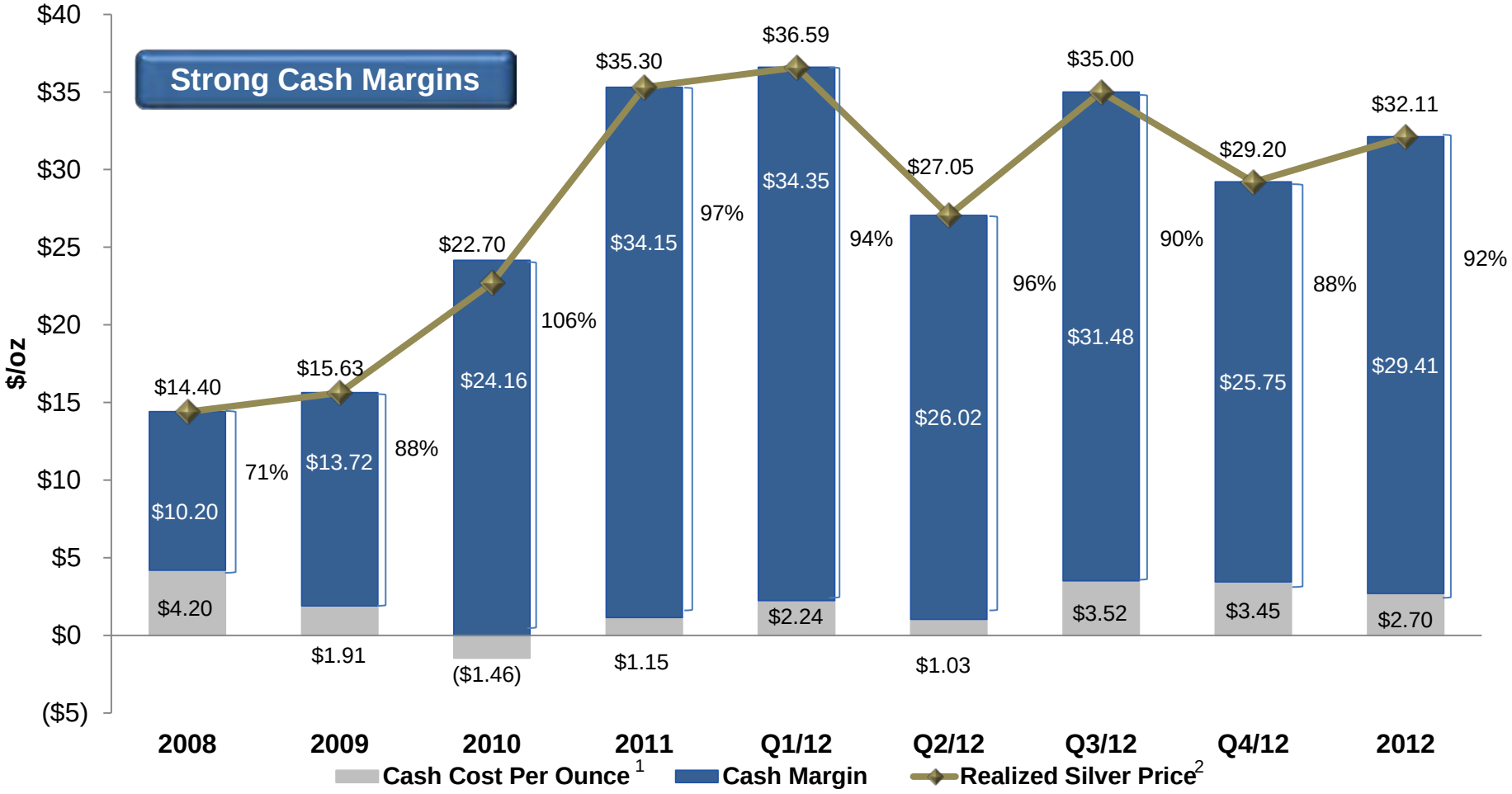


58% Growth in Silver Production from Q1/12

Greens Creek Silver Production



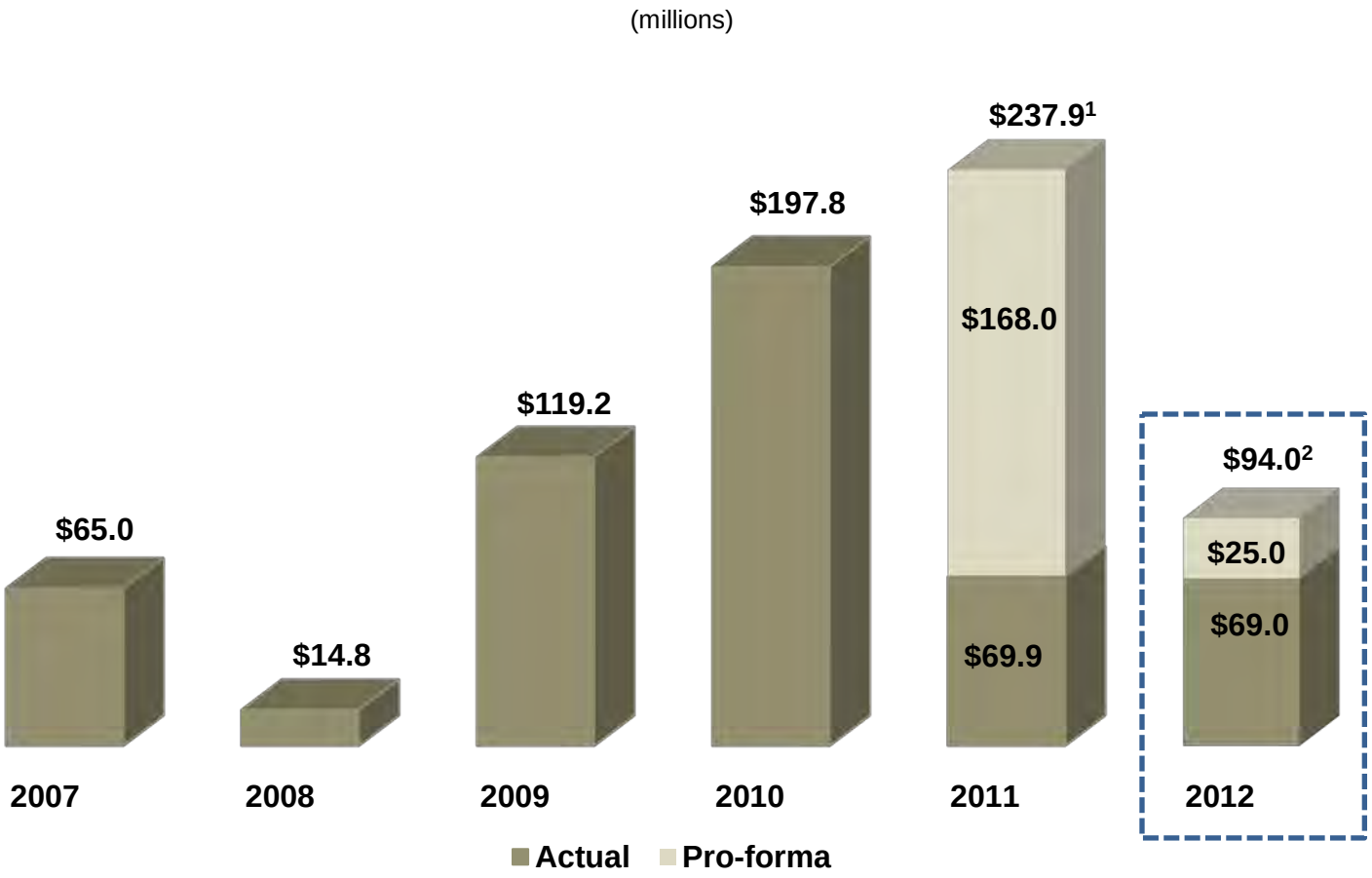
Low Cash Costs – 2012 Margin of $29.41 Per Ounce



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.

Cash Flow

Cash Provided by Operating Activities

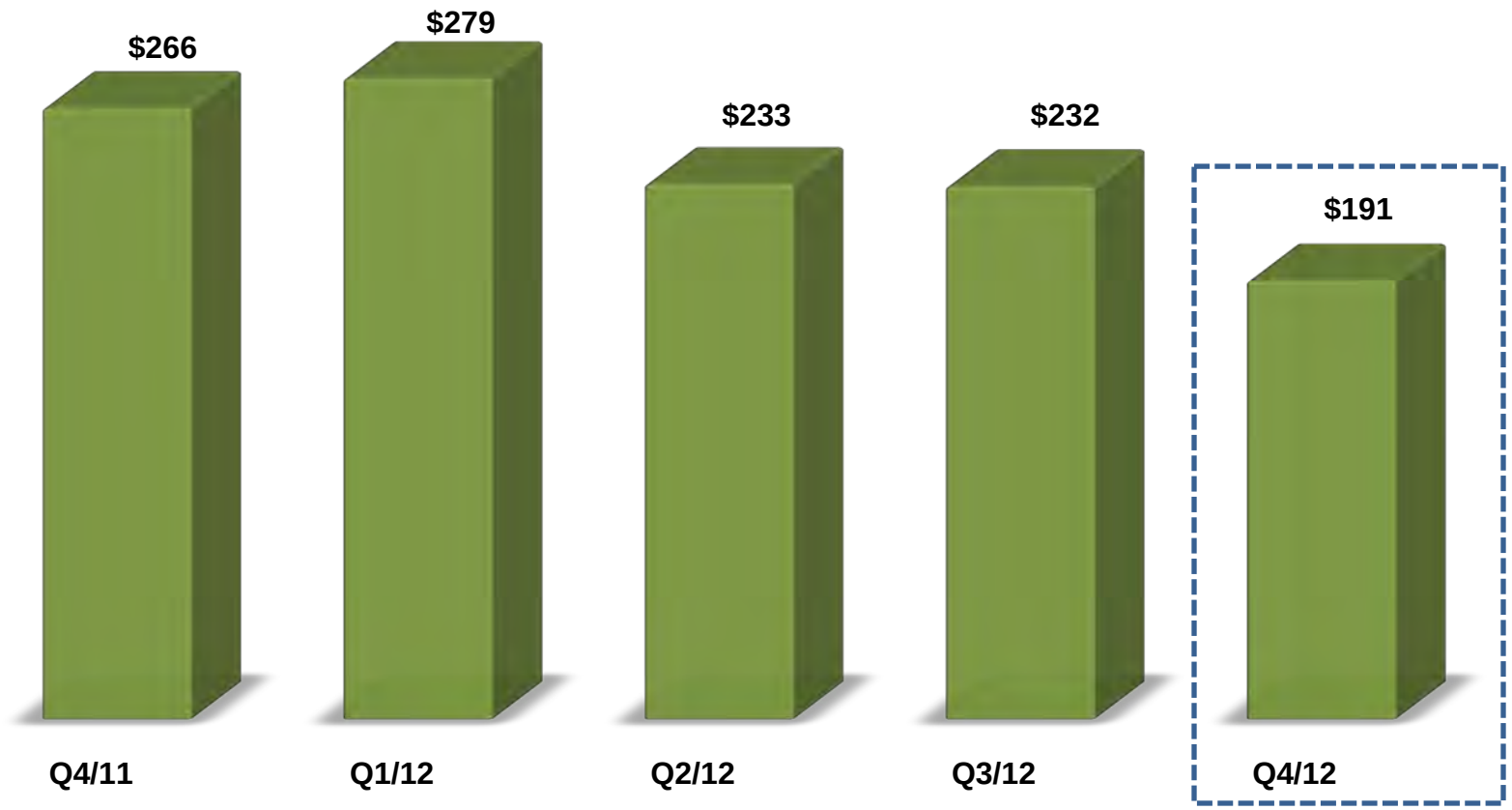


1. Operating cash flow for 2011 was $69.9 million after environmental litigation settlement payment of $168 million in the fourth quarter.
2. Operating cash flow for 2012 was $69 million after the second environmental litigation settlement payment of $25 million in the fourth quarter.

Strong Balance Sheet

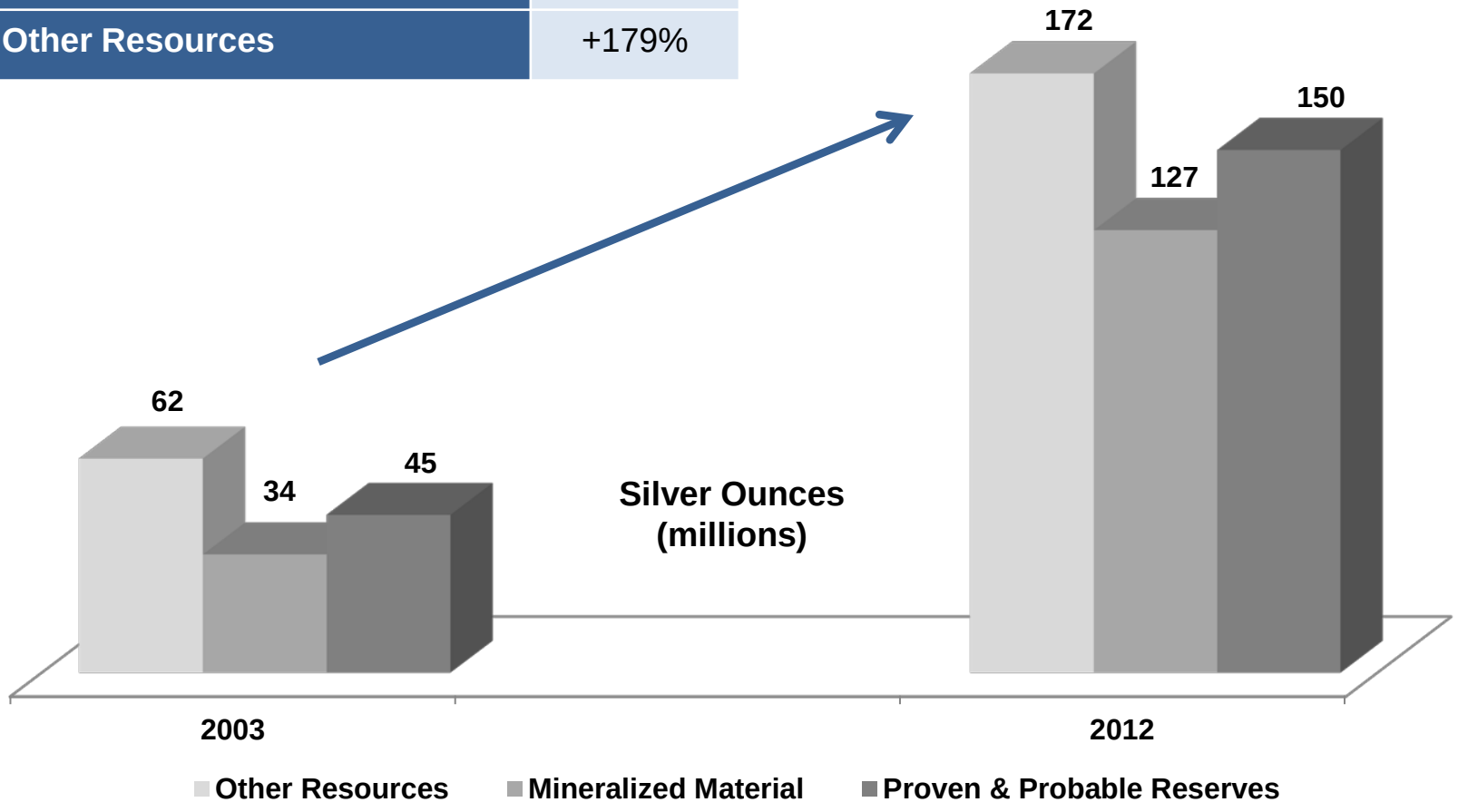
Cash and Cash Equivalents

(millions)



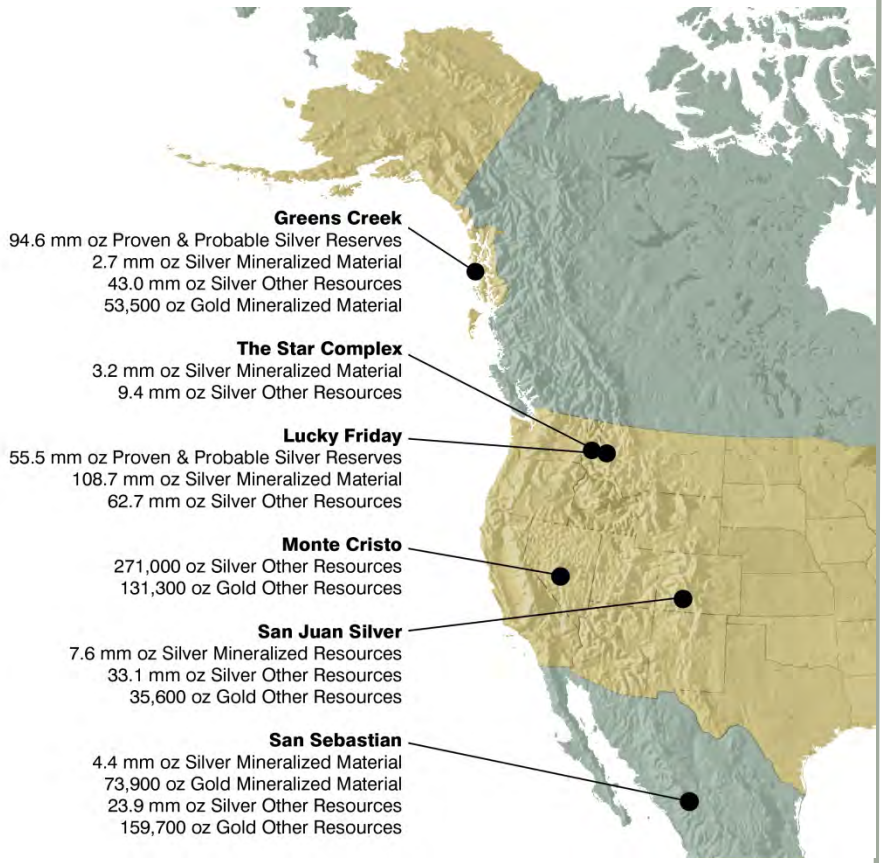
Silver Reserve and Resource Growth 2003 - 2012

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



$51.5 million in 2013 Exploration and Pre-development

- Converting **Greens Creek** resources to reserves
- **Lucky Friday** drilling on resources
- **San Sebastian** drilling to further expand the Middle Vein and North Vein potential
  - Scoping study
  - Ramp engineering
- **San Juan Silver** drilling on high-grade mineralized zones along Equity and North Amethyst
  - Expected completion of 2800 foot ramp into underground workings at **Bulldog**
- **Monte Cristo** drilling on Black Mammoth and McLean targets



Strong Silver Market Fundamentals

New Innovation has Changed Silver Demand

- February 1900
- Long-running popular series of simple and inexpensive cameras
- Introduced the concept of the “snapshot”
- Transformed the demand of silver
- Today new innovation has changed demand again







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%

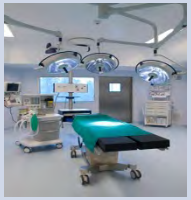





 Source – The Silver Institute 2011

Growing Silver Demand

Uses of Silver

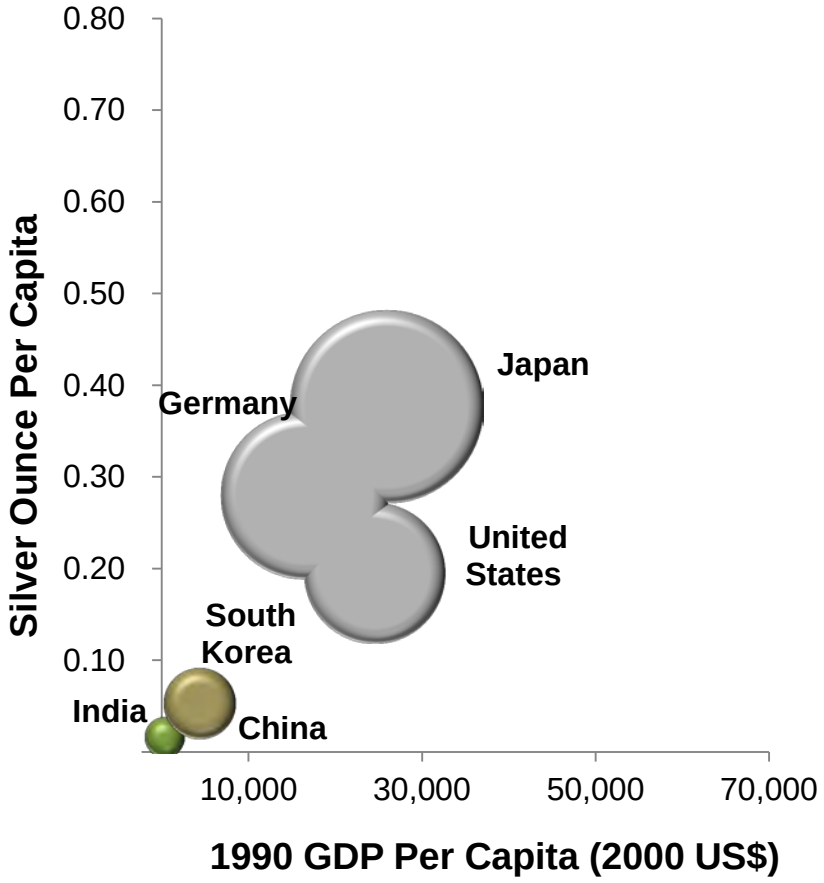
	**Medicine:** silver is added to bandages and wound-dressings, catheters and other medical instruments and is a key part of technology behind X-rays		**Solar Panels:** 90% of crystalline silicon photovoltaic cells use silver paste; over 100 mm ounces of silver are estimated for use by solar energy in 2015
	**Electronics:** almost all electronics are configured with silver; its excellent conductivity makes it a natural choice		**Batteries:** silver oxide batteries are replacing lithium ion batteries due to environmental and safety concerns
	**Automobiles:** every electrical action in a modern car is activated with silver coated contacts; over 36 mm ounces of silver are used annually		**Water Filters:** silver prevents bacteria and algae from building up in filters

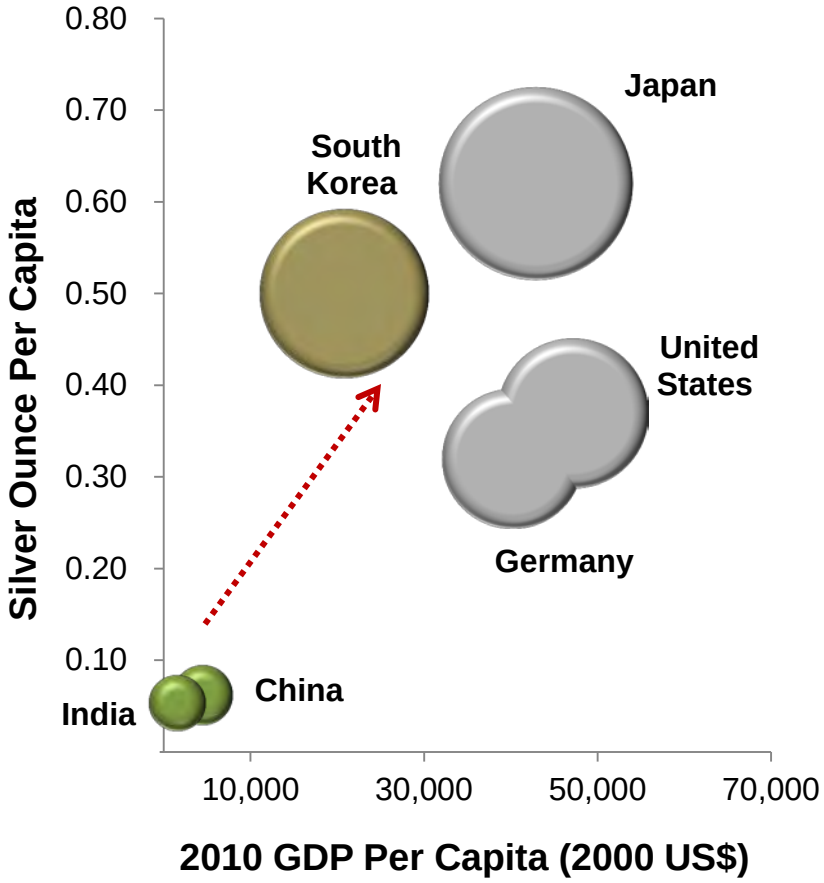
New technologies and innovations have the potential for creating new sources of silver demand such as RFID's

Source – GFMS, The Silver Institute 2012

Silver Consumption per Capita

Increasing Silver Consumption Per Person in China and India





Source – World Bank, GFMS 2011

Size of bubbles indicate relative consumption per person

Silver Price Past Decade

Silver Price 2002-2012

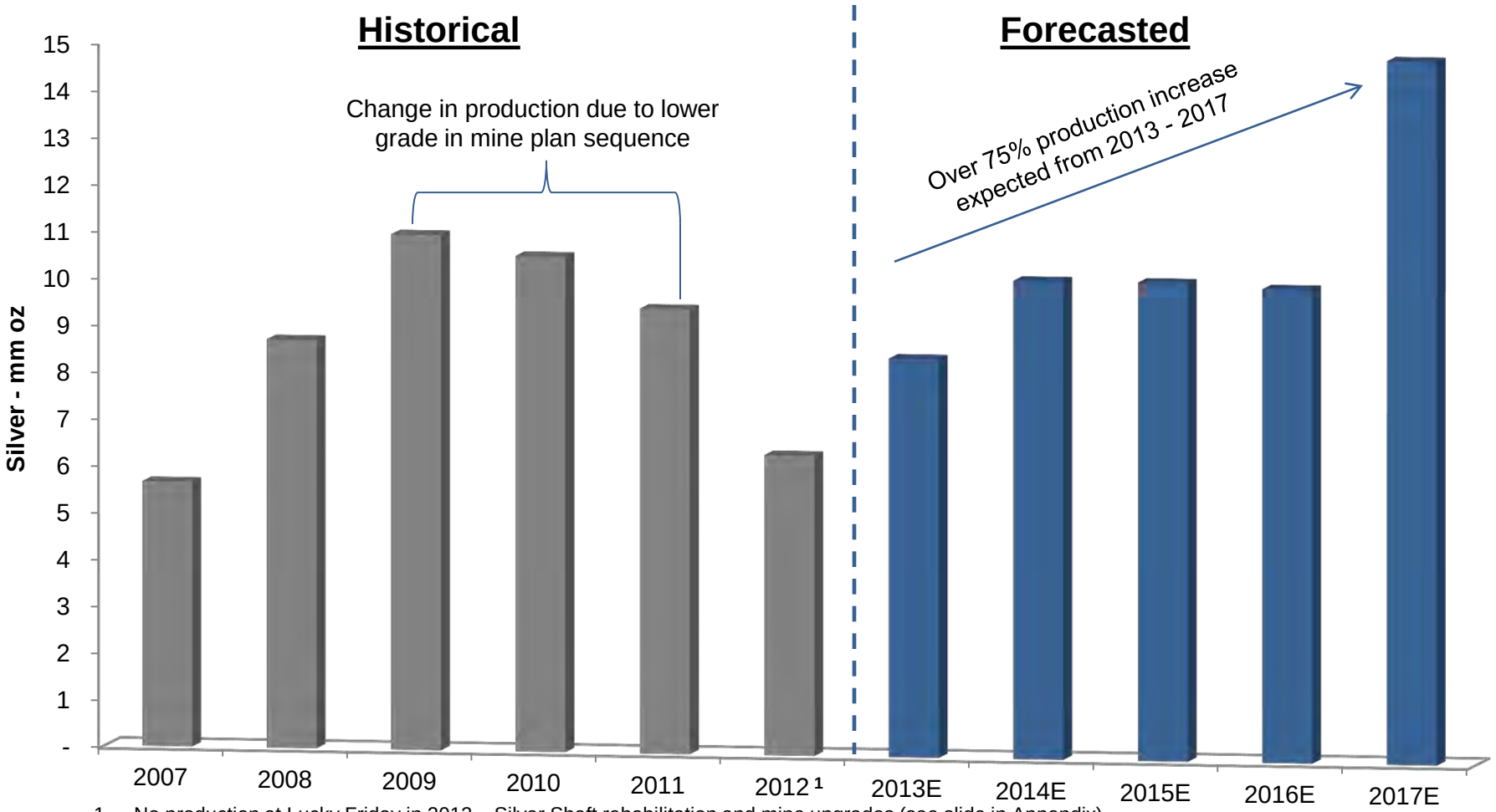


Source: Bloomberg

Outlook

Development Driving Production Growth

Silver Production



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

Growth and Value in Silver – NYSE:HL

- Largest U.S. Primary Silver Producer
- Expected 25% silver growth in 2013 with re-opened Lucky Friday mine
- Among lowest operating cost per ounce of major producers
- Lower risk North American focus
- Strong cash position – no significant debt; revolving credit facility
- Advanced stage exploration and pre-development projects
- Dividend policy further leverages strong silver market





Appendix

Hecla MINING COMPANY

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. 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.

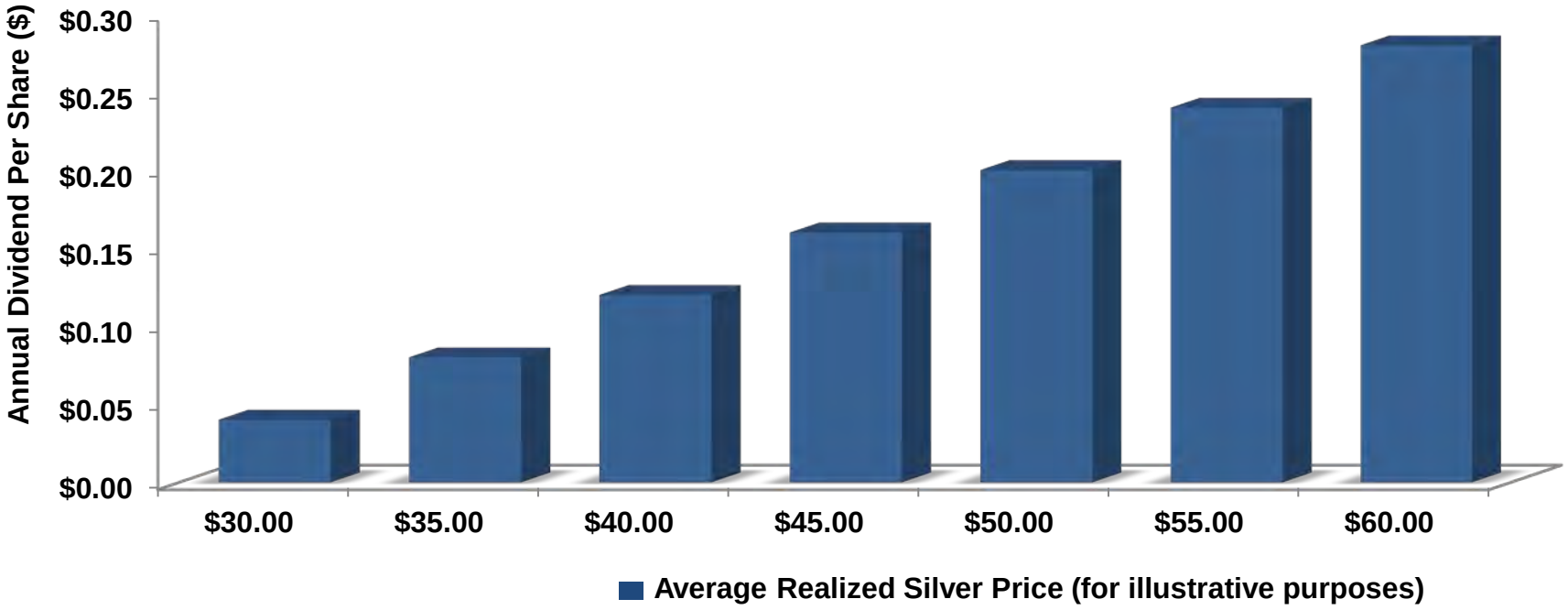
Capital Structure & Financial Position

Share Price	$5.45[1]
Market Capitalization	$1.6 billion
Shares Outstanding	285 million[1]
Analyst Coverage	9
3-month Weighted Average Daily Volume	2.82 million[1]
Cash & Cash Equivalents	$191 million[2]
Revolving Credit Agreement (Undrawn)	$150 million
Debt	None
Total Liquidity	$341 million
Dividend	$0.0125 per common share[3]
Base Metal Hedging	35-50% hedged >$1/lb over next 24 months

1. As of February 13, 2013
2. As of December 31, 2012
3. Dividend declared on February 22, 2013 consists of $0.01 special dividend, plus $0.0025 regular quarterly common stock dividend.

Dividend Policy

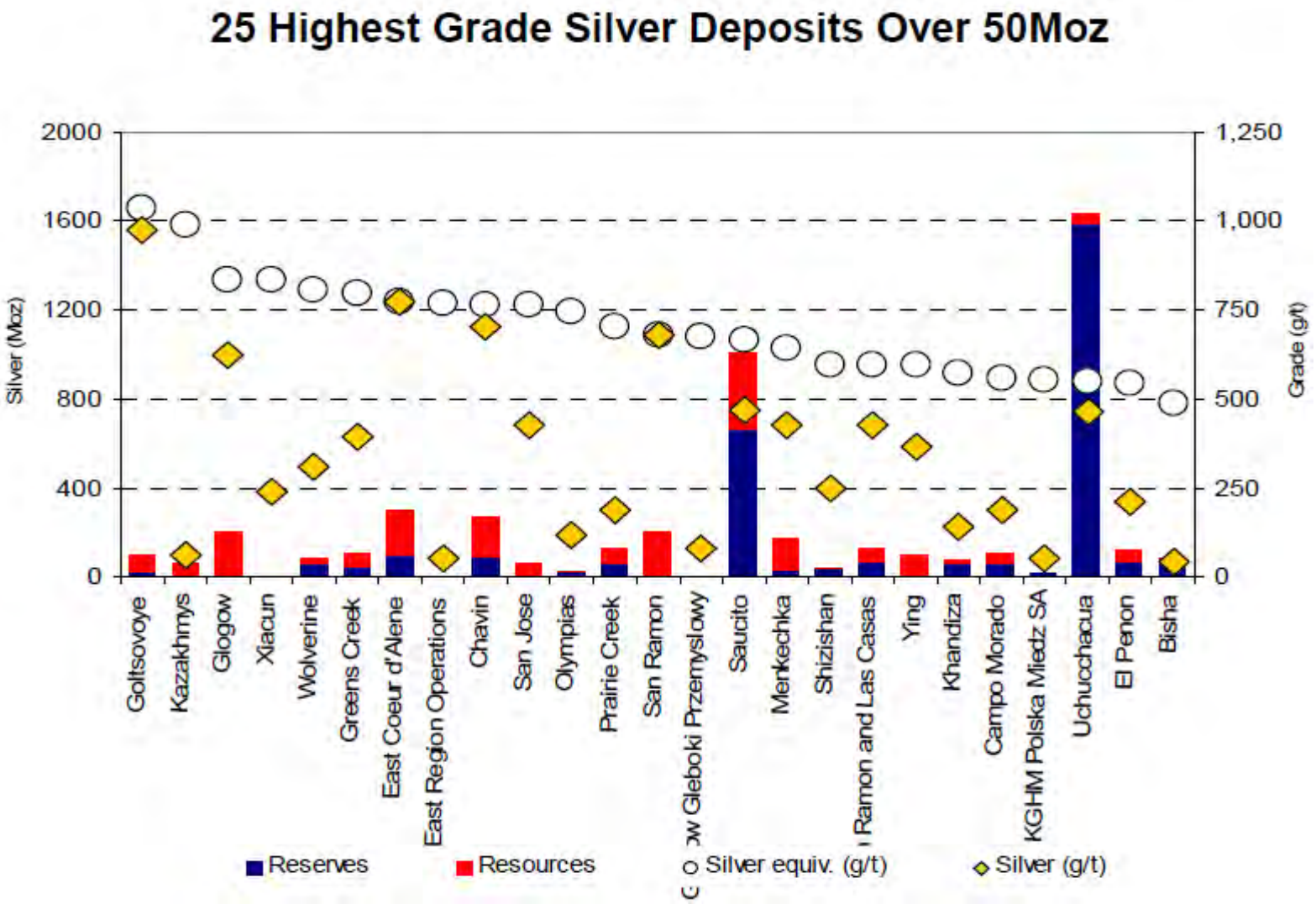
- Silver-linked dividend policy commenced in Q3/11
- Minimum annual dividend of $0.01 per share paid quarterly (when declared)



Notes:

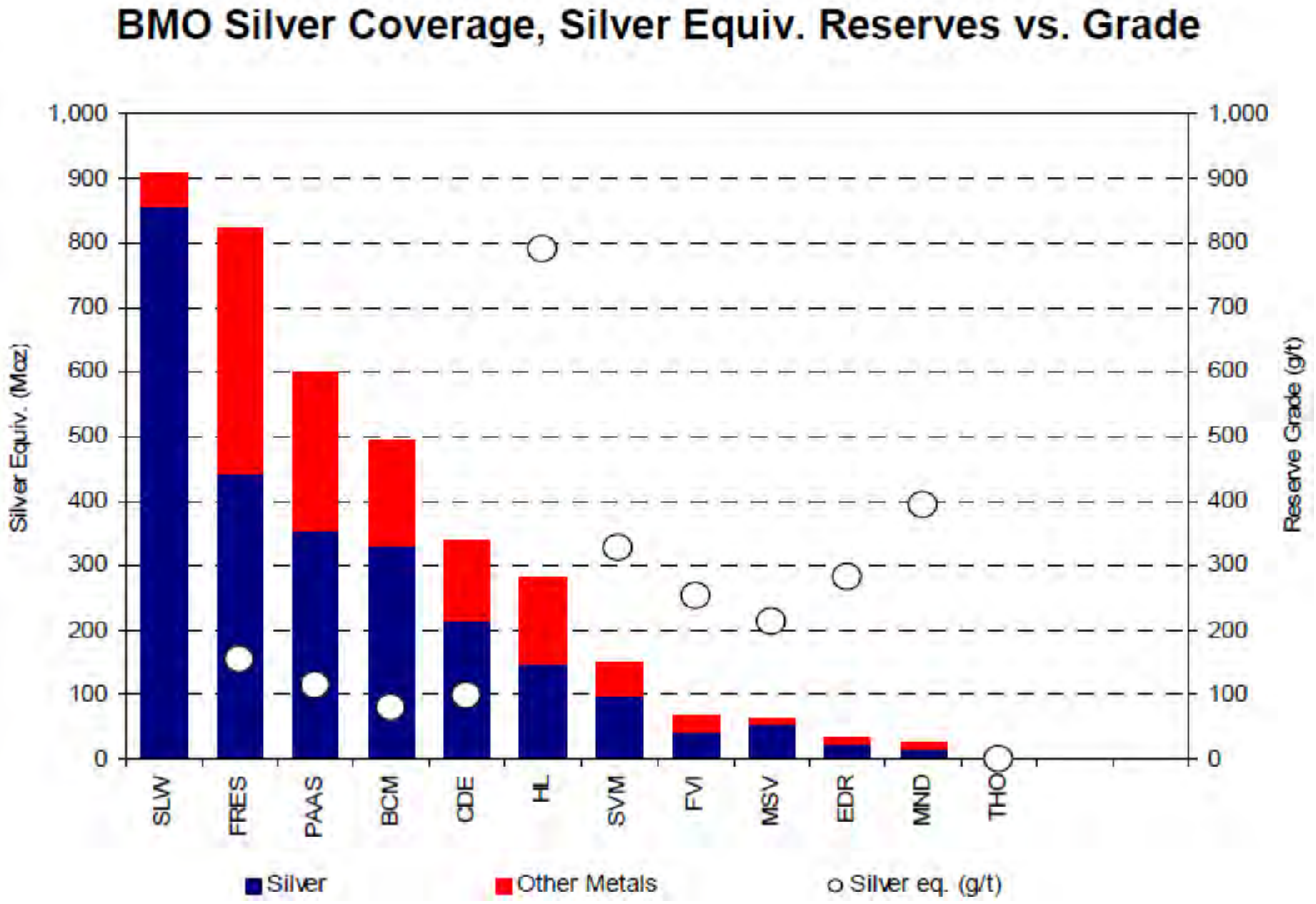
1. The declaration and payment of dividends remains at the sole discretion of the Board of Directors and will depend on Hecla's financial results, cash requirements, future prospects and other factors deemed relevant by the Board. Investors are cautioned that this decision is not a guarantee that a dividend will be declared or paid in any particular period in the future.
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.
3. Average realized silver price for Q4 2012 was $29.20.

Silver Space



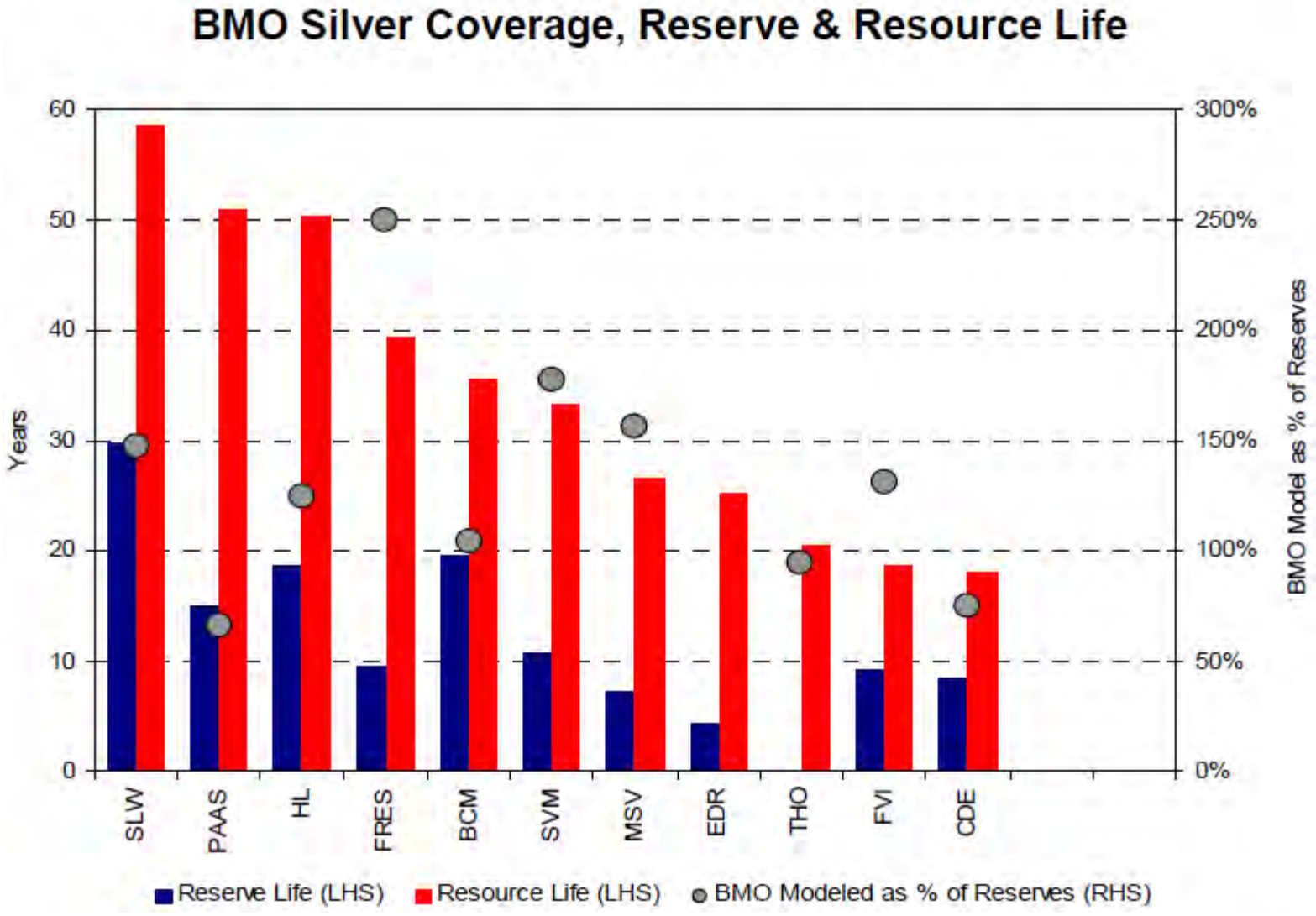
Source: MEG, BMO Capital Markets (02/04/13)

Silver Space



Source: Company Filings, BMO Capital Markets (02/04/13)

Silver Space



Source: Company Filings, BMO Capital Markets (02/04/13)

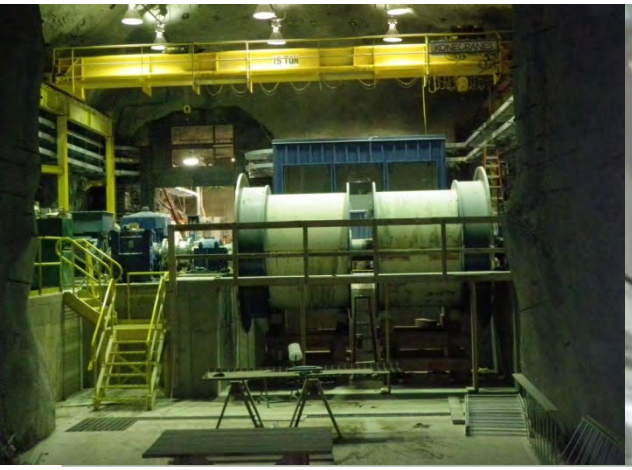
Greens Creek (Alaska) - 2012 Overview

	2012
Proven & Probable Silver Reserves (mm oz)	94.6
Mineralized Material Silver (mm oz)	2.7
Other Resources Silver (mm oz)	43.0
Cash Costs (net of by-products)	$3.45/oz[1]
Silver Grade (oz/t)	11.1
Tons Milled	789,569
Ag Produced (oz)	6,394,235
Au Produced (oz)	55,496
Lead Produced (t)	21,074
Zinc Produced (t)	64,249
Mining & Milling Cost per Ton	$93.37

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Lucky Friday - #4 Shaft

- #4 Shaft construction resumed - focus on shaft sinking & station development activities
- Total project is 40% complete and 80% of major procurements have been ordered or installed
- Total project capital is expected to be approximately $200 million

Hoist Room	Shaft	Sheave Deck
		

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.

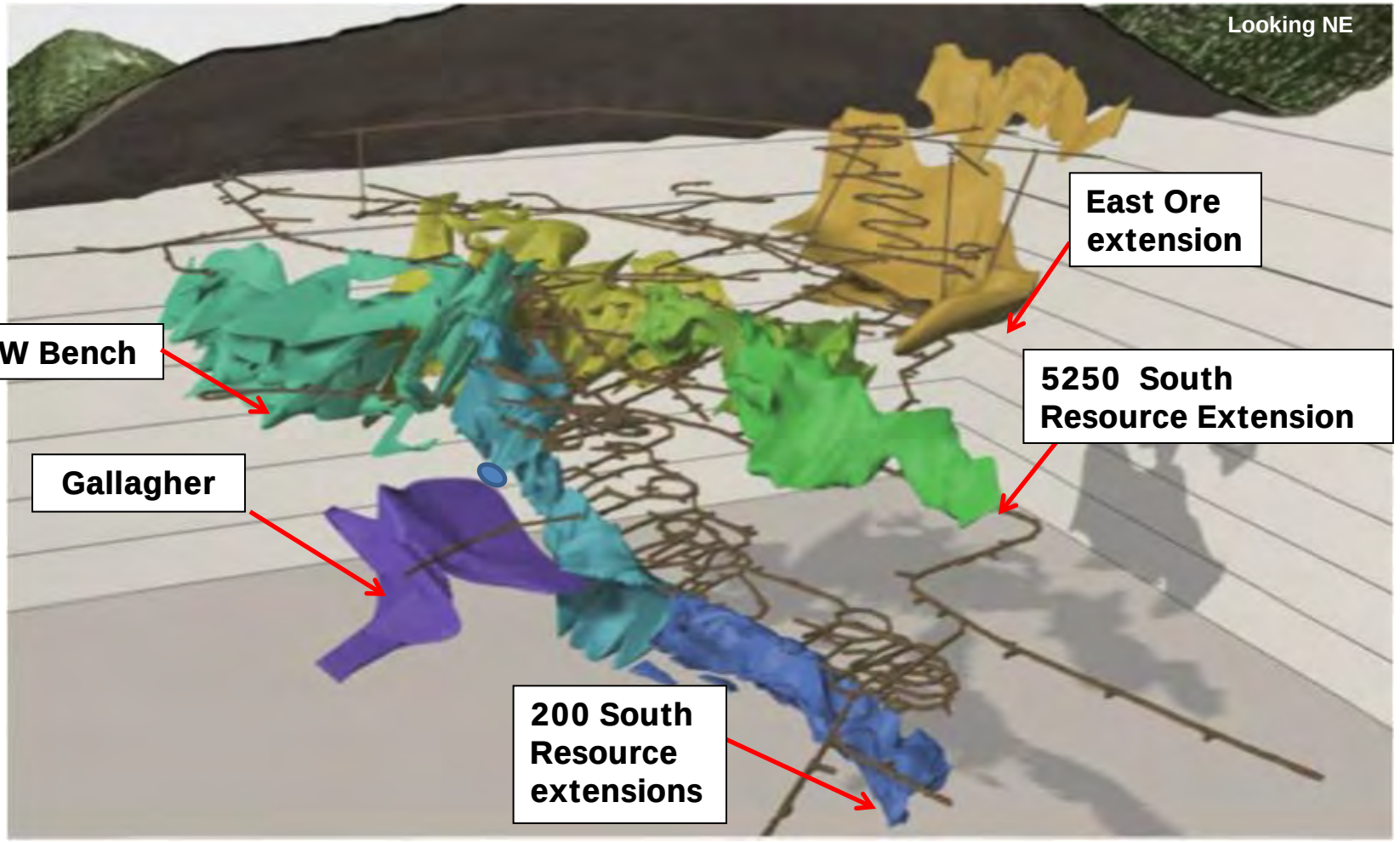
Organic Growth - Greens Creek (Alaska)

- Very large and under-explored 27-square-mile land position
- Over 30 miles of unexplored mine contact (red-trace) with multiple targets
- Surface exploration only resumed in 1999 due to establishment of Land Exchange

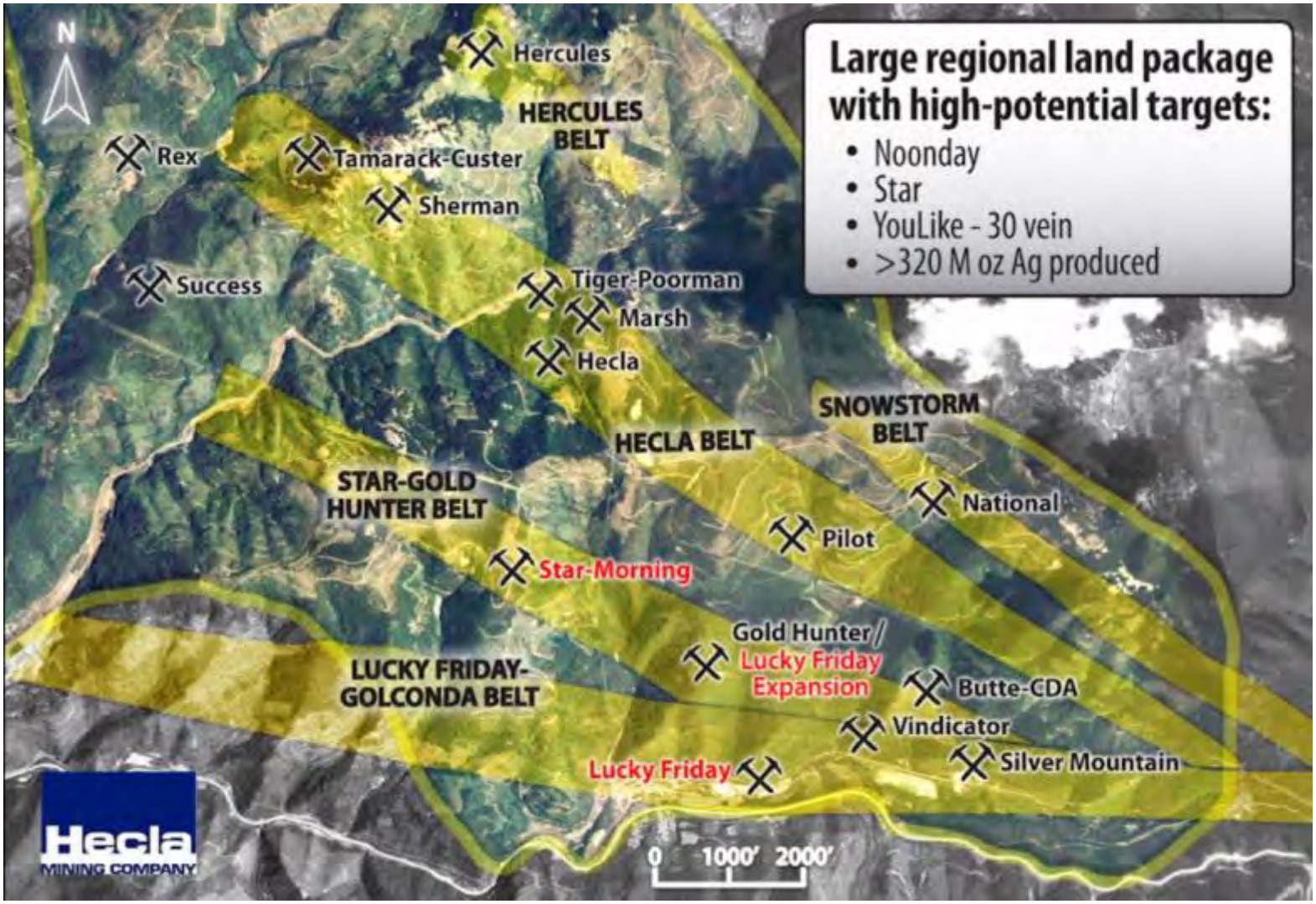


Exploration - Greens Creek (Alaska)

Underground Exploration Targets

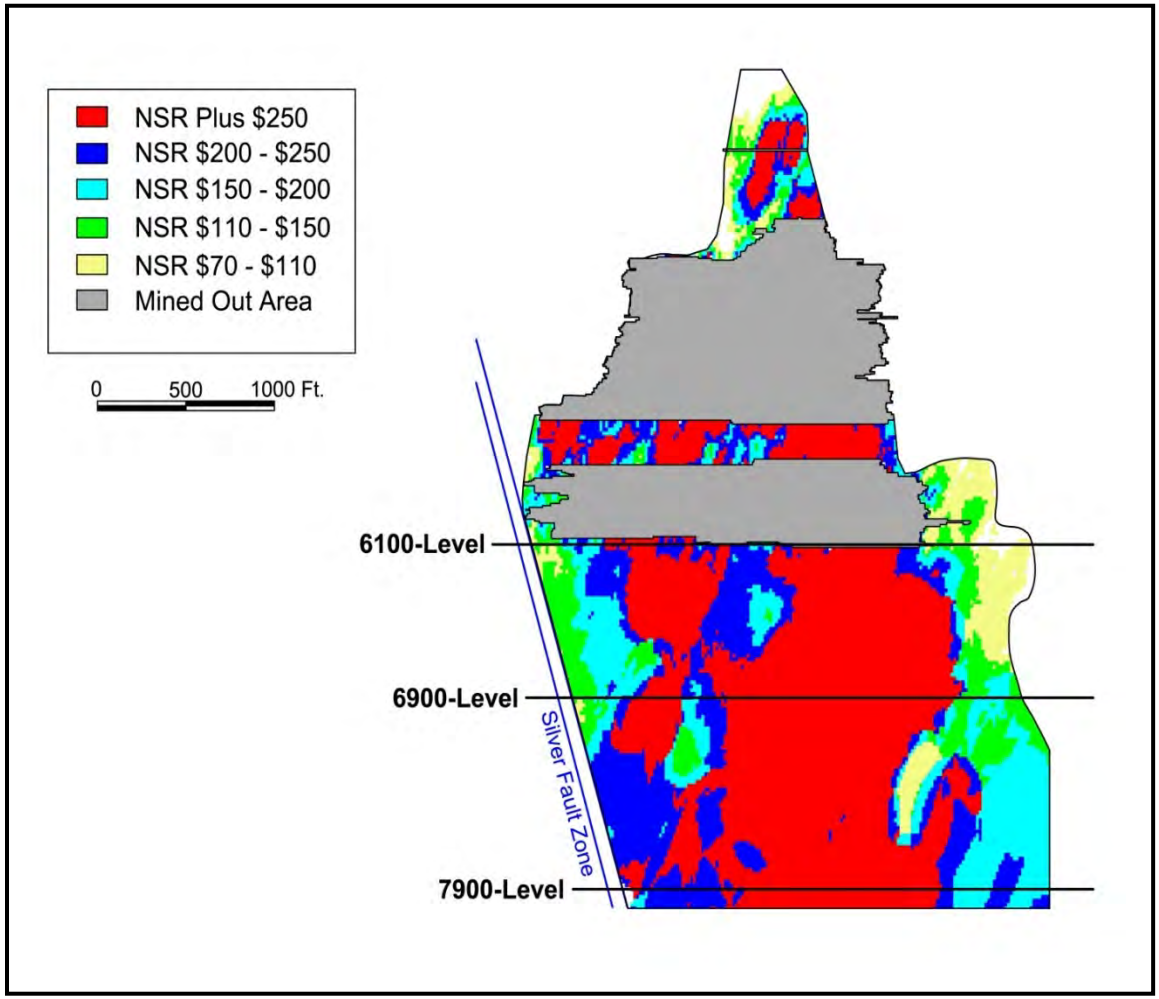


Exploration - Lucky Friday & Silver Valley



Organic Growth - Lucky Friday (Idaho)

Lucky Friday Expansion Area - Increased Grade and Thickness at Depth

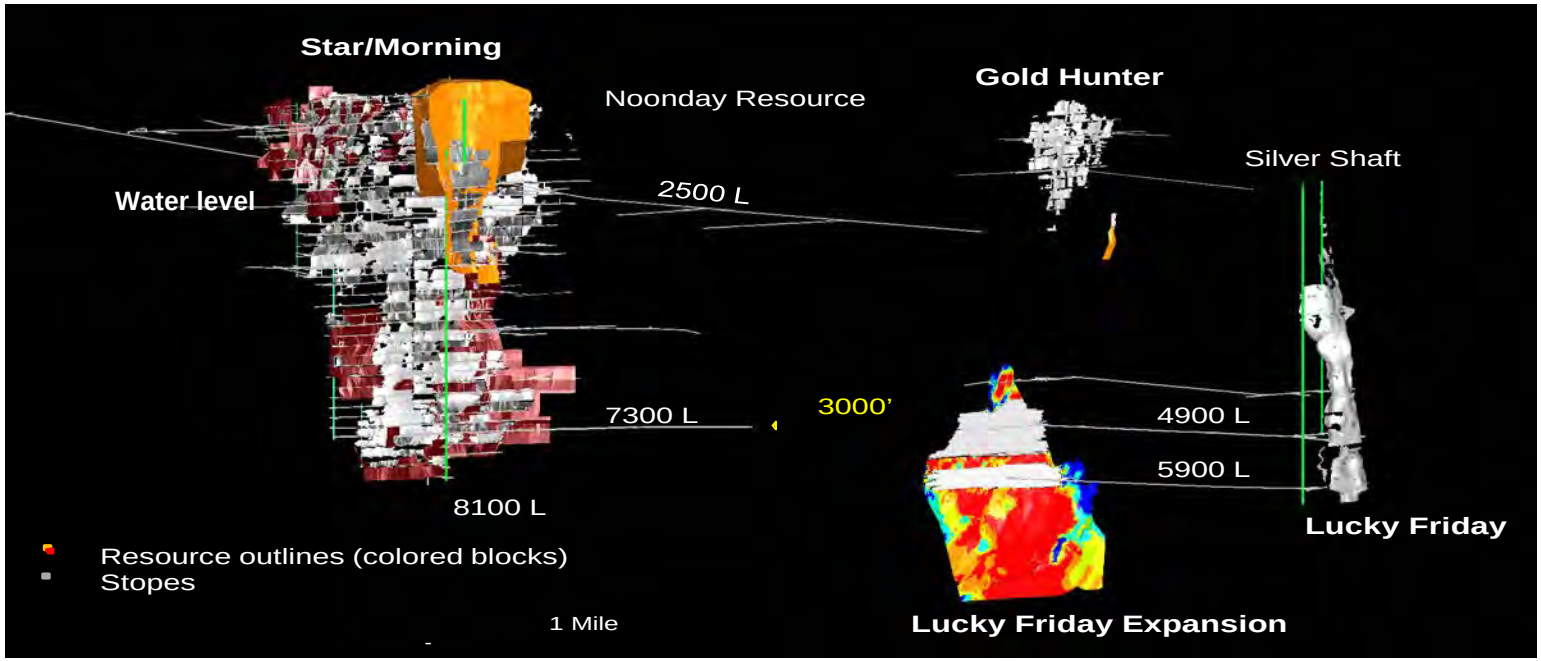


*As of 2010

Organic Growth - Star Pre-development (Idaho)

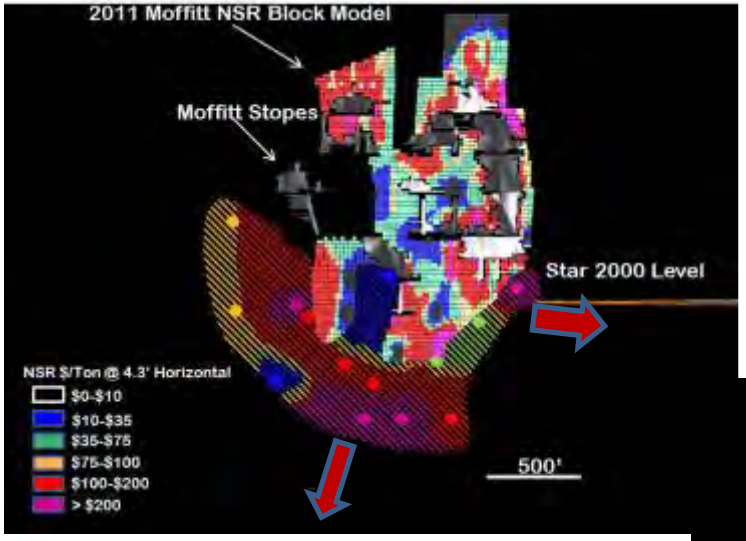
- Hecla has re-opened the Star for definition & exploration drilling
- Portal rehabilitation and ventilation adit have been successfully completed
- A Preliminary Economic Assessment (PEA) of the “Upper Country” Star mine complex is under review
- A mine dewatering study is also under way

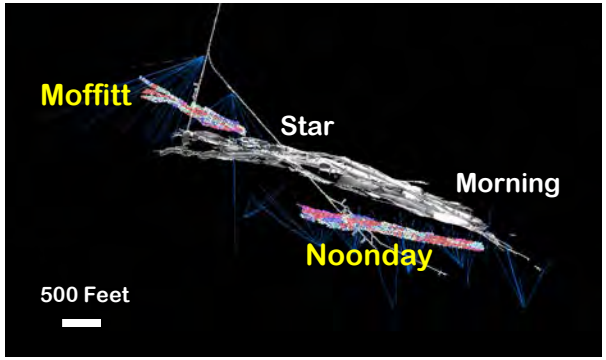
Longitudinal Section Looking North

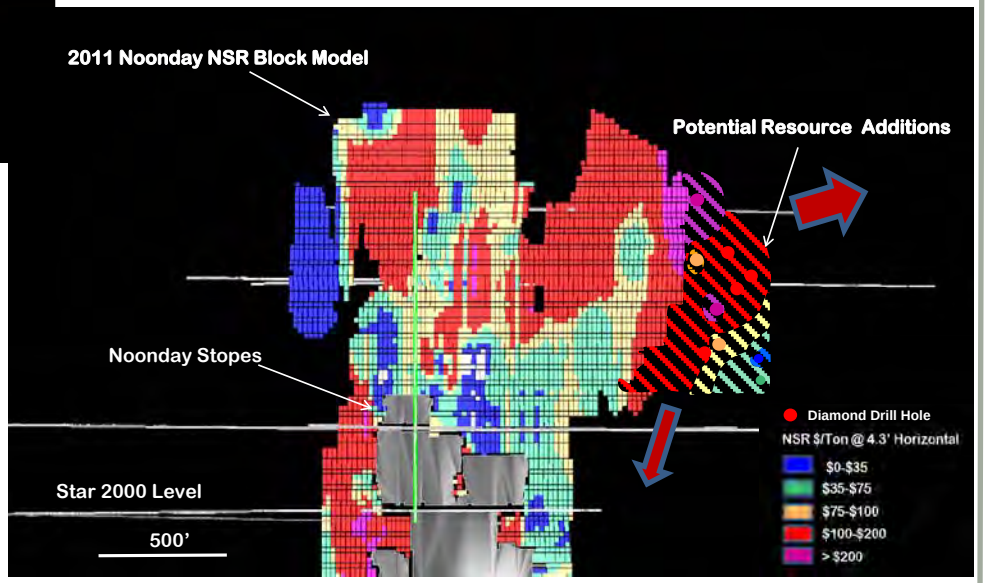


Organic Growth - Star Pre-development (Idaho)

Silver Valley (Star) – Moffitt & Noonday Vein Resource



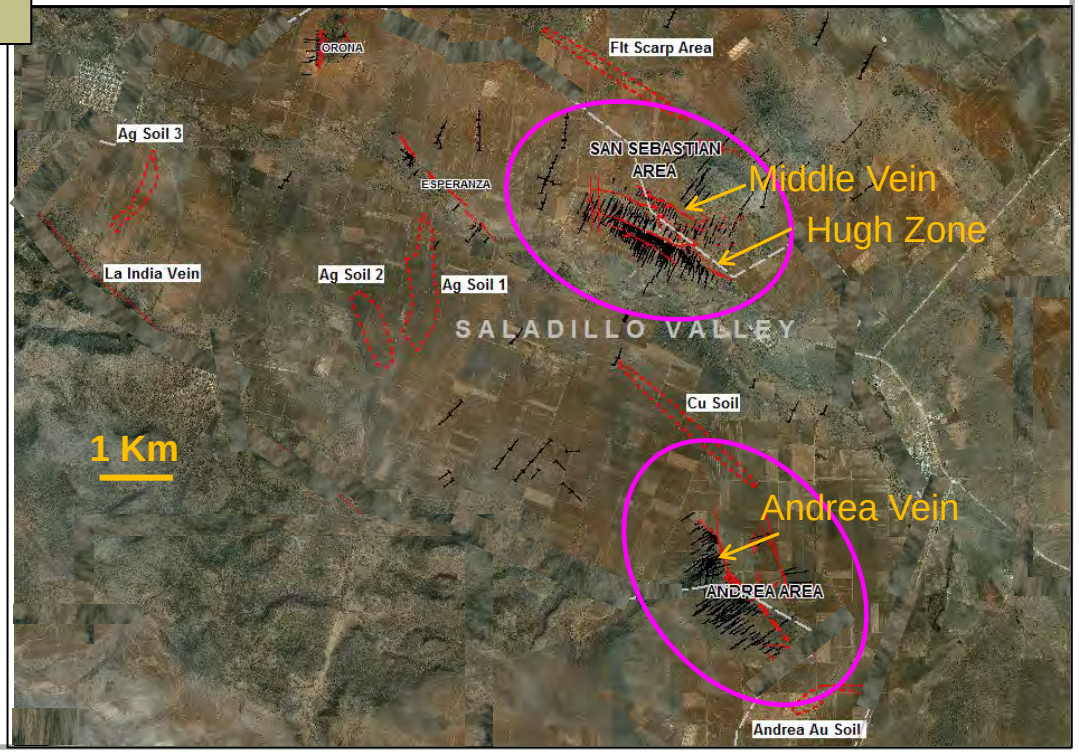




Delivering Growth - San Sebastian (Mexico)

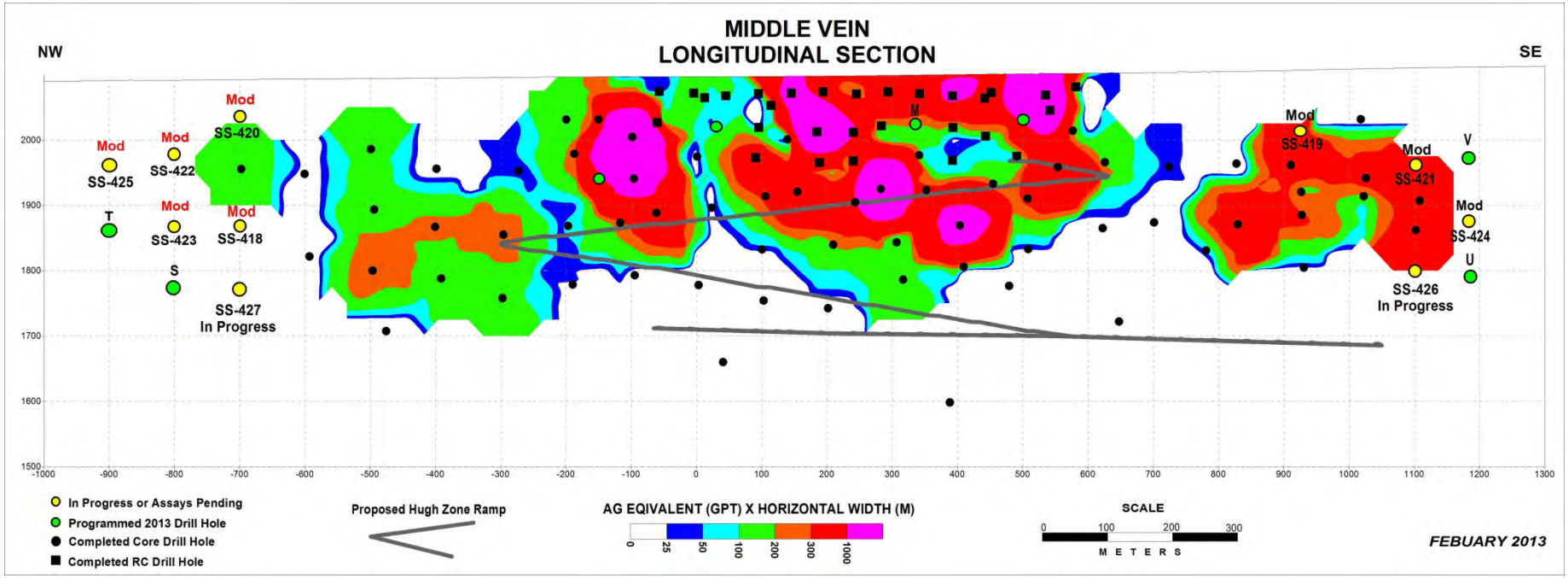


185 Square Mile Land Package



Reserve and Resource Growth - Middle Vein (Mexico)

Longitudinal of Middle Vein

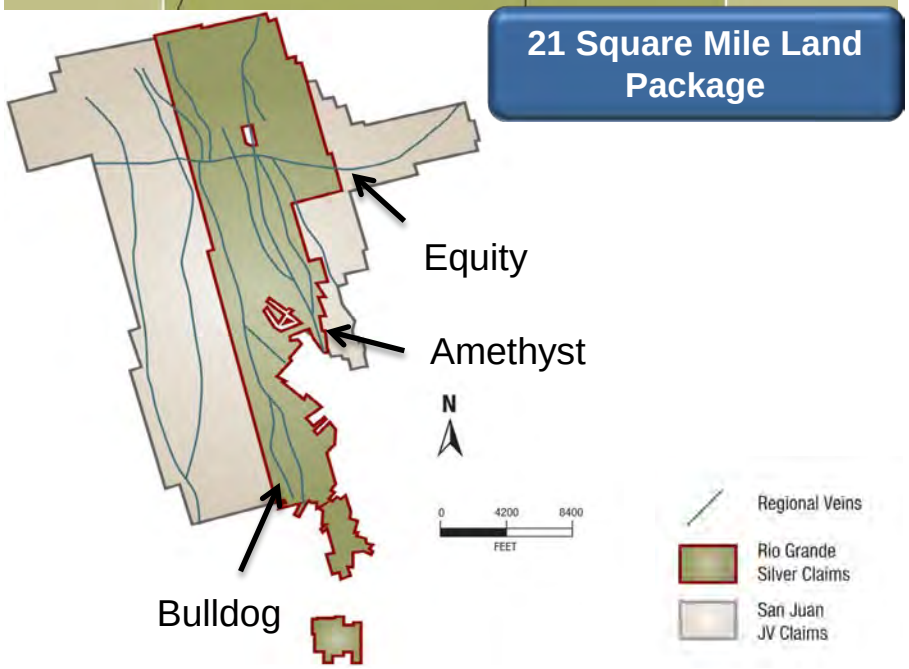


- Middle Vein at San Sebastian defined over 3,000 feet along strike, from surface to over 1,000 feet in depth
- New other resources of 8.8 million silver ounces and 45,000 ounces gold appears open along strike

Organic Growth - San Juan Silver (Colorado)

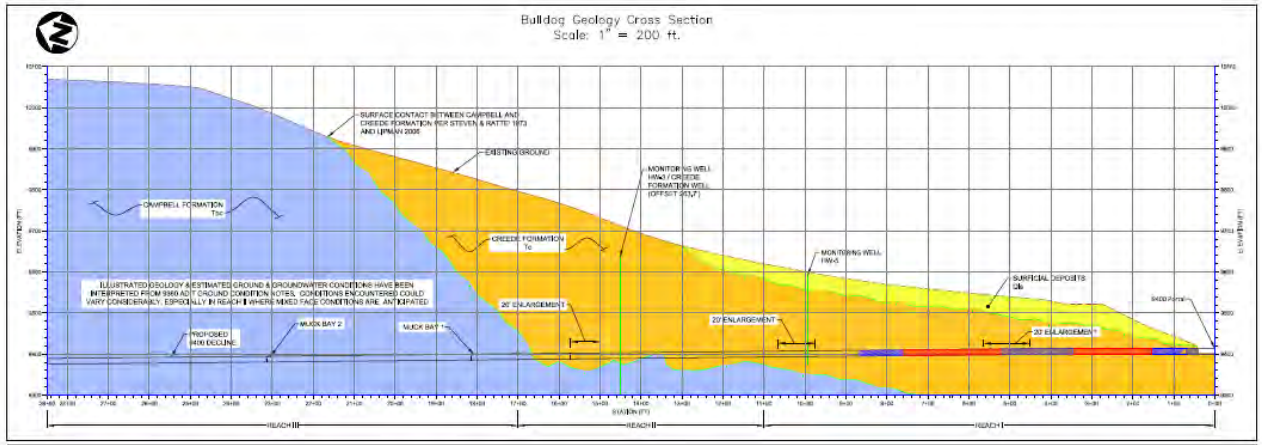
- Historic Bulldog mine produced 25 million ounces of silver before closing in 1985
- Acquired 100% interest in defined mineralization of San Juan Silver property
- 7.6 million ounces silver Mineralized Material
- 33.1 million ounces silver Other Resources
- 2013 Activities:
  - Bulldog decline construction underway
  - Underground drilling at the Equity

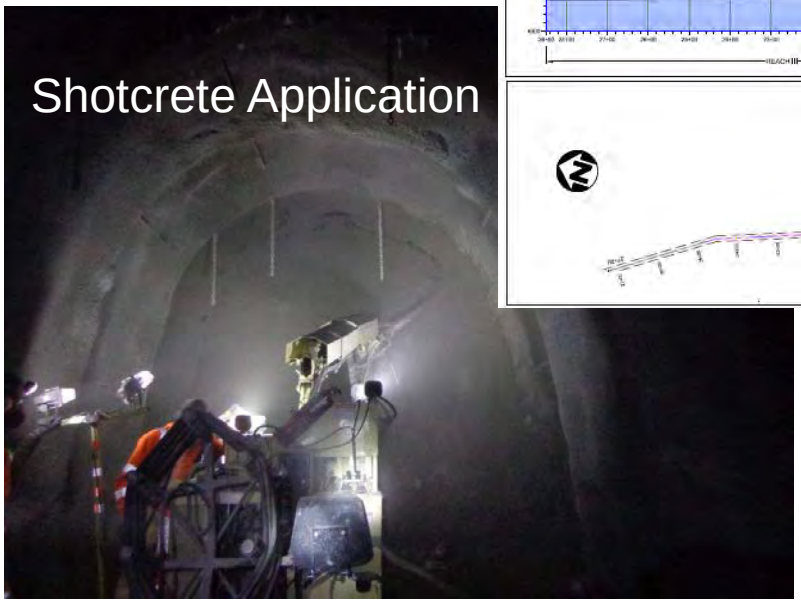




Delivering Growth - San Juan Silver (Colorado)

Advance of the Bulldog Decline





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

Organic Growth - San Juan Silver (Colorado)

Bulldog Development





Organic Growth - San Juan Silver (Colorado)

Bulldog Development



Rock Bolting



Flash Coating

Organic Growth - San Juan Silver (Colorado)

Bulldog Infrastructure



Coeur d'Alene Basin Litigation

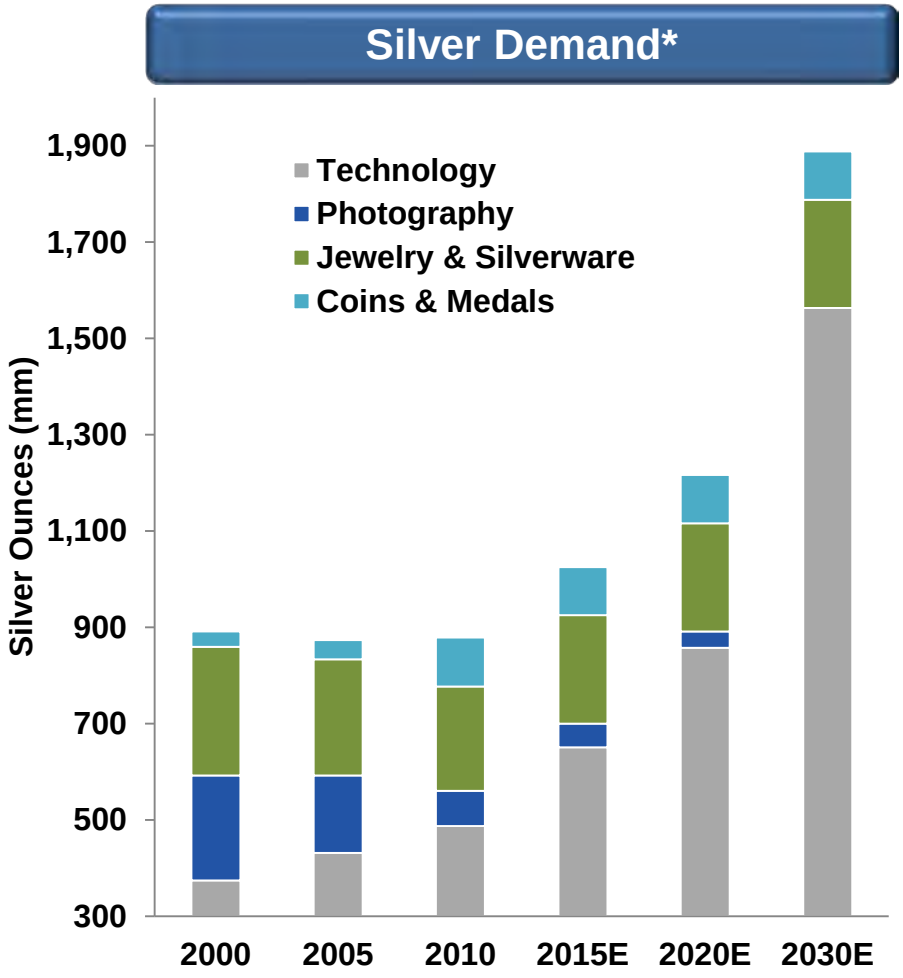
- Court approved consent decree for the Coeur d'Alene River Basin environmental litigation on September 8, 2011
- Settled Hecla Limited's historic environmental liability in the Basin and the remaining obligations in the Box
- Hecla expects to pay $159 mm, net of expected related income tax benefits of $105 million, over a three-year period

Basin Settlement Payment Schedule				
	Payments	**Tax Benefit**	**Existing Warrants**	**Net**
2011	$168[1] mm	$(67) mm		$101 mm
2012	$25[2] mm	$(10) mm		$15 mm
2013	$15 mm	$(6) mm		$9 mm
2014	$56 mm[3]	$(22) mm	$56 mm	$(22) mm
Total	**$264 mm**	**$(105) mm**	**$56 mm**	**$103 mm**

1. Payment made on October 11, 2011
2. Payment made on October 5, 2012
3. Proceeds from the exercise of any outstanding Series 1 and Series 3 warrants (which have an exercise price between $2.41 and $2.52 per share) will be payable as quarterly payments, with the remaining balance, if any, due in August 2014. Approximate total value of $56 mm.

Strong Silver Market Fundamentals

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

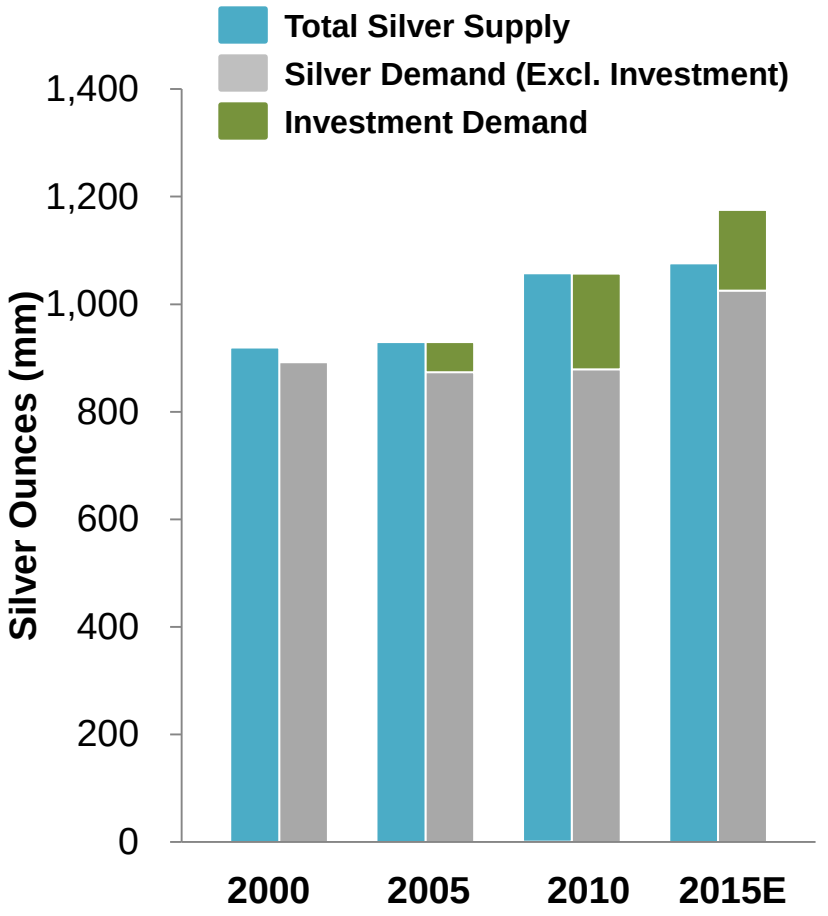


*Source GFMS – Hecla, does not include investment/ETF demand

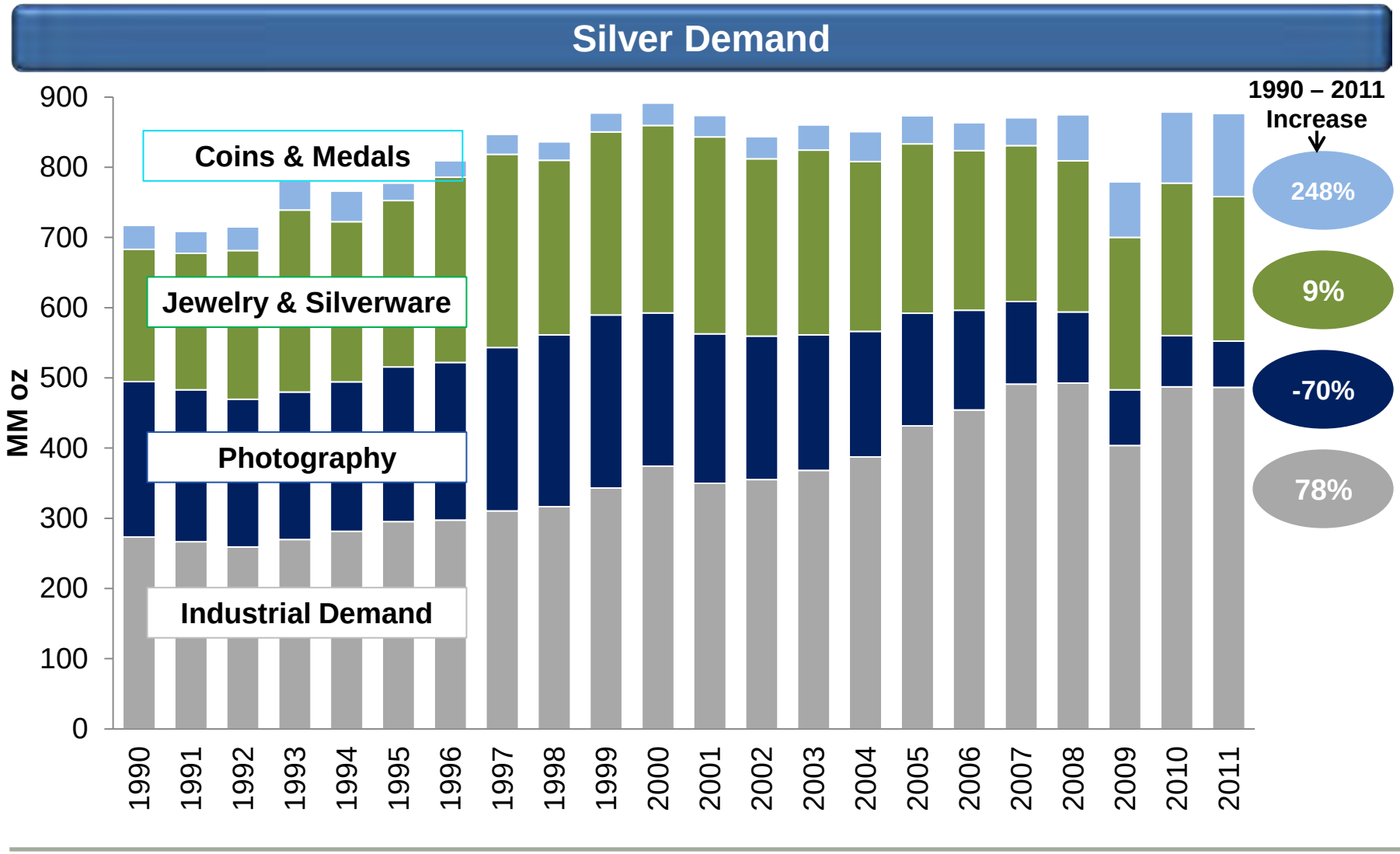
Supply & Demand Conclusions

- Present silver supply is approximately 950 mm oz and should increase by 90 mm oz to 1.05 bn oz by 2015
- Silver demand of 1.06 bn oz today is expected grow to approximately 1.18 bn oz by 2015
- Maximum mine production achieved in 2014-15; no anticipated large scale projects in pipeline
- Growing modern demand in Asia could result in a shortage of supply

Silver Supply and Demand



Silver Demand

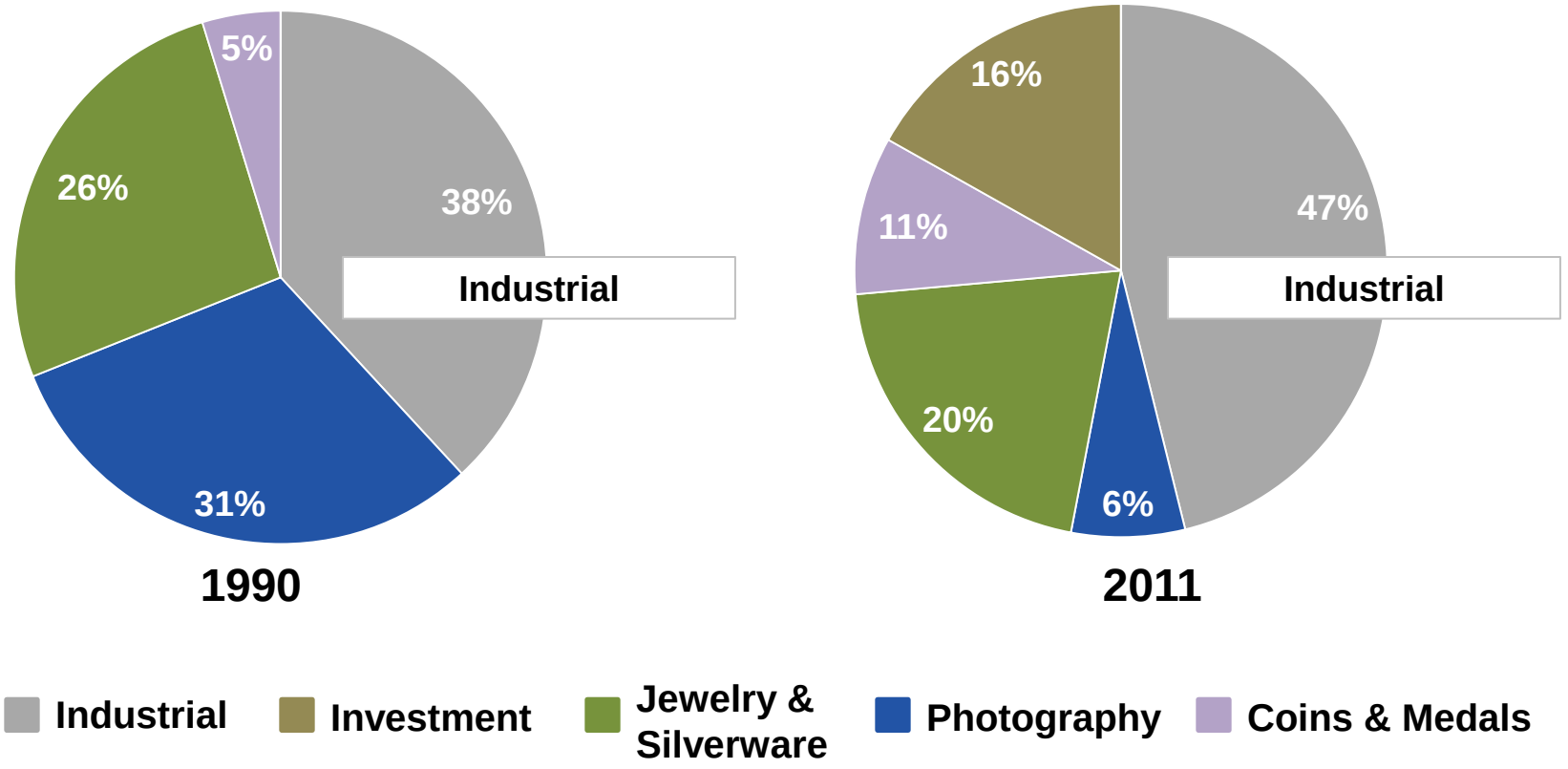


 Source - GFMS

Silver Demand

Increasing Share of Industrial Demand

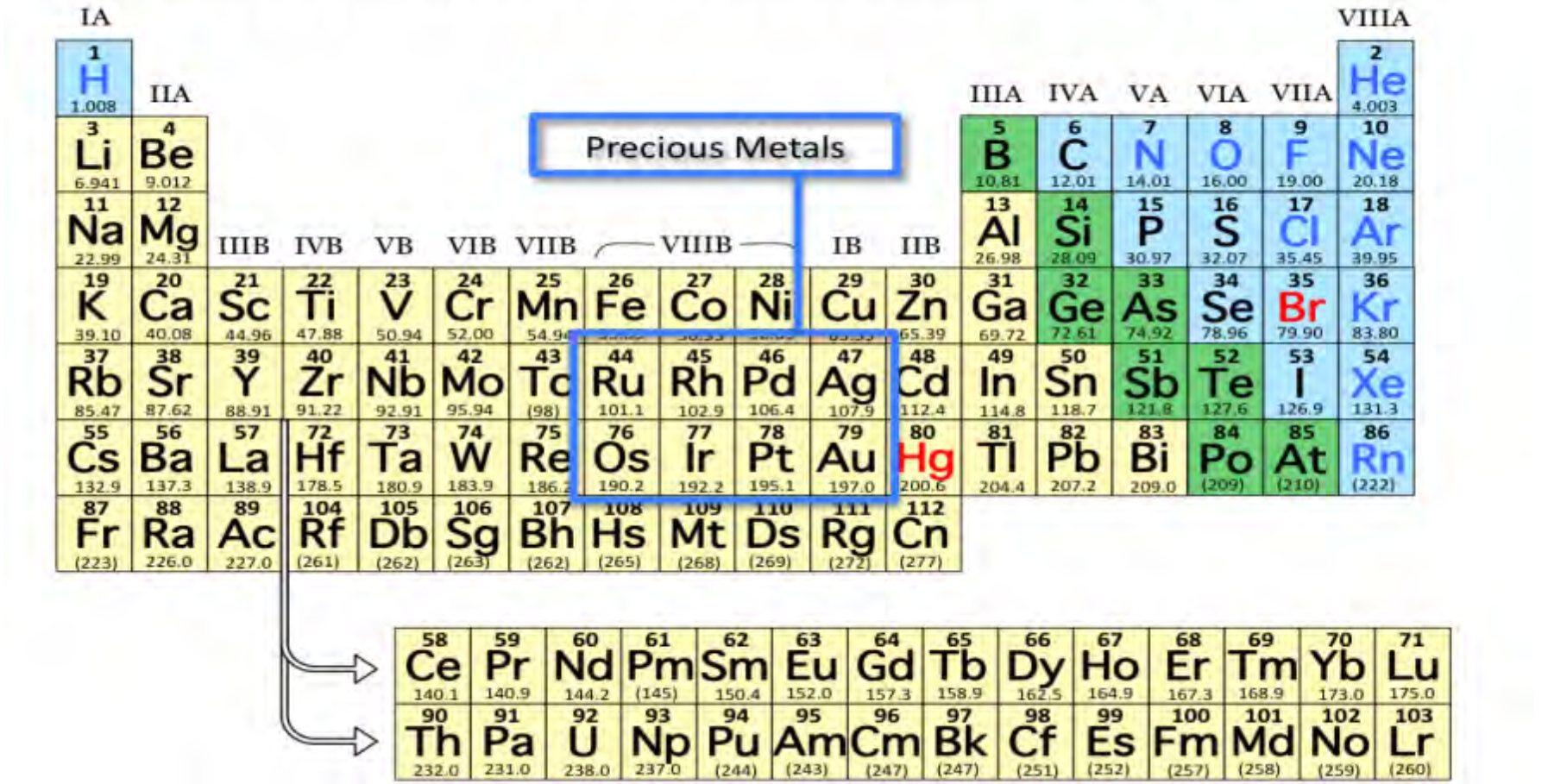
- Industrial demand increased from 274 mm oz in 1990 to 487 mm oz in 2011, an increase of 78%, and an annualized increase of 3.5%



Source - GFMS

Properties of Silver

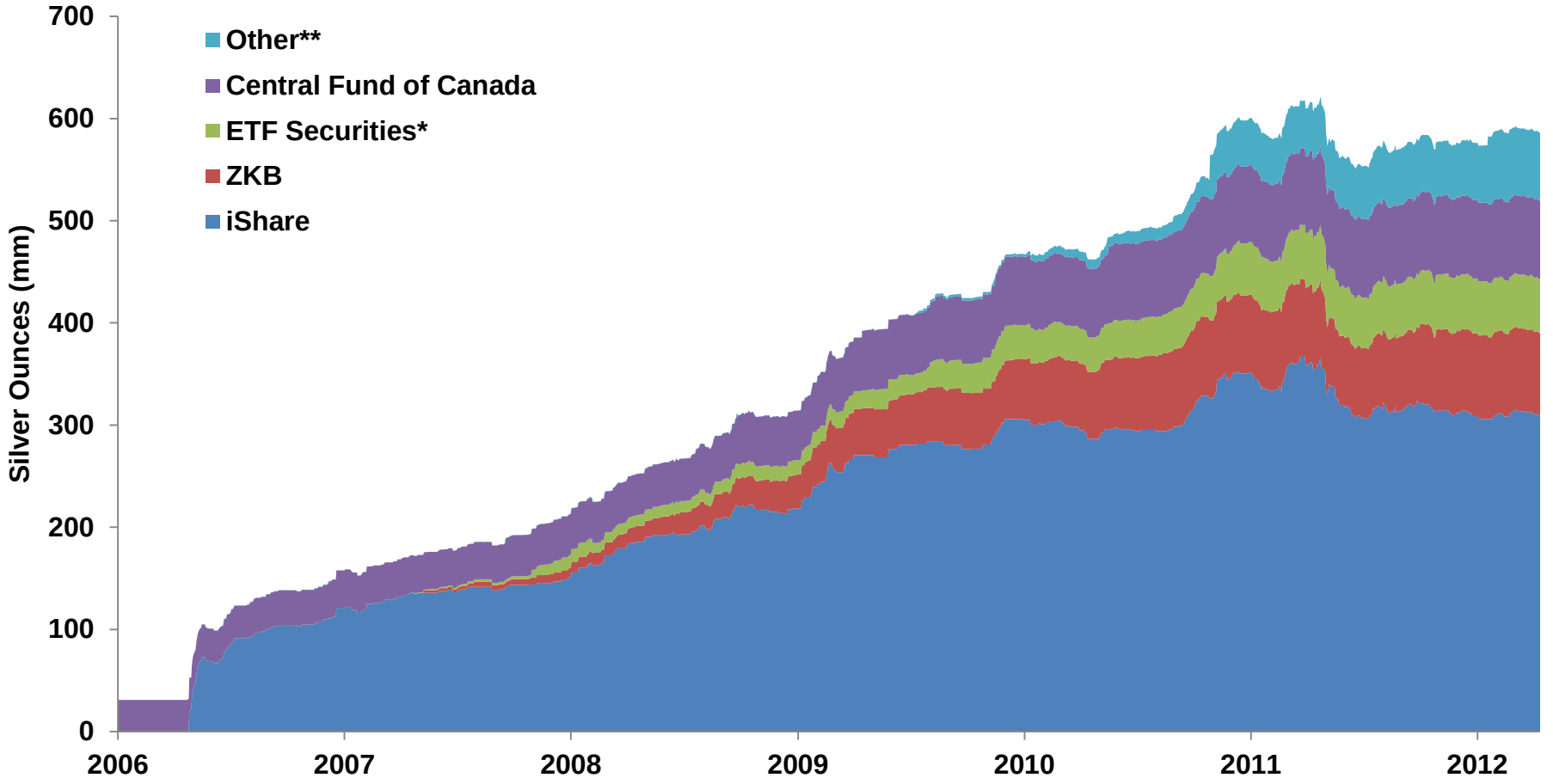
A Precious Metal…A Currency…A Lifestyle Metal



Source – Clear Science 2010

ETFs Demonstrate Strong Investment Demand

Silver ETF Holdings



*Includes ETFs London, Australia, NYSE, Glitter and WITE ** Includes Julius Baer, Mitsubishi, Sprott, Claymore, Central Fund of Canada, Silver Bullion Trust, DB Physical Silver, iShare ETC, Source: Thomson Reuters GFMS