



Growing Production and Reserves in Mining-Friendly Jurisdictions

January 2014

Hecla MINING COMPANY

Cautionary Statements

Cautionary Note Regarding Forward Looking Statements

Statements made which are not historical facts, such as strategies, plans, production, 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 and “forward looking information” under Canadian securities laws. 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 risk 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,” “measured resources,” “indicated resources,” and “inferred resources” that are recognized by Canadian regulations, but that SEC guidelines generally prohibit U.S. registered companies from including in their filings with the SEC, except in certain circumstances. U.S. investors are urged to consider closely the disclosure in our most recent 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.

Qualified Person (QP) Pursuant to Canadian National Instrument 43-101

Dean McDonald, P.Geo., Vice President - Exploration of Hecla Mining Company, who serves as a Qualified Person under National Instrument 43-101, supervised the preparation of the scientific and technical information concerning Hecla’s mineral projects in this presentation. Information regarding data verification, surveys and investigations, quality assurance program and quality control measures and a summary of analytical or testing procedures for the Greens Creek Mine are contained in a technical report titled “Technical Report for the Greens Creek Mine” dated March 28, 2013, for the Lucky Friday Mine are contained in a technical report titled “Technical Report for the Lucky Friday Mine Shoshone County, Idaho, USA” dated March 28, 2013, for Casa Berardi are contained in a technical report titled "Technical Report on the mineral resource and mineral reserve estimate for Casa Berardi Mine, Northwestern Quebec, Canada" dated March 28, 2013 and in a technical report titled "Feasibility Study of the Hosco deposit - Joanna Gold project" dated June 5, 2012. Also included in these four technical reports is a description of the key assumptions, parameters and methods used to estimate mineral reserves and resources and a general discussion of the extent to which the estimates may be affected by any known environmental, permitting, legal, title, taxation, socio-political, marketing or other relevant factors. Copies of these technical reports are available under Hecla and Aurizon's profiles on SEDAR at www.sedar.com.

Cautionary Note Regarding Non-GAAP measures

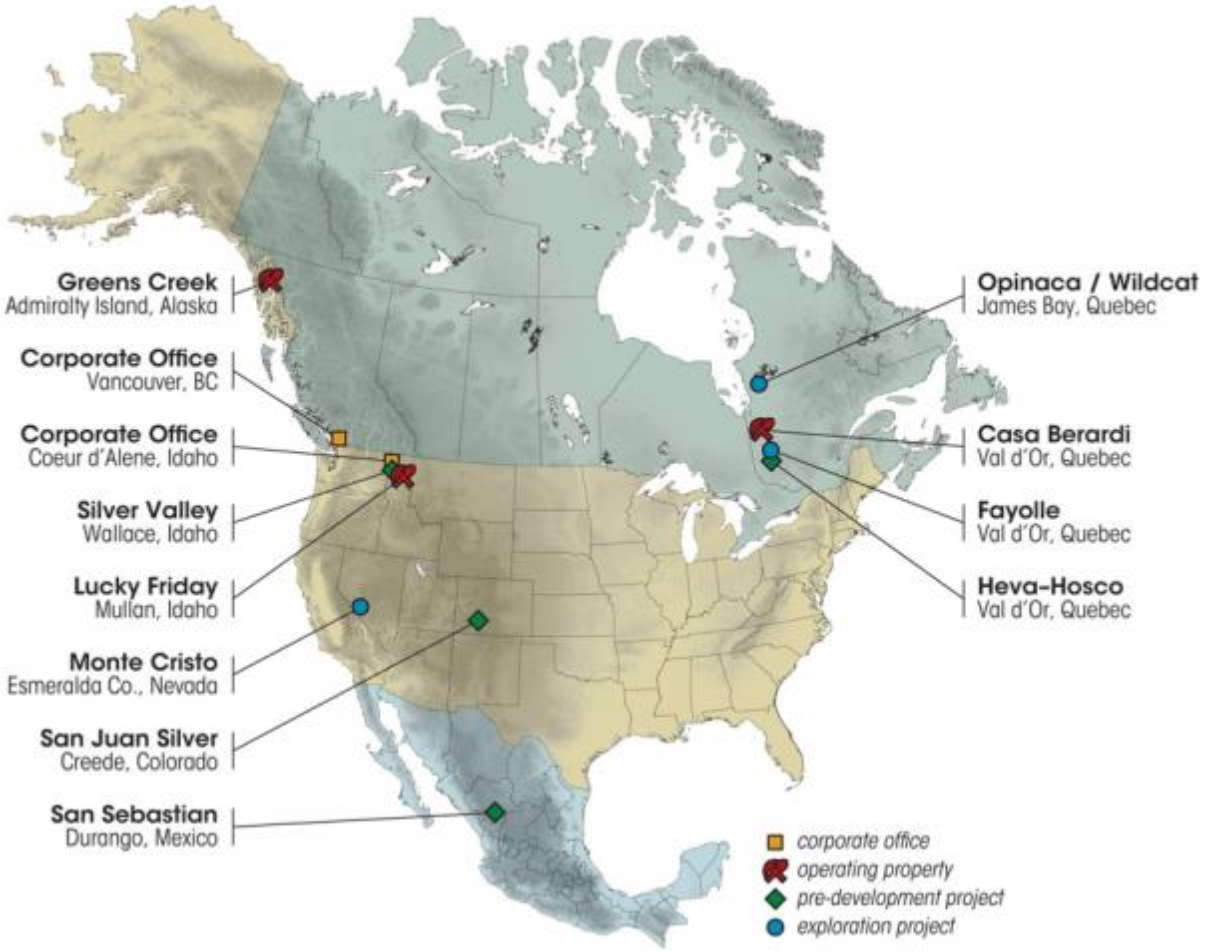
Total cash cost per ounce of silver and gold, net of by-product credits, adjusted EBITDA and earnings before adjustments represent non-U.S. Generally Accepted Accounting Principles (GAAP) measurement. A reconciliation of each of these non-GAAP measures to GAAP measures can be found in the Appendix.

A New Hecla

- Long Life Assets, Strong Reserve Growth
- Low Cost, High Margins
- Growing Silver and Gold Production
- Mining-Friendly Jurisdictions

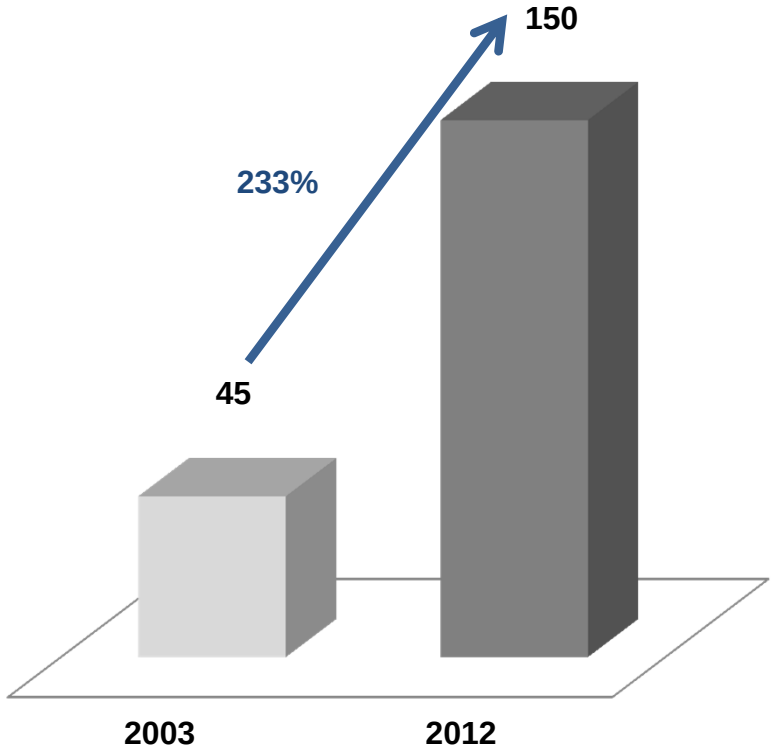
North American Focused Asset Portfolio

All operations in lower-risk, mining-friendly jurisdictions

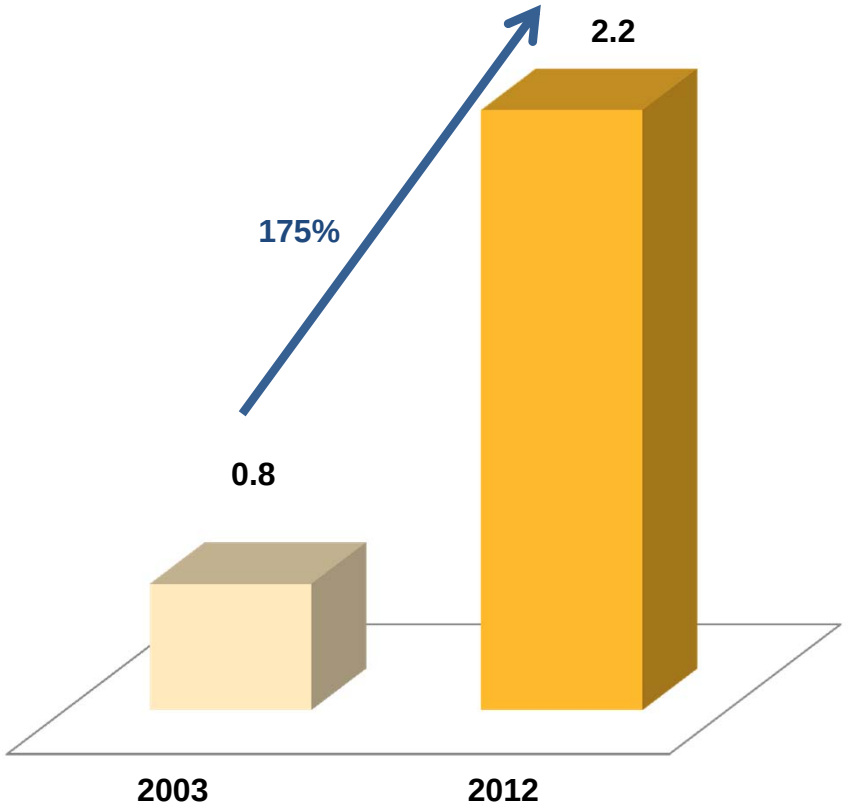


Strong Reserve Growth 2003[1] - 2012

Silver ounces (millions)

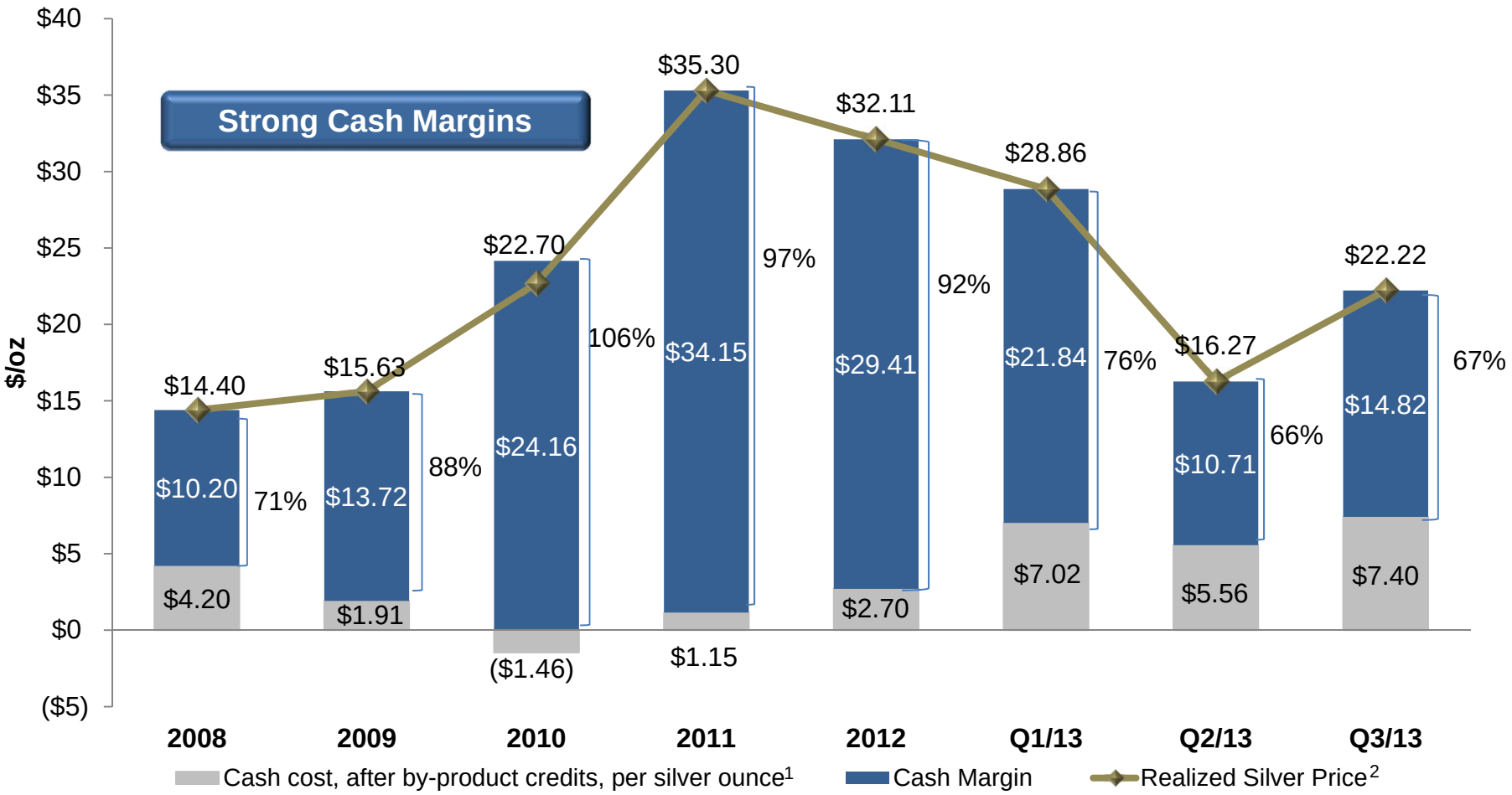


Gold ounces (millions)[2]



1. See Proven and Probable reserves data in the Appendix.
2. Includes Casa Berardi's reserves for 2012.

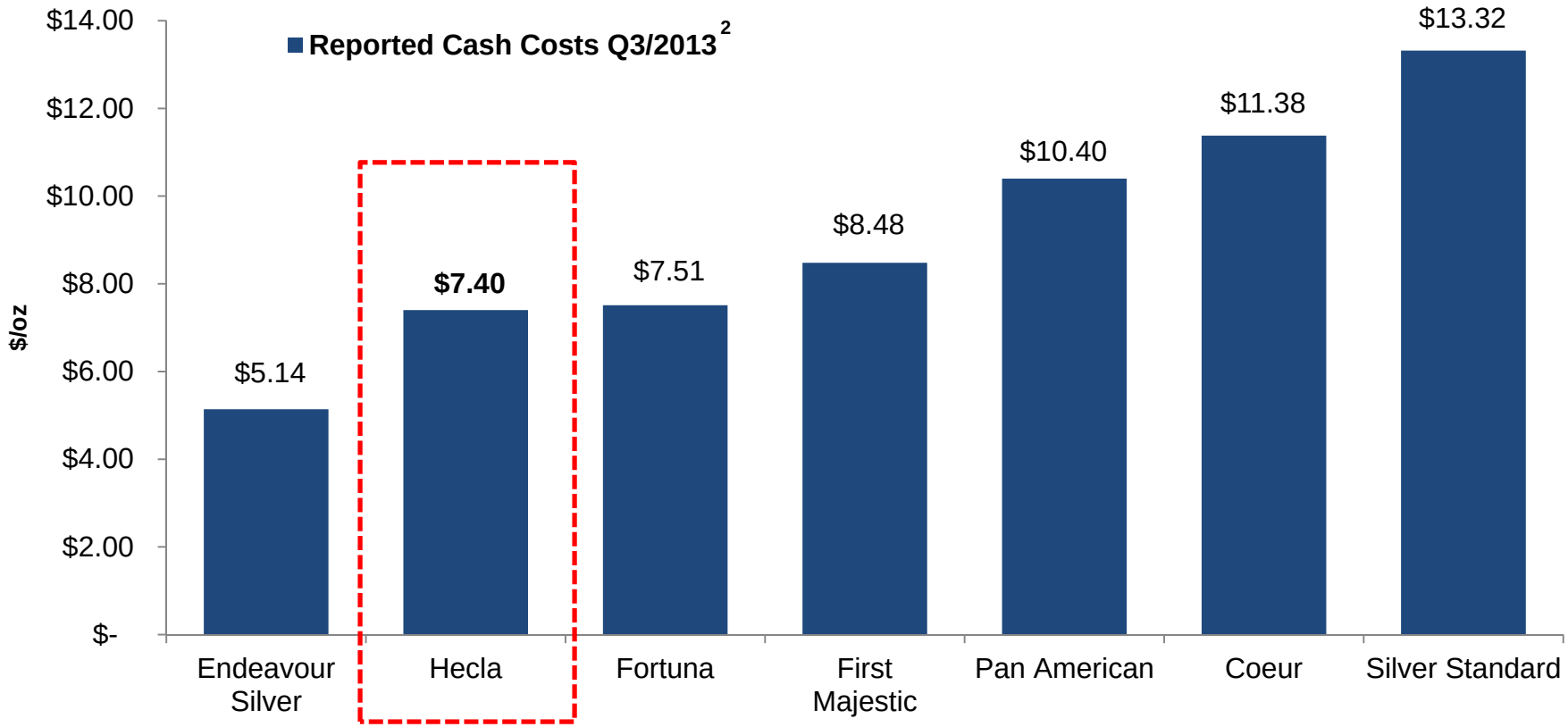
Q3 2013 - Continued Strong Margins



1. Cash cost, after by-product credits, per silver ounce represents a non-U.S. Generally Accepted Accounting Principles (GAAP) measurement. A reconciliation of which to cost of sales and other direct production costs and depreciation, depletion and amortization, the most comparable GAAP measures, 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 2013 - Peer Cash Cost Comparison

Hecla anticipates 2013 cash costs to be $6.50/oz silver[1]

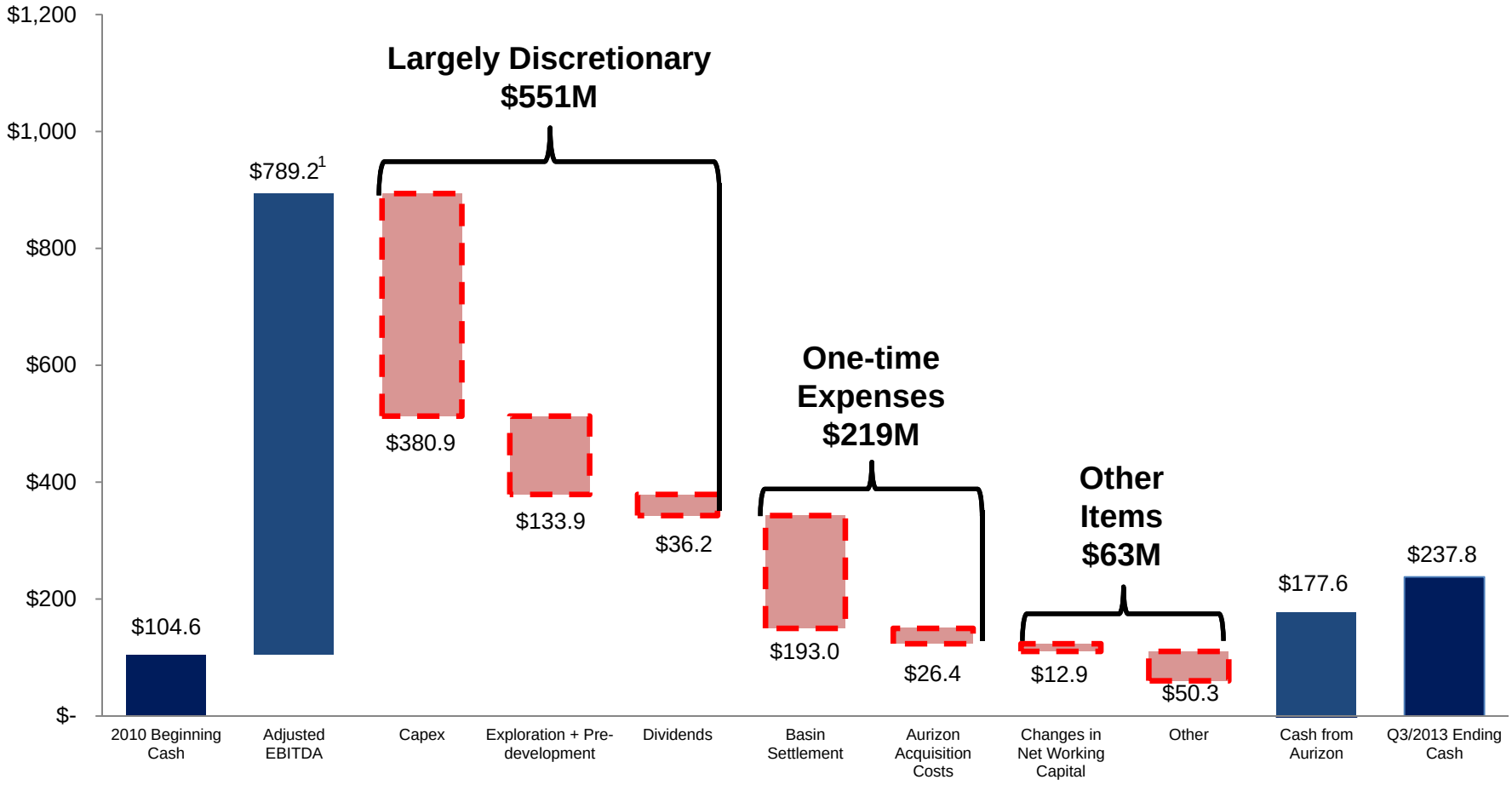


1. Cash cost, after by-product credits, per silver ounce represents a non-U.S. Generally Accepted Accounting Principles (GAAP) measurement. A reconciliation of which to cost of sales and other direct production costs and depreciation, depletion and amortization, the most comparable GAAP measures, can be found in the Appendix.
2. From public quarterly reports

2010 - Q3 2013 Cash Flow Flexibility

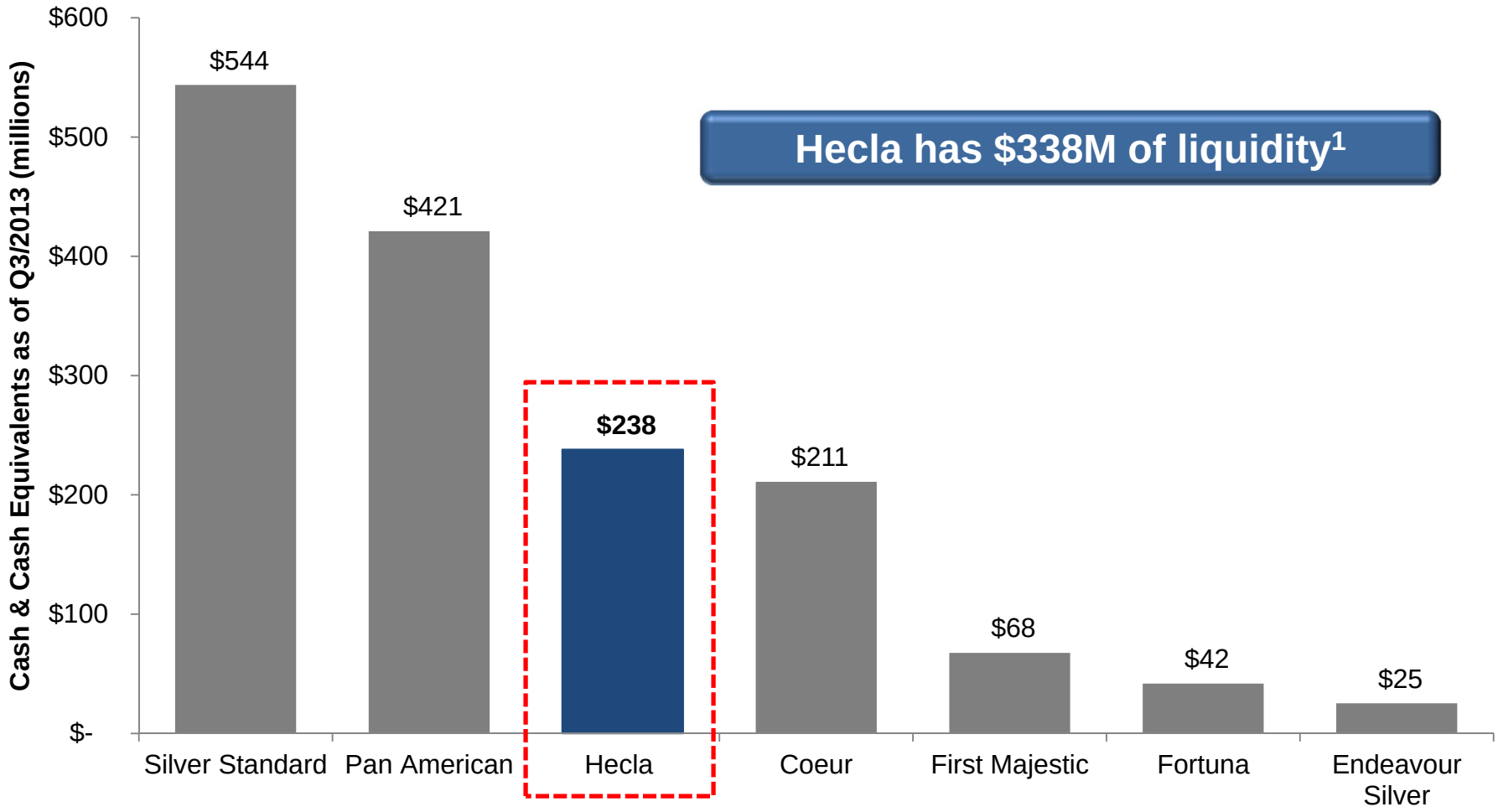
Cash Bridge 2010 - Q3 2013

(US$M)



1. Adjusted EBITDA represents a non-GAAP measurement. A reconciliation can be found in the Appendix.
2. Average prices for the period: Gold - $1,479/oz, Silver $27.92/oz, Lead $0.99/lb, Zinc $0.92/lb

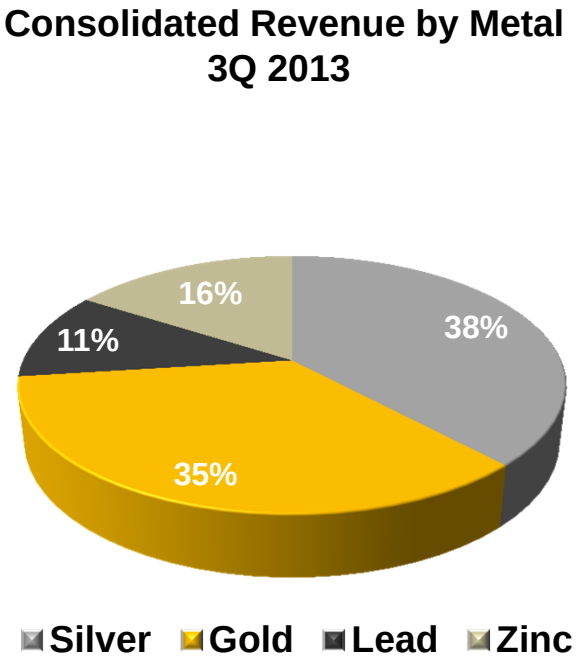
Solid Cash Position



Cash and Cash Equivalents Q3/2013

1. $238 million cash plus $100 million revolving credit agreement

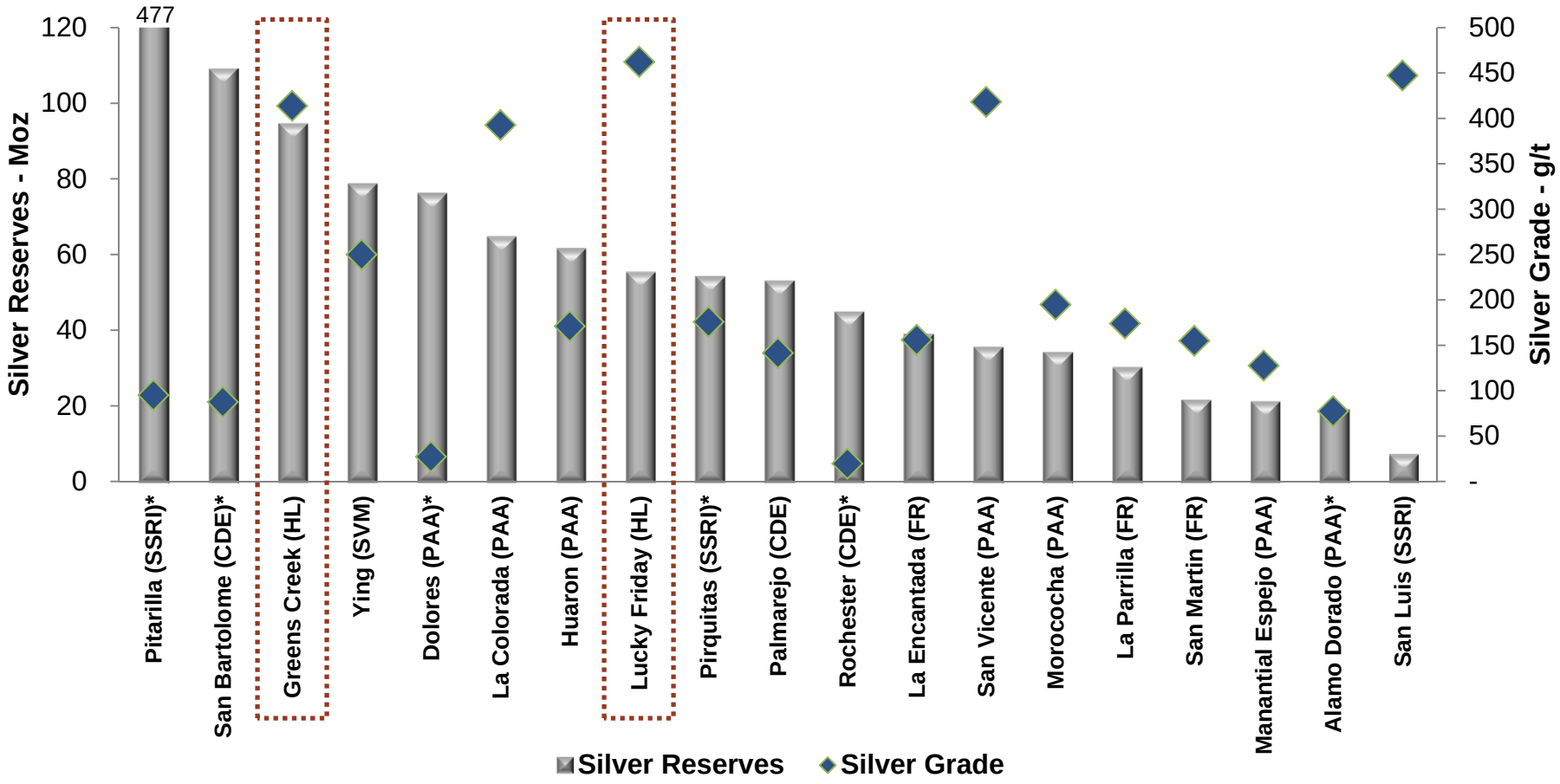
Diversified Revenue: Silver, Gold, Lead and Zinc



- Diversified revenue stream (silver, gold, lead and zinc) from 3 mines
- Policy allows hedging of 60% of the next 3 years of lead and zinc production
- Currently have ~$300 million sold, or about 1 year of operating expenses
- Locking in revenue for all metals when concentrate shipped beginning Q3
- **NO LONG TERM HEDGING OF GOLD AND SILVER!**

Large and High Quality Silver Assets

Silver Reserves and Grades of Silver Peers



1. Reserves capped at 120M ounces
Source: Public filings, *Open pit mines - Palmarejo is both open pit and underground.

Greens Creek – Consistent Strong Performer



Key Highlights:

- One of the largest and lowest-cost primary silver mines in the world

2013 Guidance:

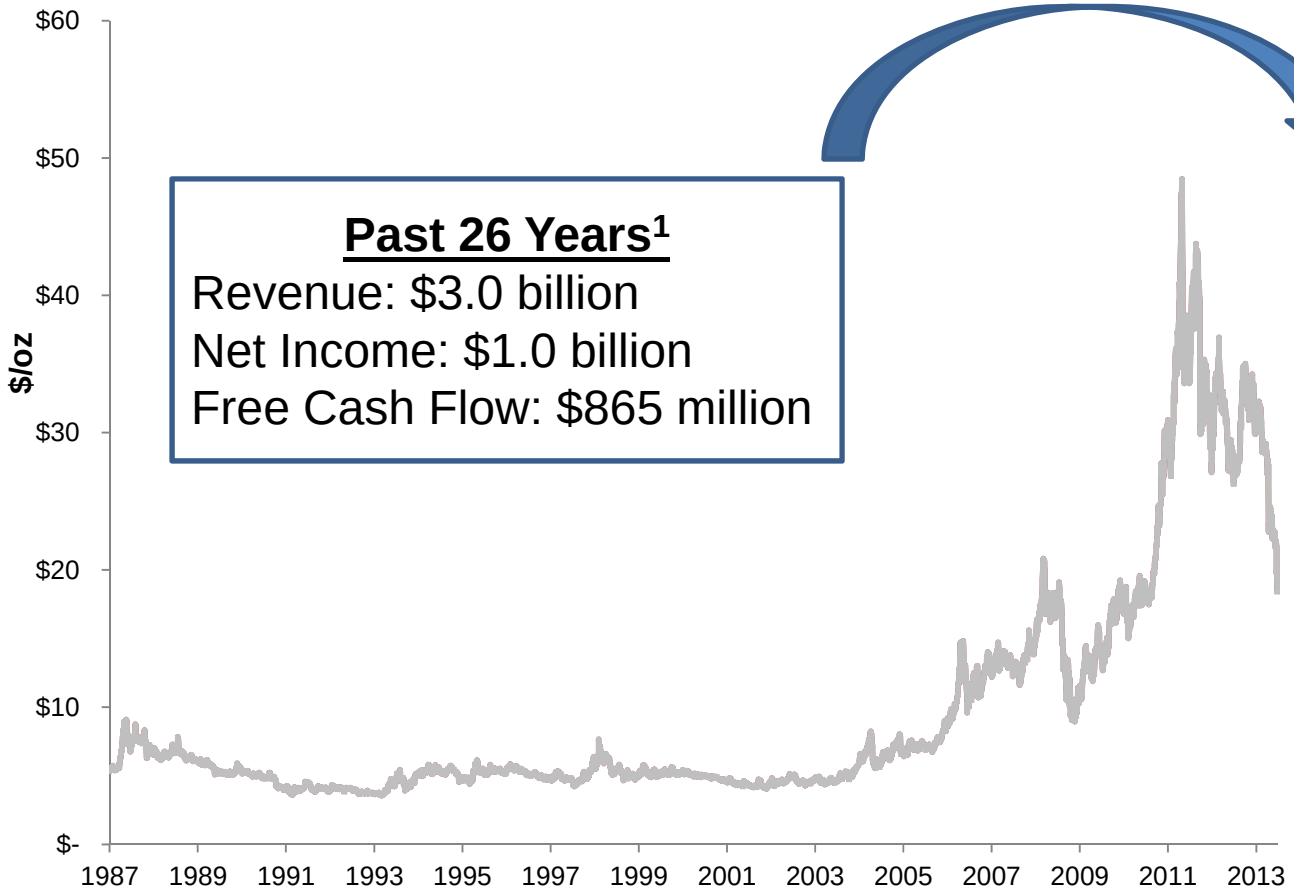
- **Silver Production**: ~7 Moz

Overview	
Location	Admiralty Island, Alaska
Deposit	Polymetallic, stratiform, massive sulfide
Ownership (Since)	100% Hecla (2008)
Type	Underground
Expected Life of Mine[1]	9 years
Primary Metal Produced	Silver
Reserves & Resources (at December 31, 2012)	
2P Reserves	94.5 Moz @ 12 oz/t
M+I Resources	2.7 Moz @ 5.9 oz/t
Inferred Resources	43.0 Moz @ 11.4 oz/t
Production & Cash Costs (2012)	
Silver Production (oz)	6.4 M
Cash cost, after by-product credits, per silver ounce[2]	$2.70/oz

1. Source: NI 43-101 – March 28, 2013
2. Cash cost, after of by-product credits, per silver ounce represents a non-U.S. Generally Accepted Accounting Principles (GAAP) measurement. A reconciliation of which to cost of sales and other direct production costs and depreciation, depletion and amortization (GAAP) can be found in the Appendix.

Greens Creek: World-Class Silver Mine

Spectacular Performance Over a Variety of Silver Prices

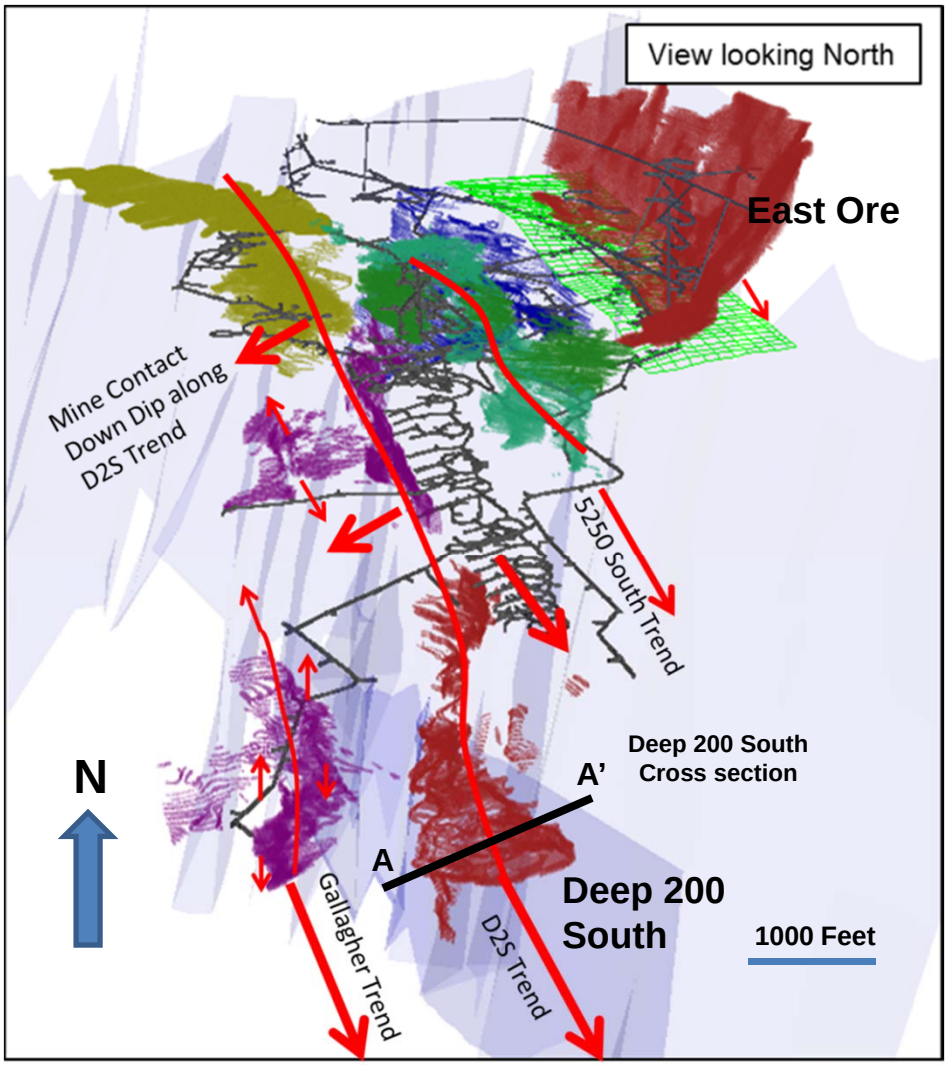


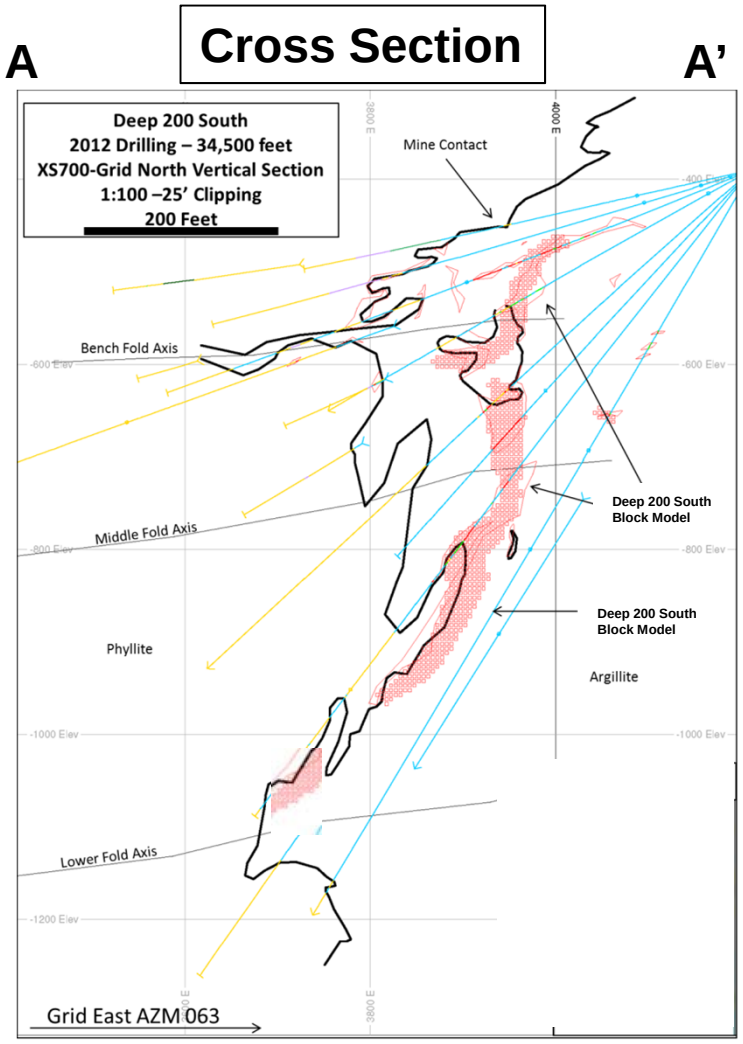
Past 26 Years[1]
Revenue: $3.0 billion
Net Income: $1.0 billion
Free Cash Flow: $865 million

Next 10 Years
Continued strong performance expected

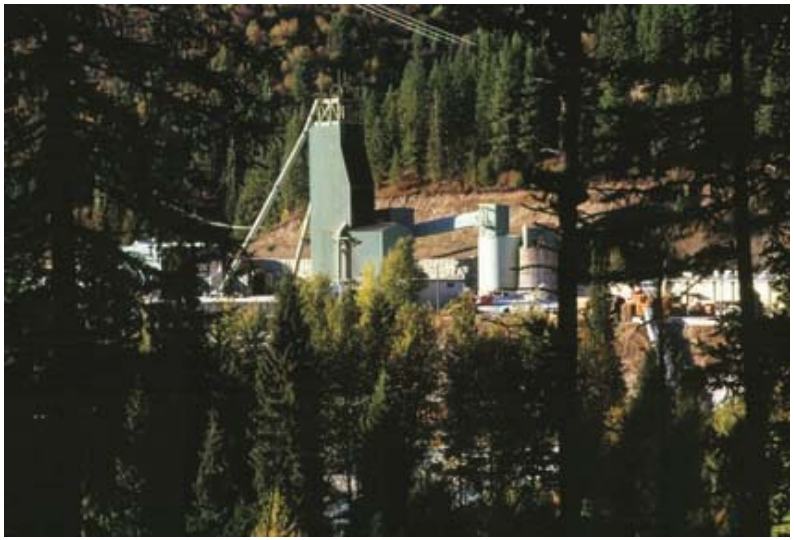
1. Statistics from 1987 – H1 2013

Greens Creek - Underground Exploration





Lucky Friday - Ramping Up Production



Key Highlights:

- A deep underground silver, lead, and zinc mine

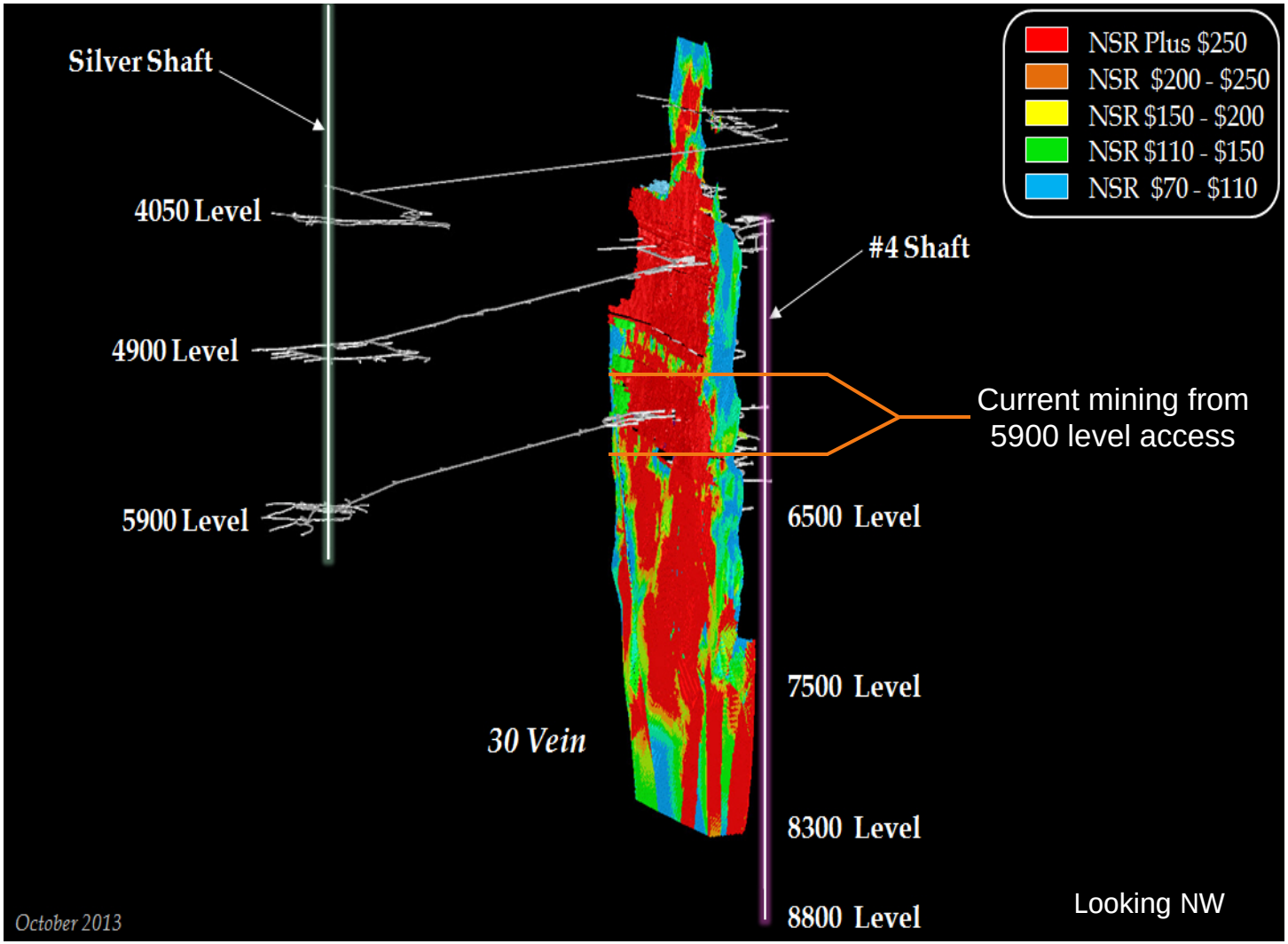
2013 Guidance:

- **Silver Production**: ~1.6 Moz
- **December 2013E Cash Cost**: $9.50/oz

Overview	
Location	Mullan, Idaho
Deposit	Silver & base metal bearing vein structures
Ownership (Since)	100% Hecla (1958)
Type	Underground
Expected Life of Mine[1]	25 years
Silver Production (oz)	Silver
Reserves & Resources (at December 31, 2012)	
2P Reserves	55.5 Moz @ 13.5 oz/t
M+I Resources	108.7 Moz @ 5.7 oz/t
Inferred Resources	62.7 Moz @ 9.1 oz/t
Production & Cash Costs (Q3/2013)	
Silver Production (oz)	479,188
Cash cost, after by-product credits, per silver ounce[2]	$16.50/oz

1. Source: NI 43-101 – March 28, 2013
2. Cash cost, after of by-product credits, per silver ounce represents a non-U.S. Generally Accepted Accounting Principles (GAAP) measurement. A reconciliation of which to cost of sales and other direct production costs and depreciation, depletion and amortization (GAAP) can be found in the Appendix.

Lucky Friday - Unlocking Value at Depth



*Assuming prices of $20.00/oz silver, $0.90/lb lead, and $0.80/lb zinc

Casa Berardi - Great New Addition



Key Highlights:

- Acquired June 1, 2013 from Aurizon Mines Ltd.

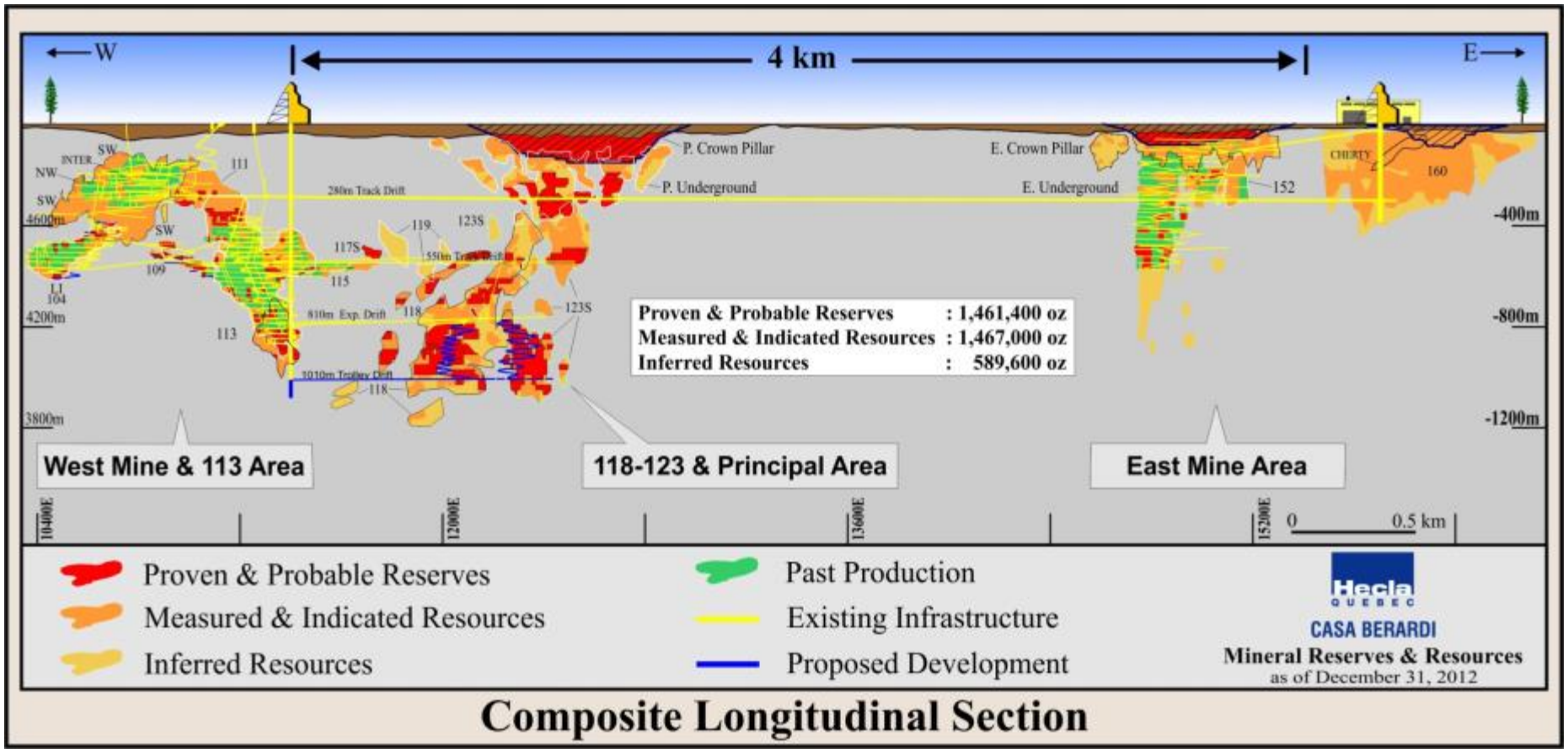
2013 Guidance:

- **Gold Production**: ~62,000 oz
- **Q4/2013E Cash Cost**: $950/oz

Overview	
Location	La Sarre, Quebec
Deposit	Archean, shear & vein hosted gold deposit
Ownership (Since)	100% Hecla (June 2013)
Type	Underground
Expected Life of Mine[1]	9 years
Primary Metal Produced	Gold
Reserves & Resources (at December 31, 2012)	
2P Reserves	1.5 Moz @ 0.16 oz/t
M+I Resources	1.5 Moz @ 0.12 oz/t
Inferred Resources	0.59 Moz @ 0.11 oz/t
Production & Cash Costs (Q3/2013)	
Gold Production (oz)	23,406
Cash cost, after by-product credits, per silver ounce[2]	$1,066/oz

1. Source: NI 43-101 – March 28, 2013
2. Cash cost, after of by-product credits, per silver ounce represents a non-U.S. Generally Accepted Accounting Principles (GAAP) measurement. A reconciliation of which to cost of sales and other direct production costs and depreciation, depletion and amortization (GAAP) can be found in the Appendix.

Casa Berardi - Great Exploration Potential



Composite Longitudinal Section

Response to Metals Price Weakness

- Decline in precious metals prices led to review of 2013 expenses
- Maintained programs with long logistical requirements or short implementation windows
- Revised guidance
  - Capital expenditures reduced by 26% to $163 million
  - Exploration expenditures reduced by 41% to $21 million
  - Pre-development expenditures reduced by 35% to $14 million
- Growing production of gold and silver

Goal for 2014 is for capital, exploration and pre-development expenditures to be within Adjusted EBITDA

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%



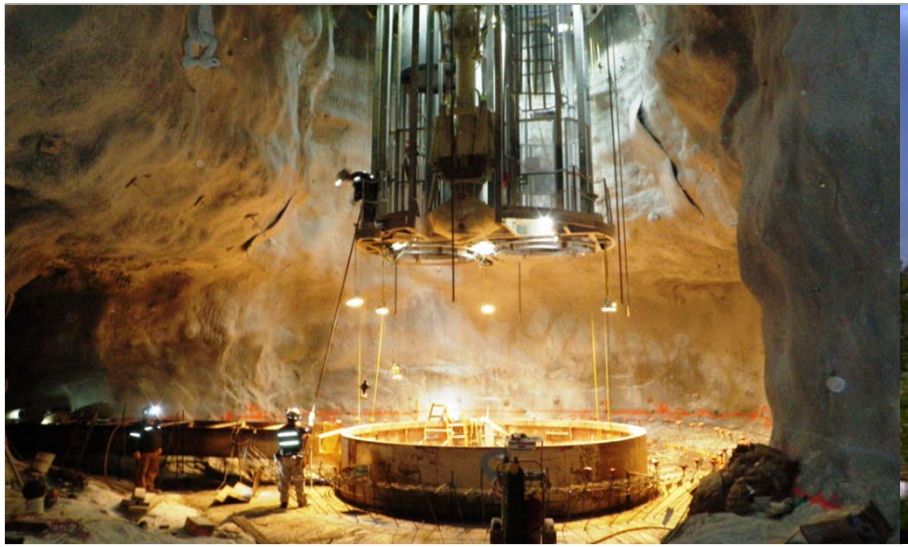



 Source – The Silver Institute 2011

2013 Expectations

- Silver production to be at the high end of previously communicated guidance of 8 to 9 million ounces
  - Greens Creek at approximately 7 million ounces
  - Lucky Friday at approximately 1.6 million ounces
  - Total Cash cost, after by-product credits, per silver ounce of approximately $6.50 in 2013
- Gold production from Casa Berardi to achieve 62,000 ounces this year (since June 1, 2013)
  - Cash cost, after by-product credits, per gold ounce of approximately $950 for the fourth quarter
- Further cost reductions
  - Capital expenditures of $163 million (a 24% reduction from original guidance)
  - Exploration expenditures of $21 million (a 29% reduction from original guidance)
  - Pre-development expenditures of $14 million (a 41% reduction from original guidance)
- Strong financial position with $200+ million in cash & $100 million LOC
- Strong silver reserve growth at year end

1. Cash cost, after by-product credits, per silver ounce represents a non-U.S. Generally Accepted Accounting Principles (GAAP) measurement. A reconciliation of which to cost of sales and other direct production costs and depreciation, depletion and amortization (GAAP) can be found in the Appendix.





Appendix

Hecla MINING COMPANY

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Appendix 1

Seasoned Management Team with Significant Experience



Phillips S. Baker, Jr., has 26 years of mining experience. He was previously VP and CFO of Battle Mountain Gold Company and before that was CFO at Pegasus Gold Inc.

President and CEO



Dr. Dean W.A. McDonald, is a geologist with over 30+ years experience. He was previously VP of Exploration for Committee Bay Resources Ltd. and exploration manager at Miramar Mining Company.

Senior VP - Exploration



James A. Sabala, has 30+ years mining experience. James was previously executive VP and CFO at Coeur d'Alene Mines and VP and CFO of Stillwater Mining.

Senior VP and CFO



Don Poirier, has 25 years of mining experience. Prior to joining Hecla, Mr. Poirier was a mining analyst with Blackmont Capital from 2002-2007. Don held other mining analyst positions from 1988 to 2002.

VP - Corporate Development



Lawrence P. Radford, has 30+ years mining experience. He previously worked for Kinross Gold as VP of South American operations overseeing the La Coipa and Maricunga mines.

Senior VP - Operations



David C. Sienko, has 10 years experience representing Hecla and was appointed VP and General Counsel in 2010. Prior to working at Hecla, he was a partner of K&L Gates LLP, where he specialized in counseling public and private entities on securities compliance, M&A, and corporate governance.

VP - General Counsel

Over 150 Years of Combined Experience

Appendix 2

Total Cash Cost GAAP Reconciliation

Reconciliation of cash cost, after by-product credits, per silver ounce to Generally Accepted Accounting Principles (GAAP) for Greens Creek & Lucky Friday
(dollars and ounces in thousands, except per ounce - unaudited)

	Q3/2013	Q2/2013	Q1/2013	2012	2011	2010	2009	2008
Cash costs, before by-product credits[1]	$ 63,087	$ 61,777	$ 59,923	$ 208,178	$ 265,306	$ 251,837	$ 227,566	$ 201,584
By-product credits	(46,134)	(49,324)	(46,577)	(190,916)	(254,372)	(267,272)	(206,608)	(164,963)
Cash cost, after by-product credits	16,953	12,453	13,346	17,262	10,934	(15,435)	20,958	36,621
Divided by silver ounces produced	2,287	2,237	1,901	6,394	9,483	10,566	10,989	8,709
Cash cost, before by-product credits, per silver ounce	$ 27.57	$ 27.61	$ 31.52	$ 32.56	$ 27.98	$ 23.83	$ 20.71	$ 23.15
By-product credits per silver ounce	$ (20.17)	$ (22.05)	$ (24.50)	$ (29.86)	$ (26.82)	$ (25.30)	$ (18.80)	$ (18.94)
Cash cost, after by-product credits, per silver ounce	$ 7.40	$ 5.56	$ 7.02	$ 2.70	$ 1.15	$ (1.46)	$ 1.91	$ 4.20
Reconciliation to GAAP:								
Cash cost, after by-product credits	$ 16,953	$ 12,453	$ 13,346	$ 17,262	$ 10,934	$ (15,435)	$ 20,958	$ 36,621
Depreciation, depletion and amortization	15,735	16,888	14,007	43,522	47,066	60,011	62,837	35,207
Treatment costs	(18,486)	(18,972)	(18,597)	(73,355)	(99,019)	(92,144)	(80,830)	(70,776)
By-products credits	46,134	49,324	46,577	190,916	254,372	267,272	206,608	164,963
Change in product inventory	7	8,436	(4,604)	(1,381)	(4,805)	3,660	310	20,254
Suspension-related costs[2]	-	-	-	-	4,135	-	-	-
Reclamation, severance and other costs	734	536	103	663	(44)	630	1,596	537
Costs of sales and other direct production costs and depreciation, depletion and amortization (GAAP)	**$ 61,077**	**$ 68,665**	**$ 50,832**	**$ 177,627**	**$ 212,639**	**$ 223,994**	**$ 211,479**	**$ 186,806**

1. Includes all direct and indirect operating cash costs related directly to the physical activities of producing metals, including mining, processing and other plant costs, third-party refining and marketing expense, on-site general and administrative costs, royalties and mining production taxes, net of by-product revenues earned from all metals other than the primary metal produced at each unit.
2. Production was temporarily suspended at the Lucky Friday unit during 2012 as work was performed to rehabilitate the Silver Shaft, the primary access from surface to the underground workings at the Lucky Friday mine.

Appendix 2

Total Cash Cost GAAP Reconciliation

Reconciliation of cash cost, after by-product credits, per silver ounce to Generally Accepted Accounting Principles (GAAP) for Greens Creek & Lucky Friday (dollars and ounces in thousands, except per ounce - unaudited)

	Three Months Ended, September 30	
	2013	2012
Cash costs, before by-product credits[1]	$ 63,087	$ 53,479
By-product credits	(46,134)	(47,778)
Cash cost, after by-product credits	16,953	5,701
Divided by silver ounces produced	2,287	1,619
Cash cost, before by-product credits, per silver ounce	$ 27.57	$ 33.03
By-product credits per silver ounce	$ (20.17)	$ (29.51)
Cash cost, after by-product credits, per silver ounce	$ 7.40	$ 3.52
Reconciliation to GAAP:		
Cash cost, after by-product credits	$ 16,953	$ 5,701
Depreciation, depletion and amortization	15,735	11,601
Treatment costs	(18,486)	(18,351)
By-products credits	46,134	47,778
Change in product inventory	7	(1,944)
Suspension-related costs[2]	-	-
Reclamation, severance and other costs	734	(223)
Costs of sales and other direct production costs and depreciation, depletion and amortization (GAAP)	**$ 61,077**	**$ 44,562**

1. Includes all direct and indirect operating cash costs related directly to the physical activities of producing metals, including mining, processing and other plant costs, third-party refining and marketing expense, on-site general and administrative costs, royalties and mining production taxes, net of by-product revenues earned from all metals other than the primary metal produced at each unit.
2. Production was temporarily suspended at the Lucky Friday unit during 2012 as work was performed to rehabilitate the Silver Shaft, the primary access from surface to the underground workings at the Lucky Friday mine.

Appendix 2

Cash Cost Reconciliation to GAAP - Casa Berardi

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

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

		Q1/2013	2012	2011	2010	2009	2008	2007	2006
Cash Operating Costs [1]	US$000	$ 21,276	$ 93,259	$ 88,711	$ 75,713	$ 63,869	$ 63,602	$ 53,099	$ 2,120
Divided by gold ounces sold		26,200	133,990	165,250	139,950	159,275	159,404	160,600	6,882
Total cash cost per ounce sold	US$/oz	$ 812	$ 696	$ 537	$ 541	$ 401	$ 399	$ 331	$ 308
Reconciliation to GAAP:									
Cash Operating Costs	US$000	$ 21,276	$ 93,259	$ 88,711	$ 75,713	$ 63,869	$ 63,602	$ 53,099	$ 2,120
Average US$/C$ exchange rate		$ 1.008	$ 1.000	$ 0.989	$ 1.030	$ 1.140	$ 1.070	$ 1.075	$ 1.150
Cash Operating Costs	C$000	$ 21,453	$ 93,259	$ 87,735	$ 77,984	$ 72,811	$ 68,054	$ 57,081	$ 2,438
Less: Silver by-product credits		$ (181)	$ (990)	$ (1,063)	$ (679)	$ (668)	$ (551)	$ (392)	$ -
Less: Depreciation and amortization		$ (8,905)	$ (37,539)	$ (38,927)	$ (34,288)	$ (36,514)	$ (35,582)	$ (30,120)	$ (500)
Costs of sales and other direct production costs and depreciation, depletion and amortization (GAAP)	C$000	**$ 30,539**	**$ 131,788**	**$ 127,725**	**$ 112,951**	**$ 109,993**	**$ 104,187**	**$ 87,593**	**$ 2,937**

Reconciliation to GAAP for Q3/2013 cash costs is shown separately on the next slide to account for the way Hecla shows cash cost reconciliations. Reconciliation to GAAP from 2006 - Q1/2013 are from Aurizon's disclosures.

Appendix 2

Total Cash Cost GAAP Reconciliation

Reconciliation of cash cost, after by-product credits, per gold ounce to Generally Accepted Accounting Principles (GAAP) for Casa Berardi (dollars and ounces in thousands, except per ounce - unaudited)

	Q3/2013	June 2013
Cash costs, before by-product credits[1]	$ 25,068	$ 7,804
By-product credits	(113)	(37)
Cash cost, after by-product credits	24,955	7,767
Divided by gold ounces produced	23,406	6,740
Cash cost, before by-product credits, per gold ounce	$ 1,070.82	$ 1,158.00
By-product credits per silver ounce	$ (4.83)	$ (5.49)
Cash cost, after by-product credits, per gold ounce	$ 1,065.99	$ 1,152.00
Reconciliation to GAAP:		
Cash cost, after by-product credits	$ 24,957	$ 7,767
Depreciation, depletion and amortization	3,270	3,324
Treatment costs	(78)	(9)
By-products credits	113	37
Change in product inventory	(3,456)	414
Reclamation, severance and other costs	60	21
Costs of sales and other direct production costs and depreciation, depletion and amortization (GAAP)	**$ 24,866**	**$ 11,554**

1. Includes all direct and indirect operating cash costs related directly to the physical activities of producing metals, including mining, processing and other plant costs, third-party refining and marketing expense, on-site general and administrative costs, royalties and mining production taxes, net of by-product revenues earned from all metals other than the primary metal produced at each unit.

Appendix 2

Hecla Adjusted EBITDA Reconciliation

Reconciliation of Adjusted EBITDA (non-GAAP) to Net Income (GAAP)

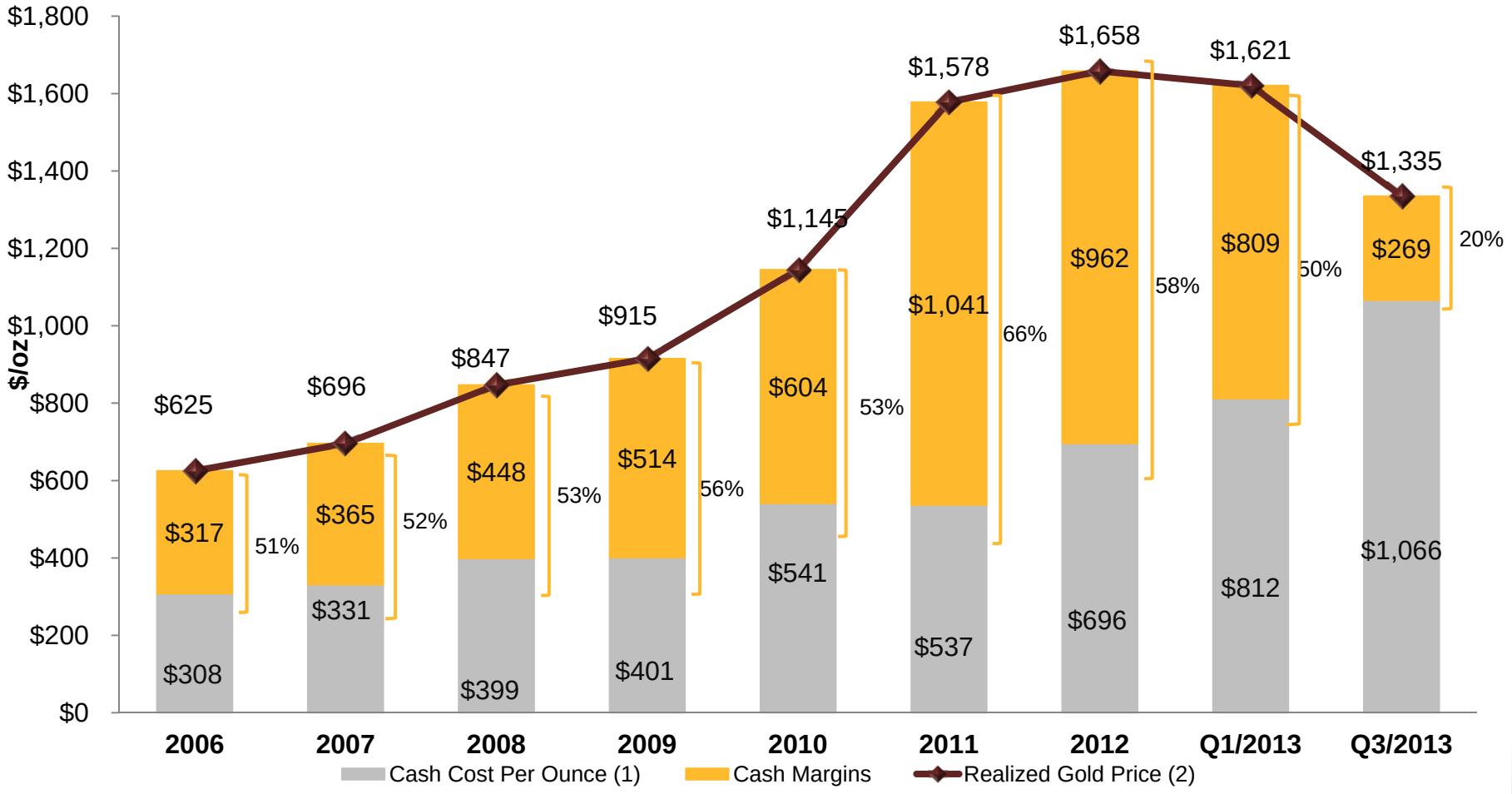
	Three Months Ended September 30,	
	2013	**2012**
Net Income	**$ (8,458)**	$ (885)
Plus: Interest expense, net of amount capitalized	**7,348**	591
Plus/(Less): Income taxes	**(2,542)**	14
Plus: Depreciation, depletion, and amortization	**20,445**	13,243
Plus: Exploration expense	**5,797**	11,722
Plus: Pre-development expense	**3,444**	5,409
Plus: Aurizon acquisition costs	**768**	-
Plus: Aurizon product inventory fair value adjustment	**0**	-
Plus/(Less): Lucky Friday suspension-related costs (income)	**(59)**	6,114
Plus/(Less): Interest and other (income) expense	**829**	(47)
Less: Gains on derivative contracts	**4,564**	9,053
Plus/(Less): Provisional price (gains)/losses	**(1,740)**	(5,861)
Adjusted EBITDA	**$ 30,396**	$ 39,353

This presentation refers to a non-GAAP measure of Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), which is a measure of our operating performance. Adjusted EBITDA is calculated as net income before the following items: interest expense, income tax provision, depreciation, depletion, and amortization expense, exploration expense, predevelopment expense, Aurizon acquisition costs, Lucky Friday suspension-related costs, interest and other income (expense), gains and losses on derivative contracts, and provisional price gains and losses. Management believes that, when presented in conjunction with comparable GAAP measures, Adjusted EBITDA is useful to investors in evaluating our operating performance. The table above reconciles net income to Adjusted EBITDA.

Note: All monetary amounts presented in thousands of dollars.

Appendix 2

Cash Margins at Casa Berardi



1. Cash cost per ounce of gold 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.
3. Q3/2013 was first full quarter under Hecla ownership. Previous results reported by Aurizon Mines Ltd.

Appendix 2

Hecla: Zero Debt Obligations Until 2021

Peer Comparison

Issuer	Date Issued	Coupon		Maturity	Gross Proceeds[1]	Current Rating
Hecla	12-Apr-13	6.875%	Sr. Notes	1-May-21	$500	B2/B
Coeur	24-Jan-13	7.875%	Sr. Notes	1-Feb-21	$300	B3/BB-
Eldorado Gold	10-Dec-12	6.125%	Sr. Notes	20-Dec-20	$600	Ba3/BB
IAMGOLD Corp.	14-Sep-12	6.750%	Sr. Notes	1-Oct-20	$650	B1/BB-
New Gold	8-Nov-12	6.250%	Sr. Notes	15-Nov-22	$500	B2/BB-
	2-Apr-12	7.000%	Sr. Notes	15-Apr-20	$300	B2/BB-
Allied Nevada Gold	18-May-12	8.750%	Sr. Notes	1-Jun-19	$400	Caa2/B-
Hudbay Minerals	6-Sep-12	9.500%	Sr. Notes	1-Oct-20	$750	B3/B-
Fresnillo	7-Nov-13	5.500%	Sr. Notes	13-Nov-23	$800	Baa2/BBB

1. In millions

Source: Bloomberg

Appendix 2

Clearing the Path Forward

Settled Legacy Liabilities

- ✓ Settled environmental liability in the Coeur d'Alene River Basin from mining practices ending over 50 years ago
- ✓ $125 million payments made to date (net of tax benefit)
- ✓ Payment remaining of $34 million (net of tax benefit) in 2014 (expected to be covered by warrants)
- ✓ Removes unquantifiable liability making acquisitions possible (Aurizon)

Rehabilitated Lucky Friday

- ✓ Mine has operated for over 70 years in the Silver Valley, Idaho
- ✓ Mine was shut down and fully rehabilitated during 2012
- ✓ Re-opened in Q1/13, all stopes back in operation
- ✓ Expected to ramp up to approximately 5 million ounces in 2017
- ✓ Current mine life in excess of 25 years, excellent opportunity to expand resource

Appendix 3

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

Proven Reserves											
Asset	Location	Ownership	Tons (000)	Silver (oz/ton)	Gold (oz/ton)	Lead %	Zinc %	Silver (000 oz)	Gold (000 oz)	Lead Tons	Zinc Tons
Greens Creek (a)	United States	100.0%	12	9.3	0.10	2.7	7.8	112	1	330	940
Lucky Friday (a)	United States	100.0%	2,207	12.1	0.00	7.4	2.7	26,779	--	163	59
Casa Berardi (1)	Canada	100.0%	1,099	--	0.18	--	--	--	192	--	--
Total			3,318					26,891	193	493	999

Probable Reserves											
Asset	Location	Ownership	Tons (000)	Silver (oz/ton)	Gold (oz/ton)	Lead %	Zinc %	Silver (000 oz)	Gold (000 oz)	Lead (Tons)	Zinc (Tons)
Greens Creek (a)	United States	100.0%	7,846	12.0	0.09	3.4	9.0	94,481	718	267,410	702,300
Lucky Friday (a)	United States	100.0%	1,932	14.8		8.7	3.2	28,676	--	167,390	62,300
Casa Berardi (1)	Canada	100.0%	7,950	--	0.16	--	--	--	1,269	--	--
Total			17,728					123,157	1,987	434,800	764,600

Proven and Probable Reserves											
Asset	Location	Ownership	Tons (000)	Silver (oz/ton)	Gold (oz/ton)	Lead %	Zinc %	Silver (000 oz)	Gold (000 oz)	Lead (Tons)	Zinc (Tons)
Greens Creek	United States	100.0%	7,857	12.0	0.09	3.4	9.0	94,594	719	267,740	703,230
Lucky Friday	United States	100.0%	4,138	13.5	0.00	8.0	3.0	55,454	--	330,740	120,860
Casa Berardi	Canada	100.0%	9,049	--	0.16	--	--	--	1,461	--	--
Total			21,044					150,048	2,180	598,480	824,090

Appendix 3

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

Measured Resources												
Asset	Location	Ownership	Tons (000)	Silver (oz/ton)	Gold (oz/ton)	Lead %	Zinc %	Silver (000 oz)	Gold (000 oz)	Lead (Tons)	Zinc (Tons)
Greens Creek (2)(a)	United States	100.0%	--	--	--	--	--	--	--	--	--
Lucky Friday (3)(a)	United States	100.0%	10,608	5.8	--	3.9	2.4	61,313	--	417,130	259,420
Casa Berardi (4)	Canada	100.0%	1,981	--	0.17	--	--	--	338	--	--
Heva - Hosco (5)	Canada	100.0%	38,550	--	0.04	--	--	--	1,600	--	--
San Sebastian	Mexico	100.0%	--	--	--	--	--	--	--	--	--
San Juan Silver	United States	100.0%	--	--	--	--	--	--	--	--	--
Star	United States	100.0%	--	--	--	--	--	--	--	--	--
Total			51,139					61,313	1,938	417,130	259,420

Indicated Resources											
Asset	Location	Ownership	Tons (000)	Silver (oz/ton)	Gold (oz/ton)	Lead %	Zinc %	Silver (000 oz)	Gold (000 oz)	Lead (Tons)	Zinc (Tons)
Greens Creek (2)(a)	United States	100.0%	449	5.9	0.12	3.2	7.0	2,650	54	14	32
Lucky Friday (3)(a)	United States	100.0%	8,420	5.6	--	3.7	2.2	47,391	--	314,330	181,050
Casa Berardi (4)	Canada	100.0%	10,185	--	0.11	--	--	--	1,129	--	--
Heva - Hosco (5)	United States	100.0%	37,190	--	0.04	--	--	--	1,520	--	--
San Sebastian (6)(a)	Mexico	100.0%	1,297	3.4	0.06	1.1	1.5	4,371	74	14,640	19,080
San Juan Silver (7)(a)	United States	100.0%	515	14.8	--	2.1	1.1	7,619	--	10,760	5,820
Star (8)(a)	United States	100.0%	1,061	3.0	--	6.4	7.5	3,235	--	68,340	80,100
Total			59,117					65,266	2,777	408,084	286,082

Measured & Indicated Resources											
Asset	Location	Ownership	Tons (000)	Silver (oz/ton)	Gold (oz/ton)	Lead %	Zinc %	Silver (000 oz)	Gold (000 oz)	Lead (Tons)	Zinc (Tons)
Greens Creek (2)(a)	United States	100.0%	449	5.9	0.12	3.2	7.0	2,650	54	14	32
Lucky Friday (3)(a)	United States	100.0%	19,029	5.7	--	3.8	2.3	108,704	--	731,460	440,470
Casa Berardi (4)	Canada	100.0%	12,165	--	0.12	--	--	--	1,467	--	--
Heva - Hosco (5)	Canada	100.0%	75,730	--	0.04	--	--	--	3,119	--	--
San Sebastian (6)(a)	Mexico	100.0%	1,297	3.4	0.06	1.1	1.5	4,371	74	14,640	19,080
San Juan Silver (7)(a)	United States	100.0%	515	14.8	--	2.1	1.1	7,619		10,760	5,820
Star (8)(a)	United States	100.0%	1,061	3.0	--	6.4	7.5	3,235	--	68,340	80,100
Total			110,246					126,579	4,714	825,214	545,502

Appendix 3

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

Inferred Resources											
Asset	Location	Ownership	Tons (000)	Silver (oz/ton)	Gold (oz/ton)	Lead %	Zinc %	Silver (000 oz)	Gold (000 oz)	Lead (Tons)	Zinc (Tons)
Greens Creek (9)(a)	United States	100.0%	3,785	11.4	0.10	2.4	6.2	42,977	379	92,130	233,110
Lucky Friday (10)(a)	United States	100.0%	6,922	9.1	0.00	5.6	2.3	62,651	--	384,930	158,240
Casa Berardi (4)	Canada	100.0%	5,302	--	0.11	--	--	--	590	--	--
Heva - Hosco (5)	Canada	100.0%	11,860	--	0.06	--	--	--	664	--	--
San Sebastian (11) (a)	Mexico	100.0%	5,696	4.2	0.03	0.5	0.6	23,897	160	25,880	36,040
San Juan Silver (12)(a)	United States	100.0%	3,078	10.7	--	1.3	1.1	33,096	35	40,990	34,980
Star (13)(a)	United States	100.0%	2,972	3.2	--	5.9	5.5	9,378	--	174,080	163,480
Monte Cristo (14)(a)	United States	100.0%	913	0.3	0.14	--	--	271	131	--	--
Total			40,528					172,270	1,959	718,010	625,850

Note: All estimates are in-situ, Resources are Exclusive of Reserves

* Totals may not represent the sum of parts due to rounding

(a) Underground Mineral Reserves and Mineral Resources are based on $1400 gold, $26.50 silver, $0.85 lead, $0.85 zinc and $3.40 copper

(1) Underground Mineral Reserves and Resources are based on $1,350 gold and a US$/CAN$ exchange rate of 1:1. Reserve diluted to an average of 23.7% to minimum width of 3 meters
Open pit Mineral Reserves of the East Mine were estimated in February 2009 based on $700 gold and a US$/CAN$ exchange rate of 0.85:1. Reserve diluted to 20%
Open pit Mineral Reserves of the Principal Mine were estimated in February 2011 based on $950 gold and a US$/CAN$ exchange rate of 1:1. Reserve diluted to 10%

(2) Indicated Resources only in Gallagher orebody, factored for dilution and mining recovery.

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

(4) Measured, Indicated and inferred resources are based on $1,350 gold and a US$/CAN$ exchange rate of 1:1. Underground resources are diluted to 20% to minimum mining width of 2 to 3 meters
Open pit Mineral Resources of the Principal Mine were estimated based on $950 gold and a US$/CAN$ exchange rate of 1:1
Open pit Mineral Resources of the 160 Zone were based on $1,250 gold and a US$/CAN$ exchange rate of 1:1, Resources diluted to 12%

(5) The Heva and Hosco optimised shells were done using a gold price of US$1,300 per oz Au with respectively a mining dilution of 10% and 6.5% (at 0 oz/st Au) and an ore loss of 5% and 4%. Resource completed in July 2013.

(6) Indicated resources diluted to minimum mining width of 2.0 meters for Hugh Zone, 1.5 meters for Andrea Vein.

(7) Indicated resources diluted to minimum mining width of 6.0 feet for Bulldog.

(8) Indicated resources, diluted to minimum mining width of 4.3 feet.

(9) Inferred Resources in East Ore, Gallagher, NWW, 200S orebodies, factored for dilution and mining recovery.

(10) Inferred Resources from Gold Hunter and Lucky Friday vein systems diluted and factored for expected mining recovery.

(11) Inferred Resources diluted to minimum mining width of 2.0 meters for Hugh Zone, 1.5 meters for Andrea & Middle veins.
San Sebastian Hugh Zone also contains 29,720 tons of Cu at 1.46% Cu within 1,949,800 tons of ore.

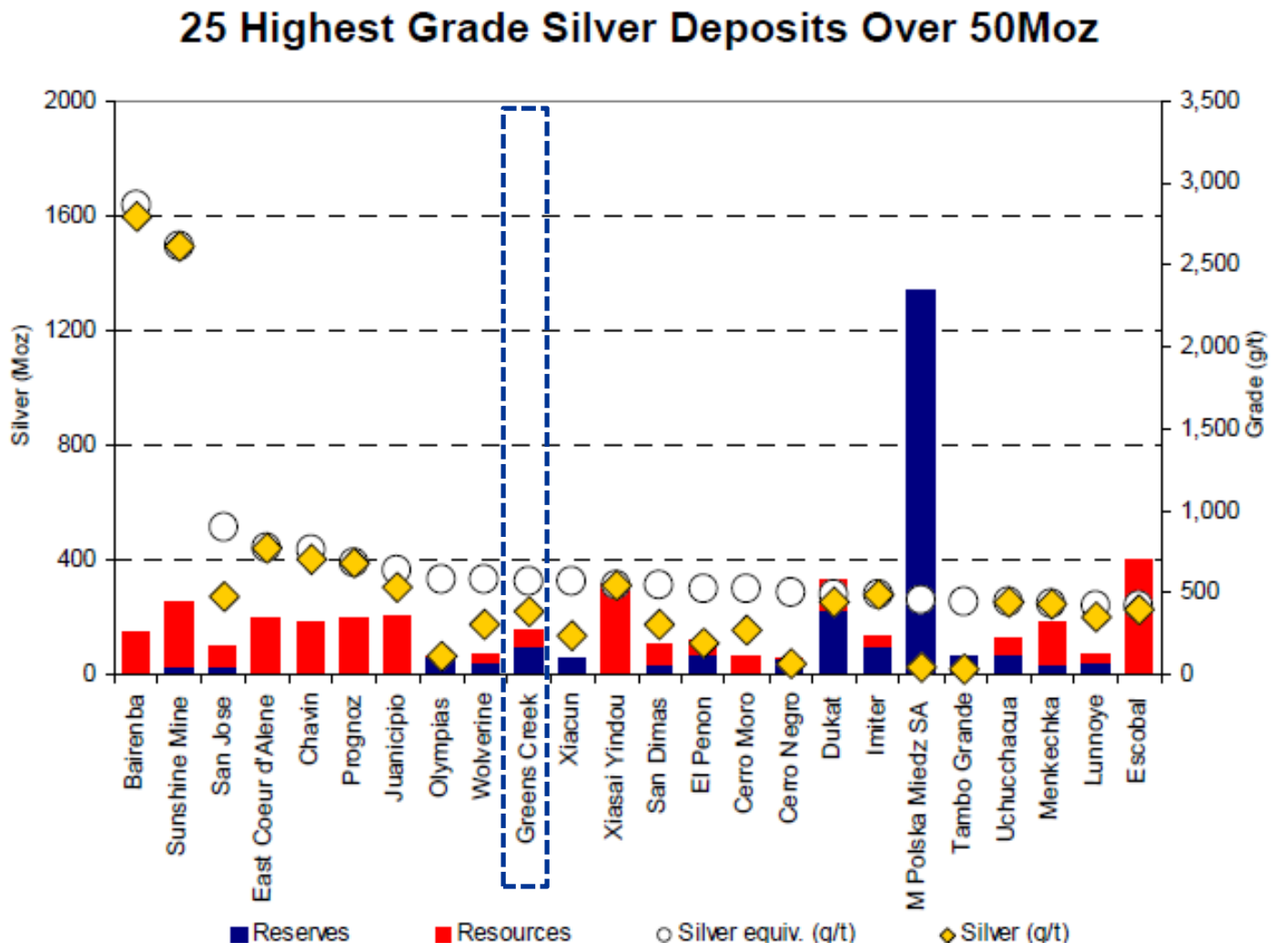
(12) Inferred Resources diluted to minimum mining width of 6.0 feet for Bulldog, 5.0 feet for Equity & North Amethyst veins.

(13) Inferred Resources diluted to minimum mining width of 4.3 feet.

(14) Inferred Resource diluted to minimum mining width of 5.0 feet.

Appendix 4

Greens Creek - Among the Highest Grade Silver Deposits

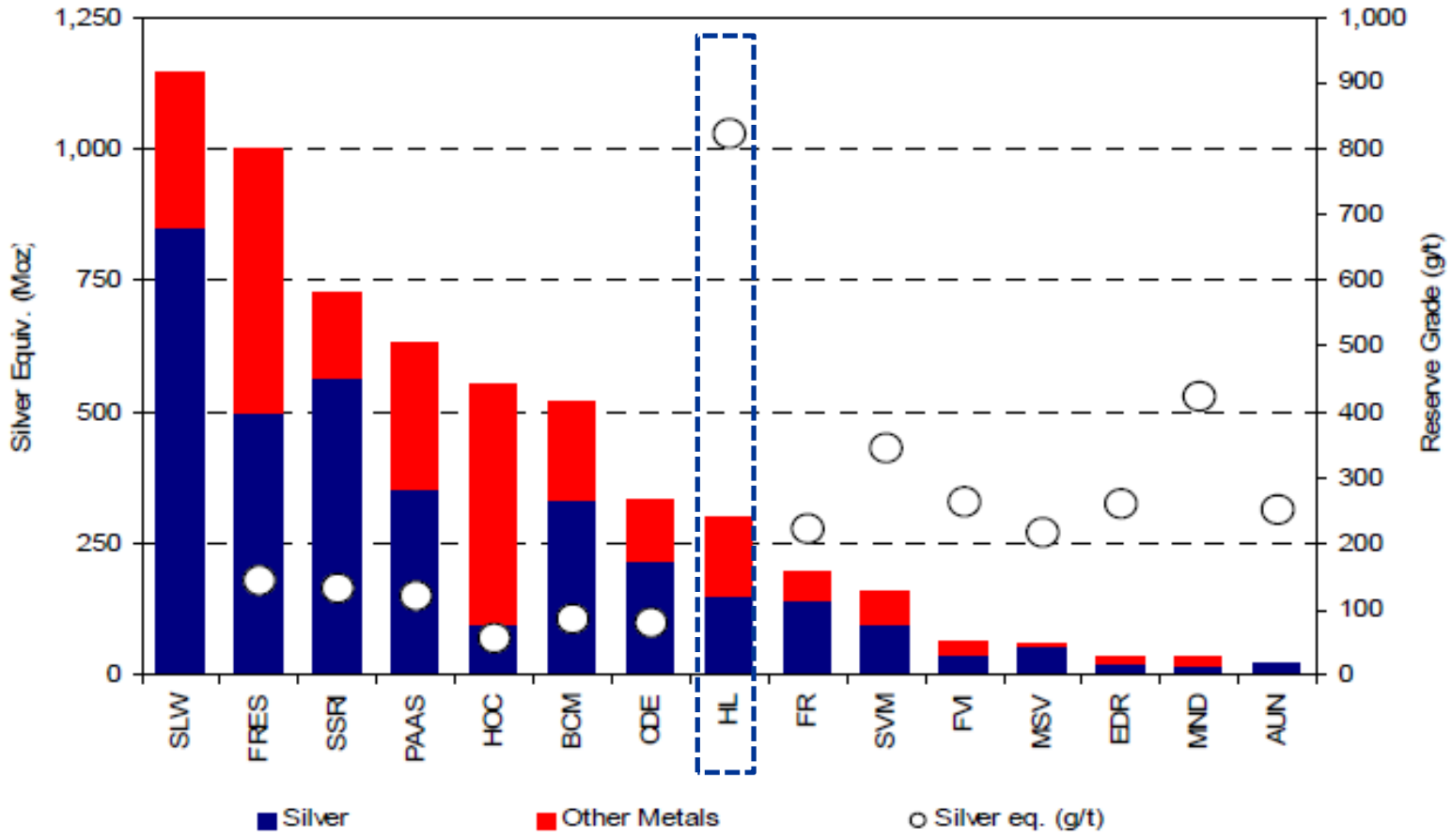


Source: MEG, BMO Capital Markets (09/09/13)

Appendix 4

Higher Silver Reserve Grade Among Peers

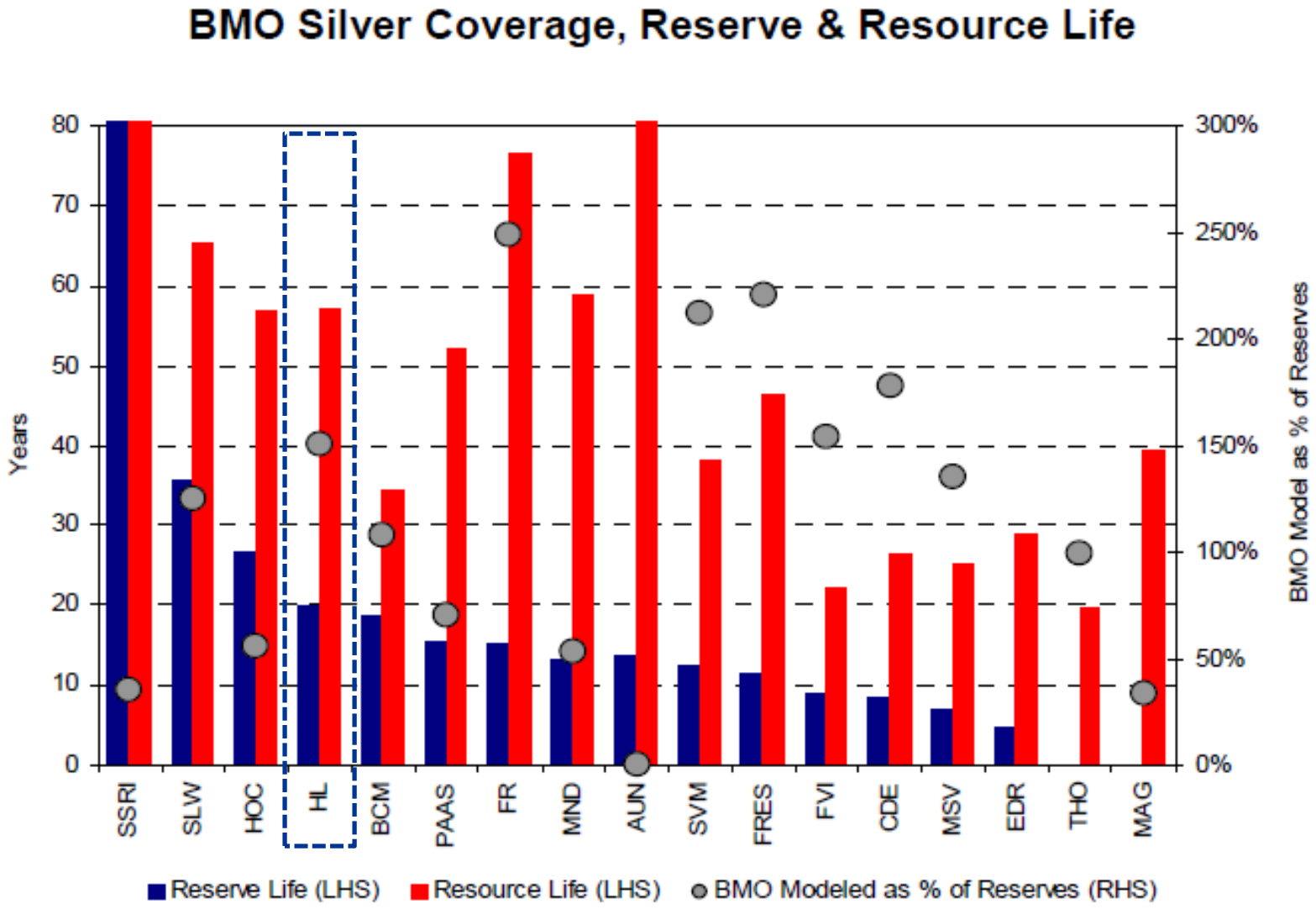
BMO Silver Coverage, Silver Equiv. Reserves vs. Grade



Source: Company Filings, BMO Capital Markets (11/18/13)

Appendix 4

High Grade Long-Life Mines

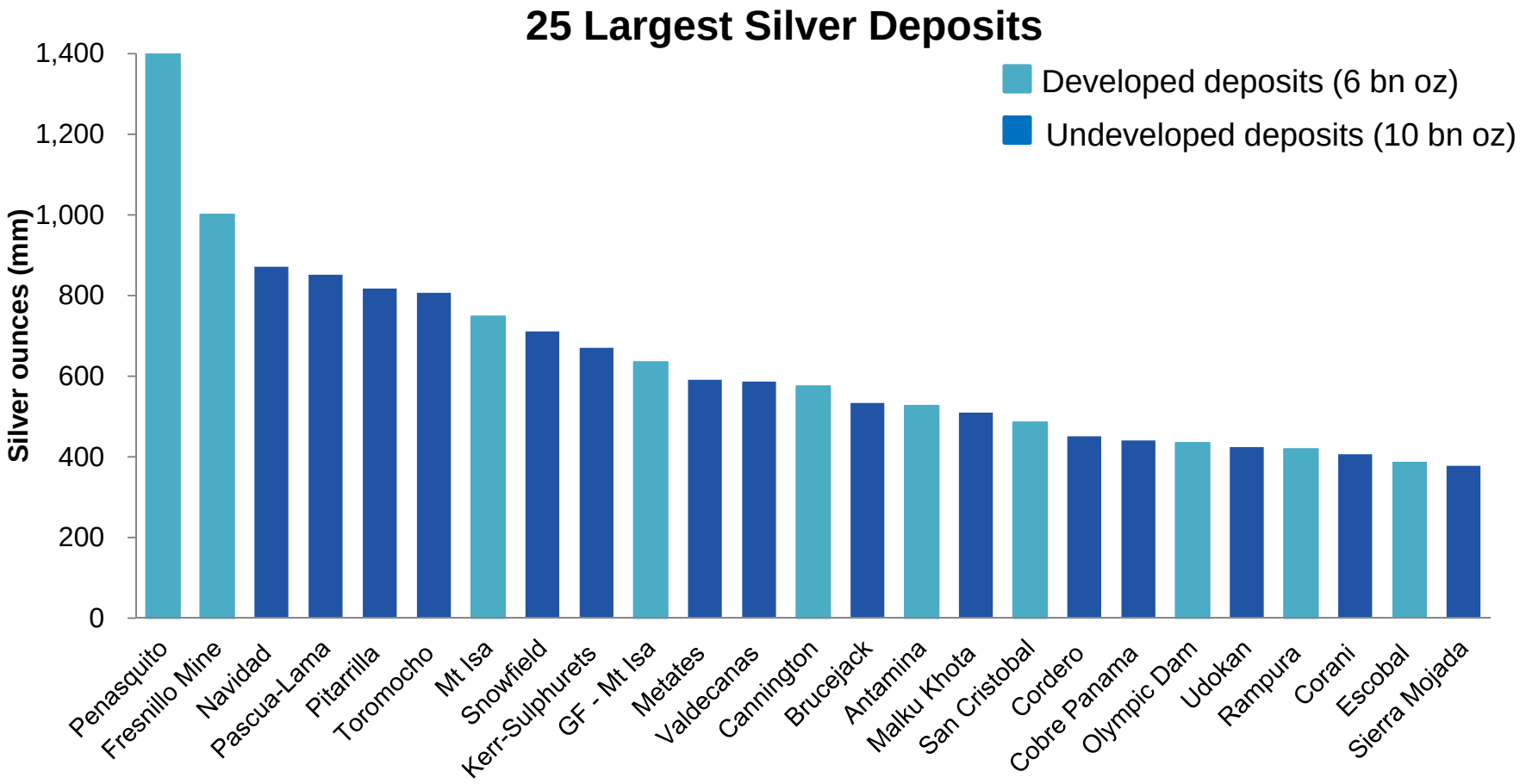


Source: Company Filings, BMO Capital Markets (11/18/13)

Appendix 4

Top 25 Largest Silver Deposits

Most deposits face political risk / large capital requirements

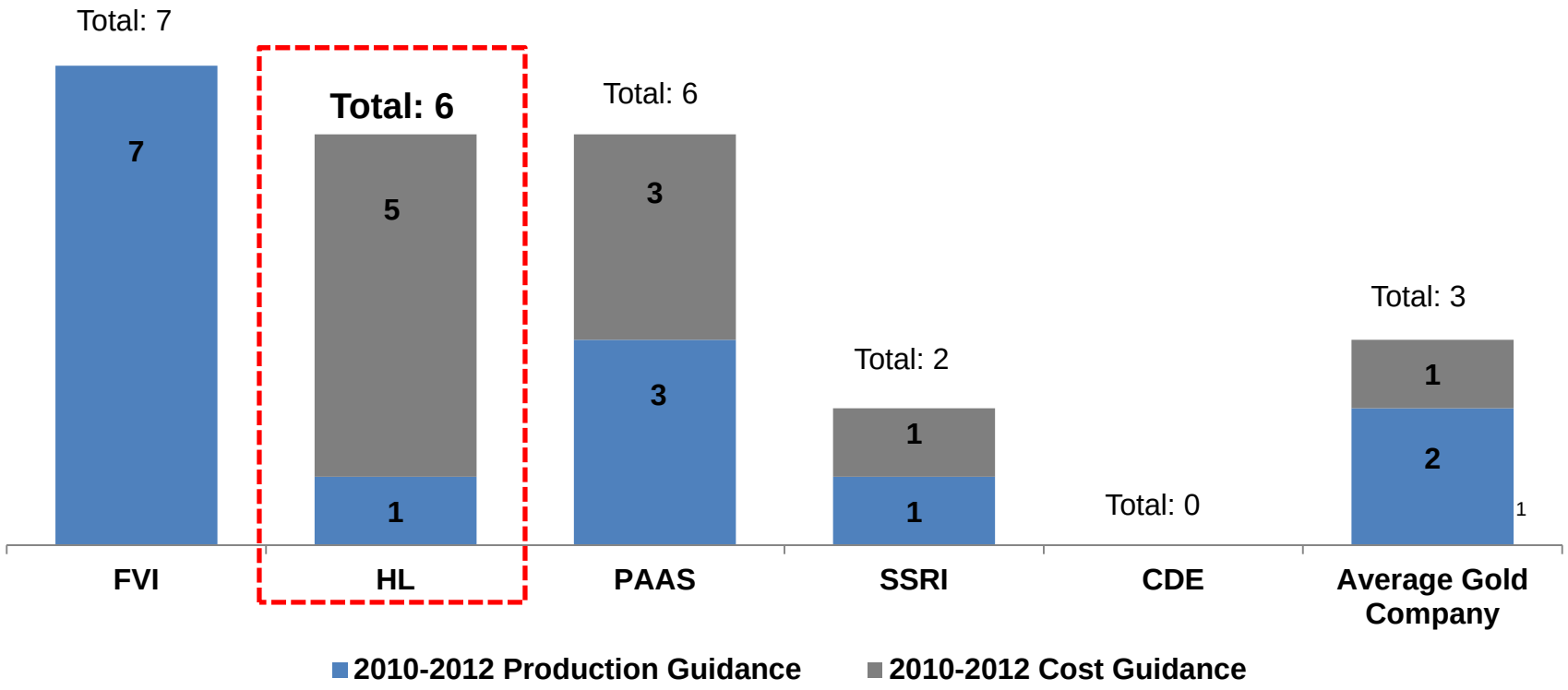


Source: Intierra and public filings; * Data includes reserves & resources

Appendix 4

Consistent & Predictable Performance

Scotia's Analysis of Silver Company Operating Performance 2010-2012

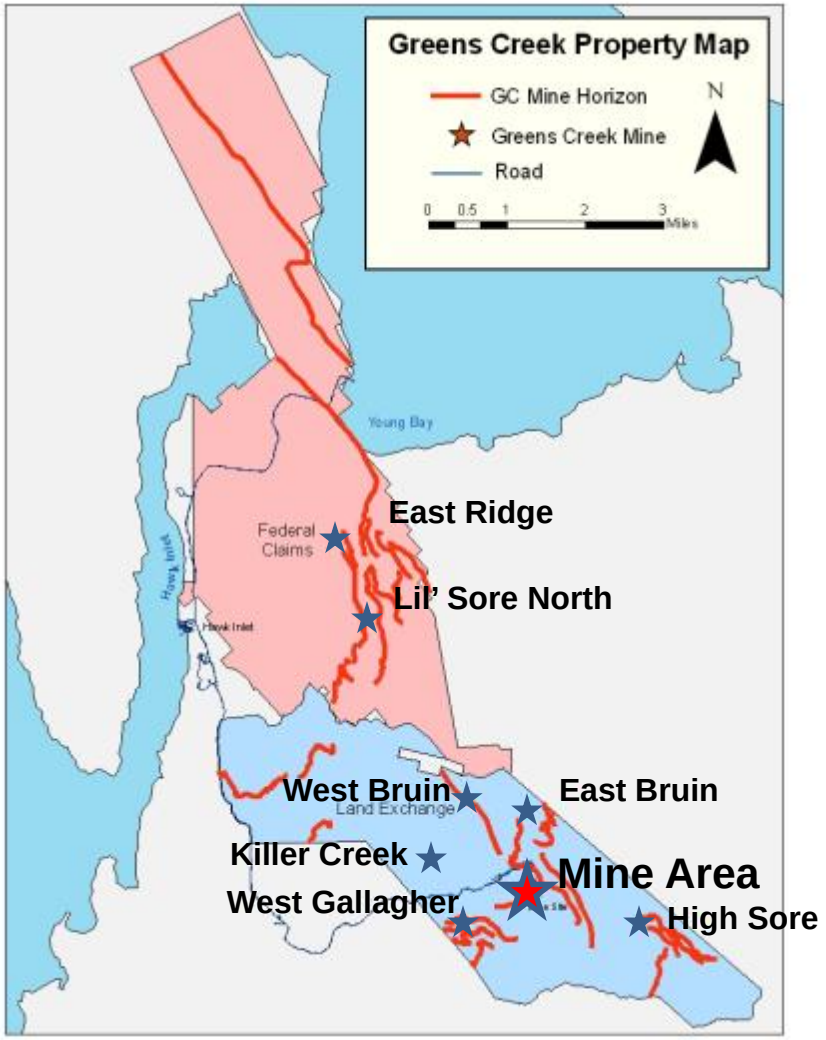


1. Gold companies include: NGD, BTO, SMF, AR, ASR, AGI, ANV, CG, TGZ, AUQ, RIO, DPM, P, GSS, TMM, OSK
2. Source: Scotiabank, September 2013
3. Score guide: Beat by >10% = 3 points, Beat = 2 points, Met guidance = 1 point, Missed = 0, Missed by >10% = -1 point

Appendix 5

Organic Growth - Greens Creek (Alaska)

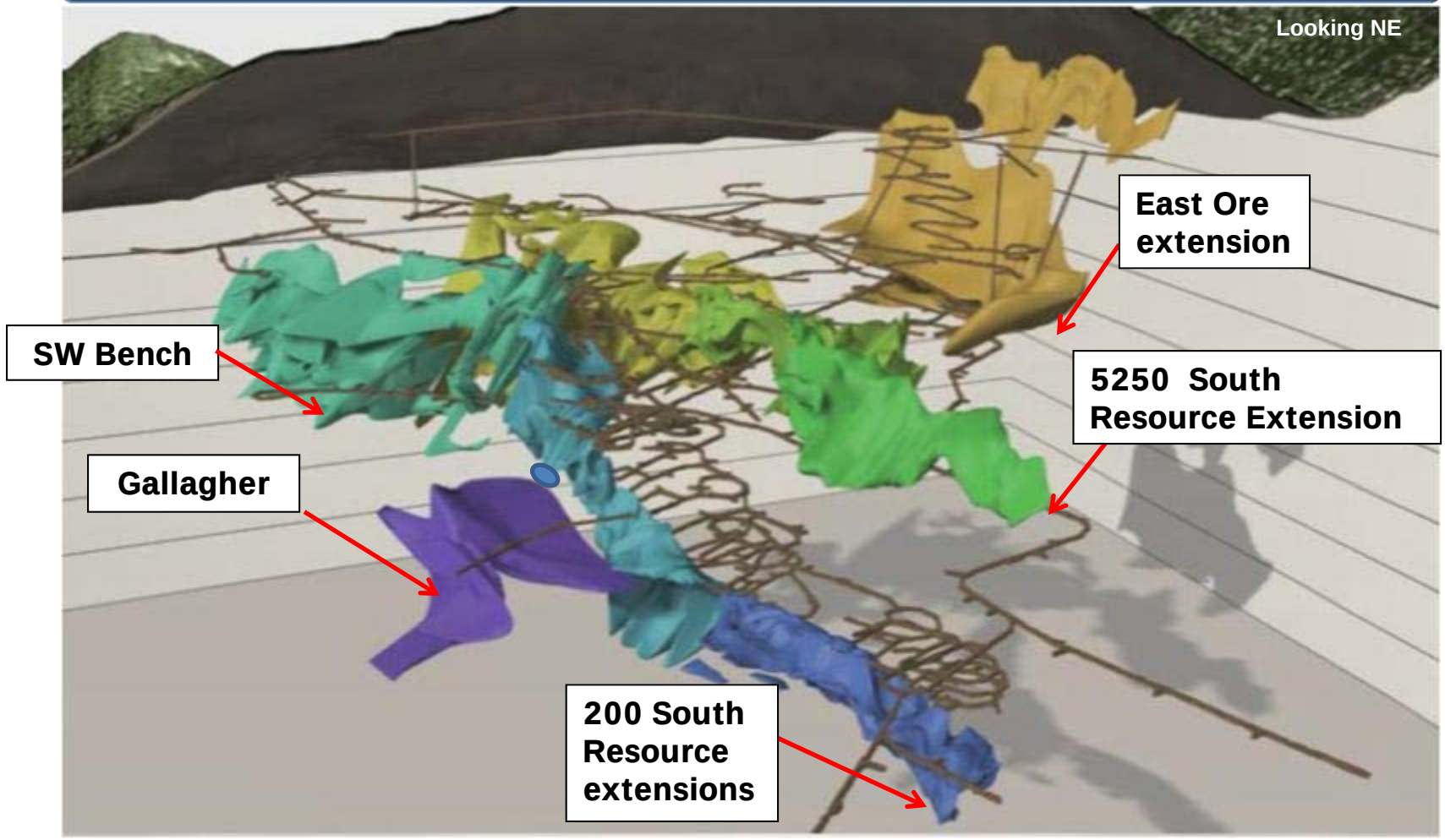
- Very large and under-explored 27-square-mile land position
- Over 30 miles of unexplored mine contact (red-trace) with multiple targets
- Surface exploration only resumed in 1999 due to establishment of Land Exchange



Appendix 5

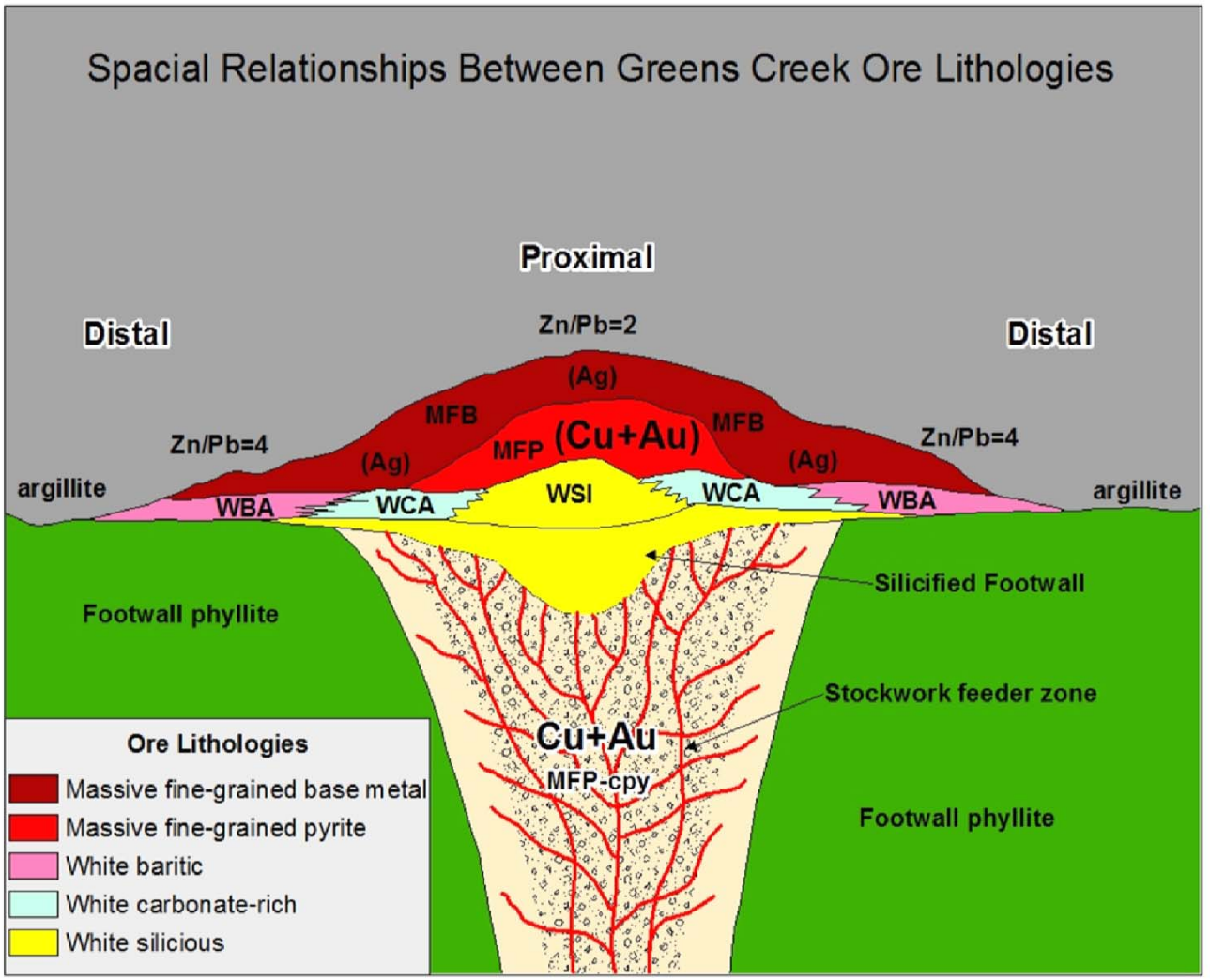
Exploration - Greens Creek (Alaska)

Underground Exploration Targets



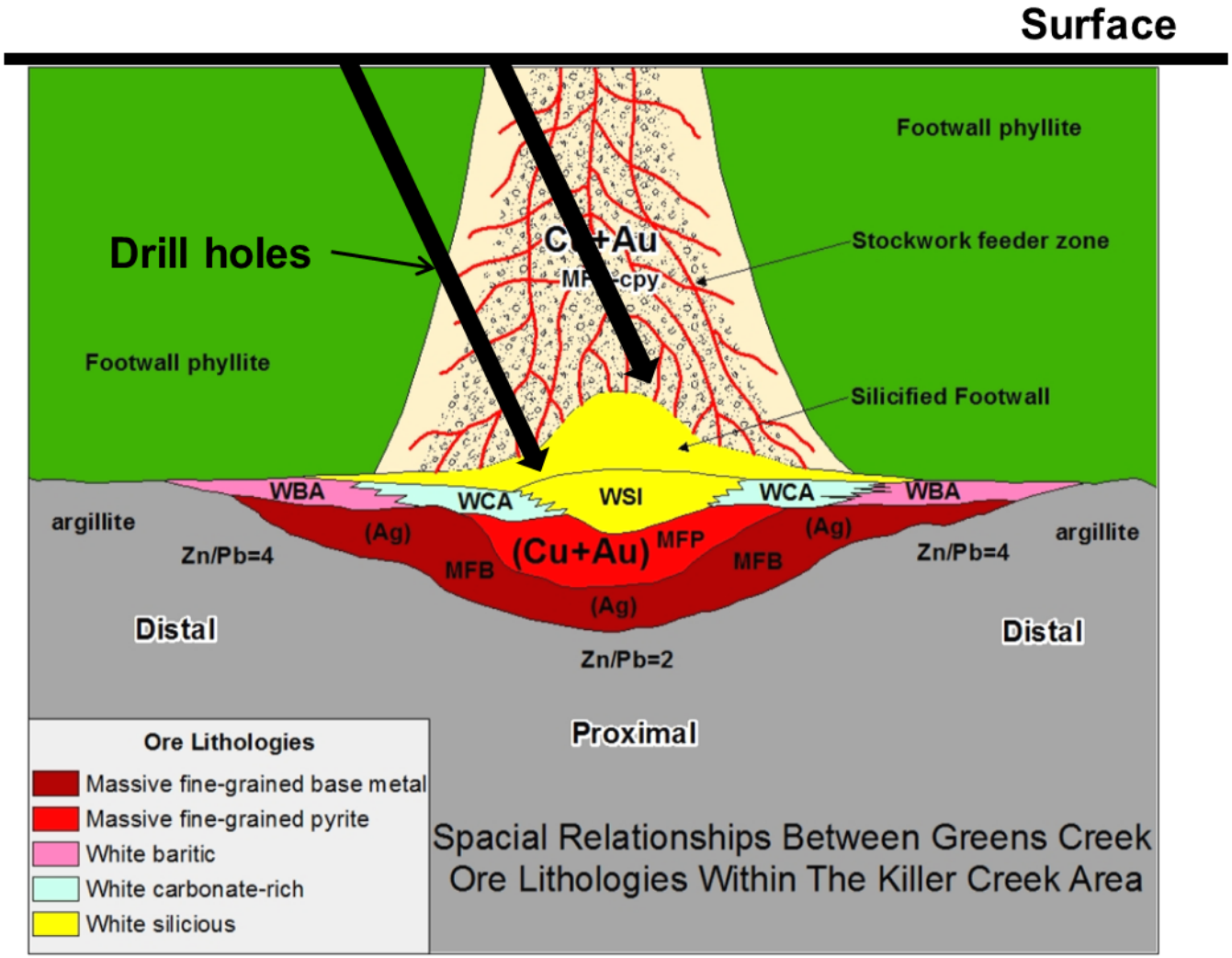
Appendix 5

Greens Creek - Surface Exploration



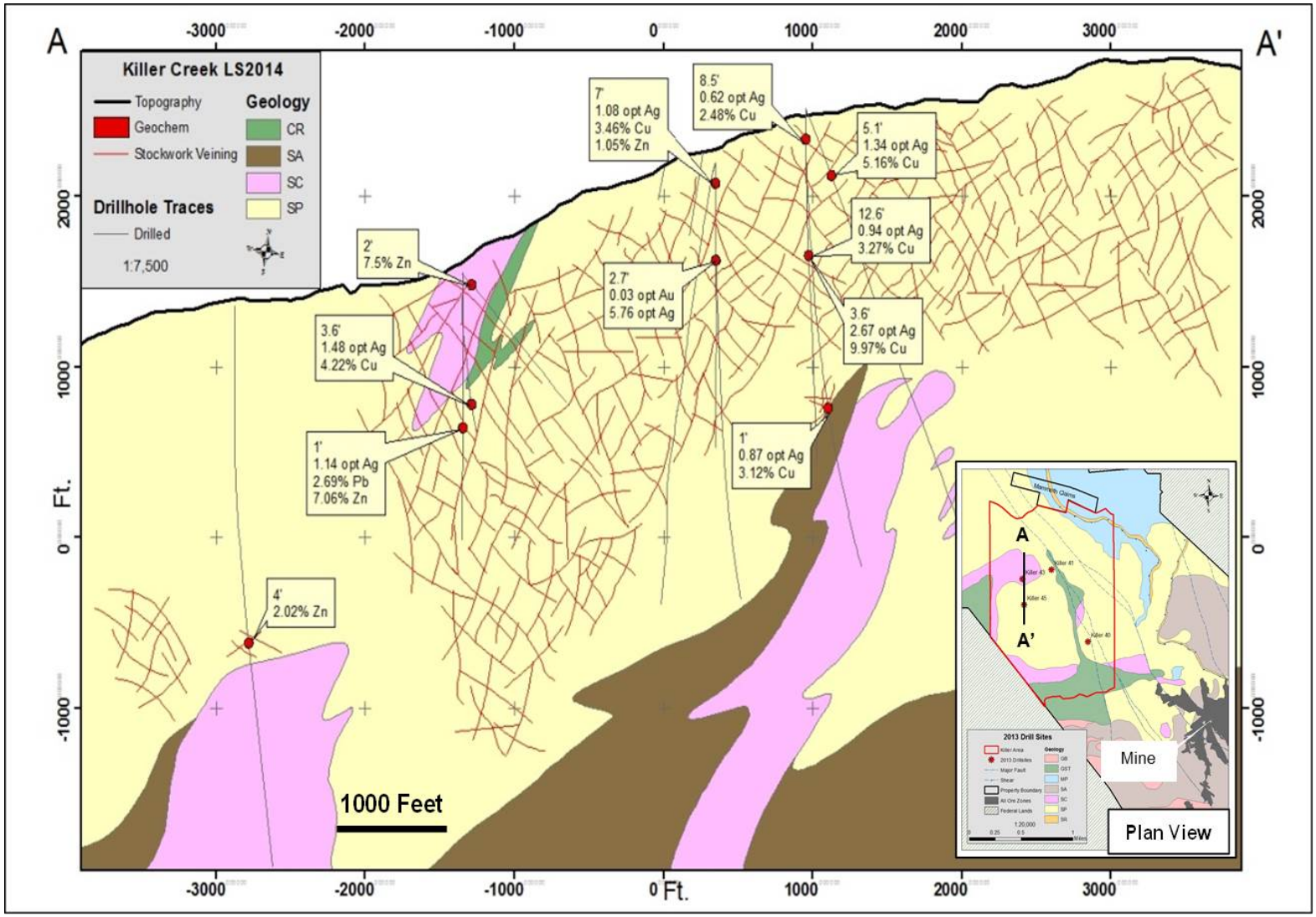
Appendix 5

Greens Creek - Post Deposition



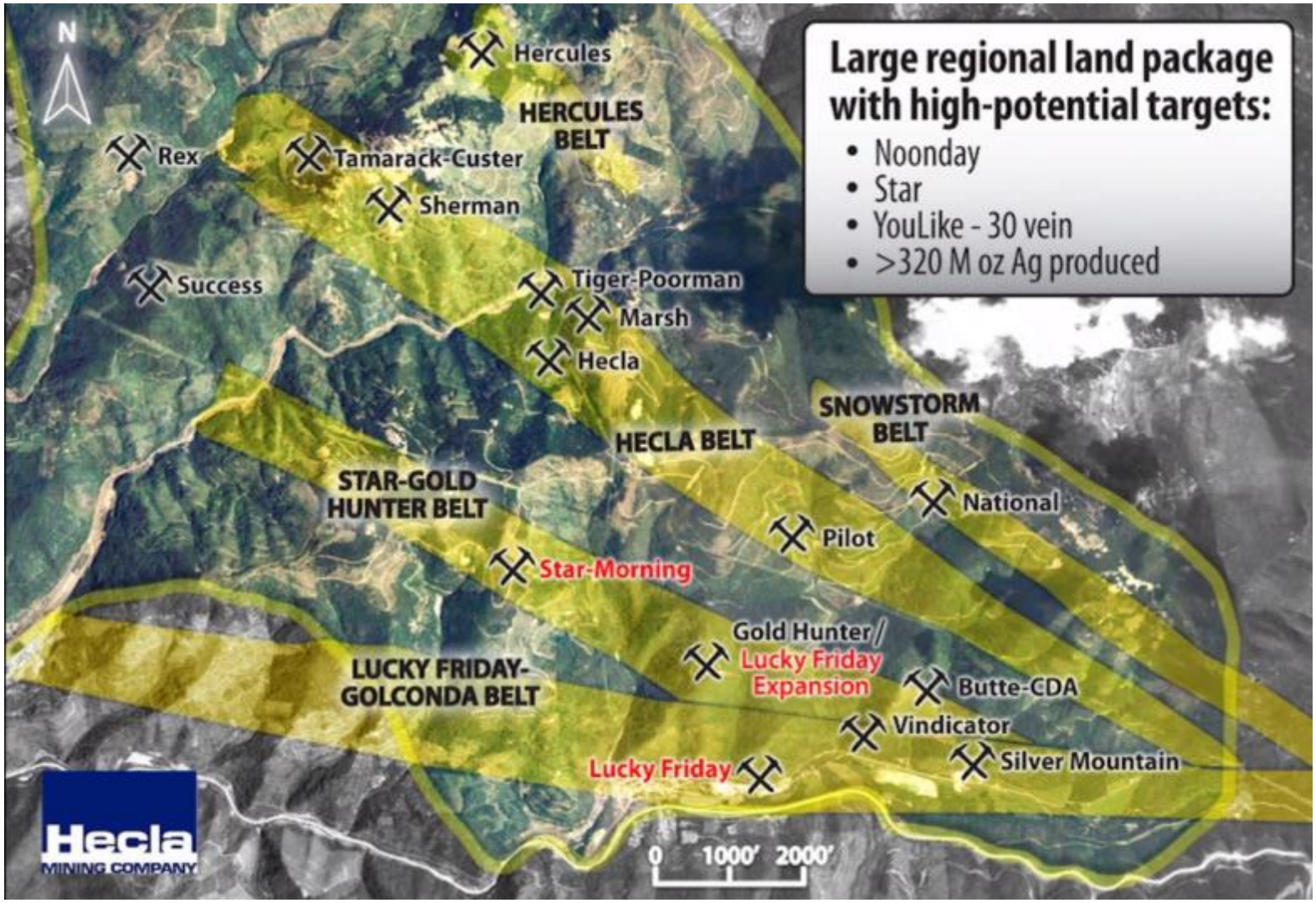
Appendix 5

Greens Creek - Surface Exploration (Killer Creek)



Appendix 5

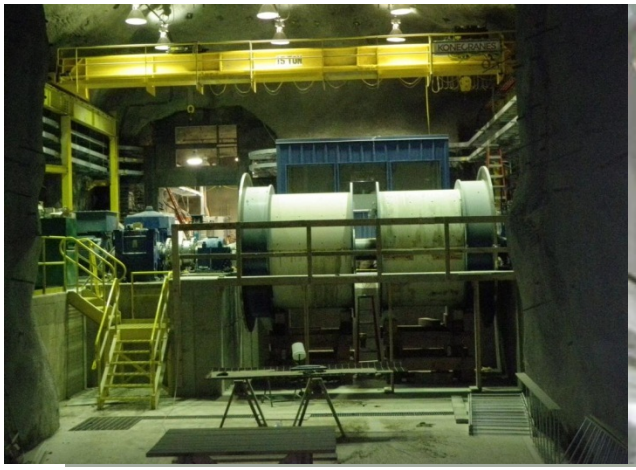
Lucky Friday & Silver Valley - Exploration



Appendix 5

Lucky Friday - #4 Shaft

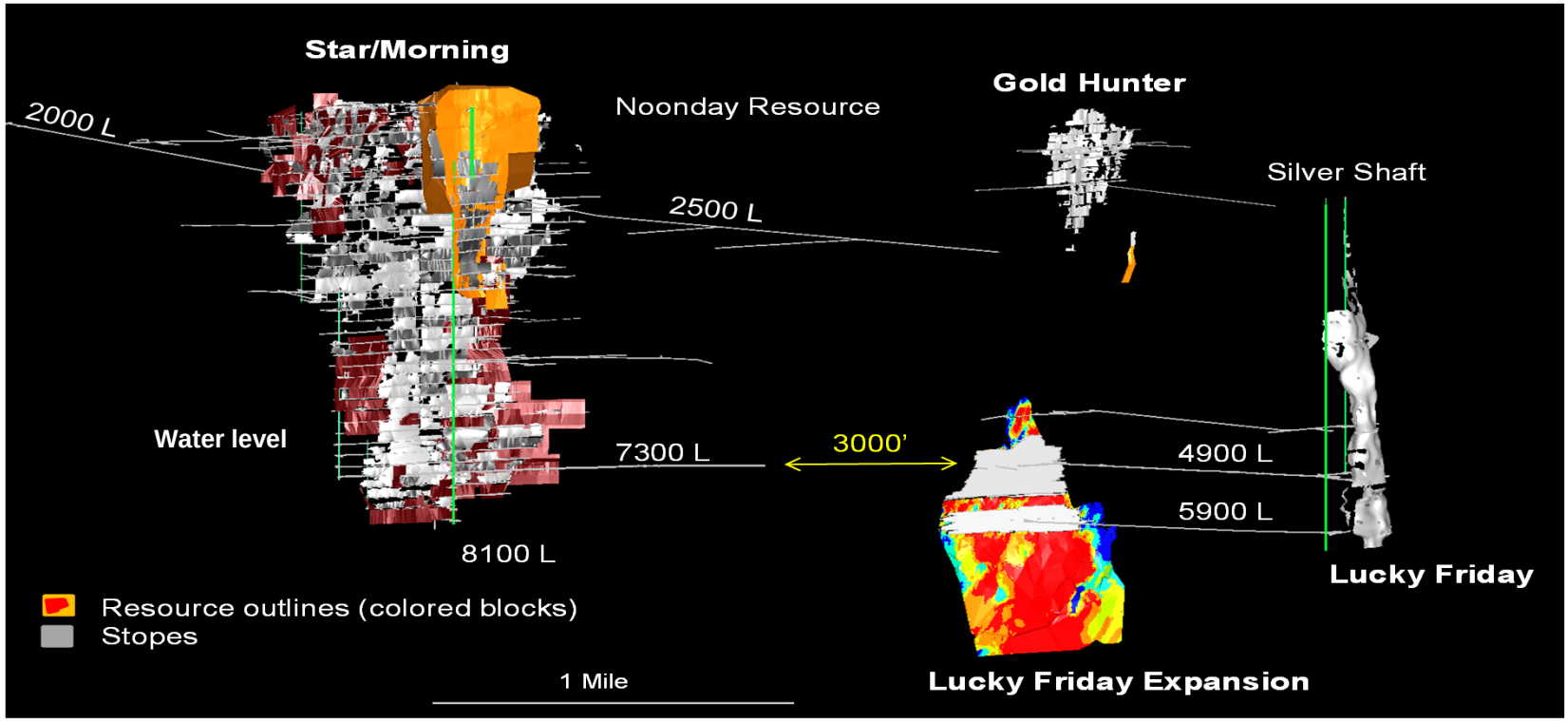
- #4 Shaft project is engineered to access higher grade ore zones and to take Lucky Friday silver production to 5 million ounces per year in 2017
- #4 Shaft construction resumed in Q1/13
- Currently at the 5900 level, work on the first of three shaft stations underway
- Total project is more than 50% complete
- Total project capital is expected to be approximately $200 million

Hoist Room	Shaft	Sheave Deck
		

Appendix 5

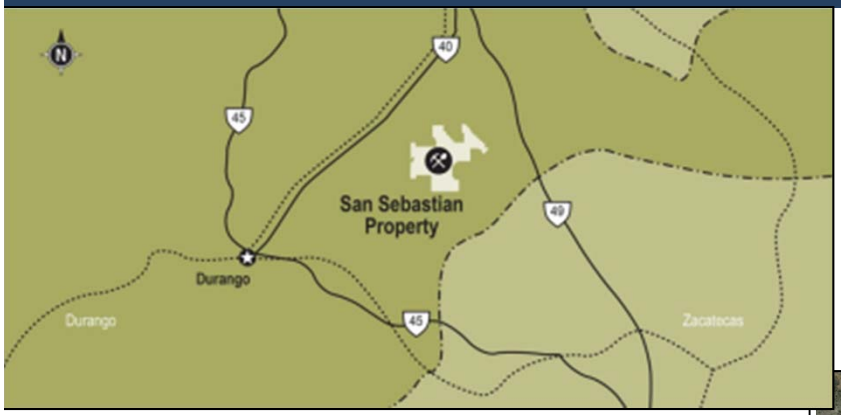
Organic Growth - Star Pre-Development (Idaho)

Longitudinal Section Looking North

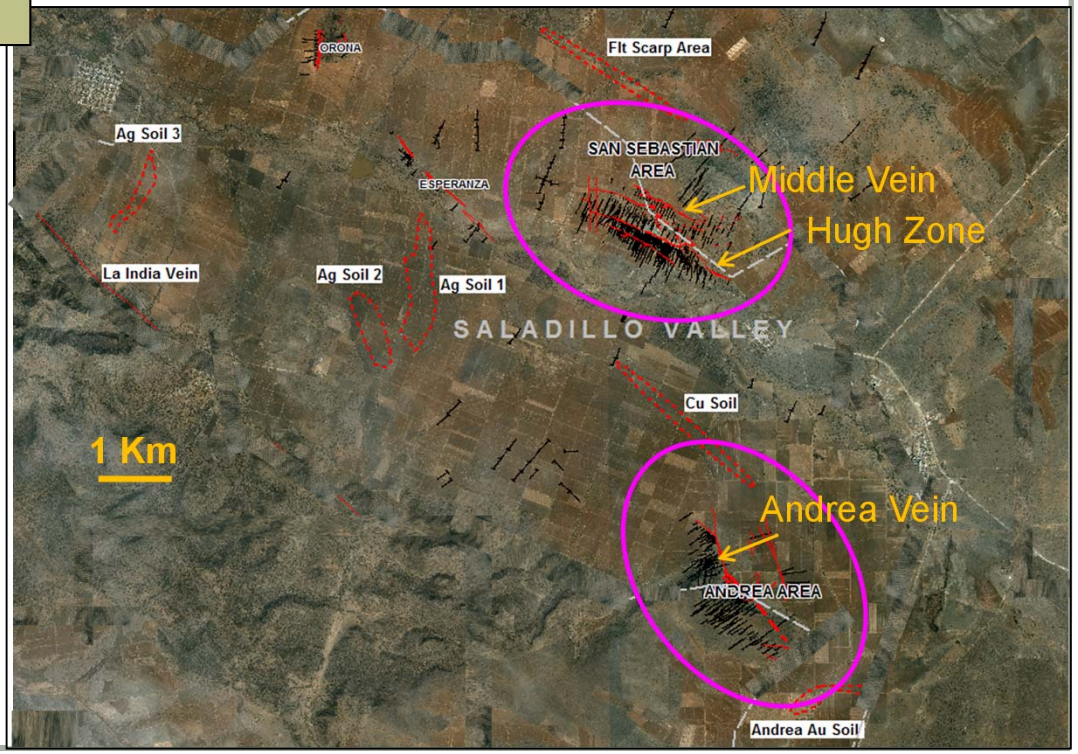


Appendix 5

Organic Growth - San Sebastian (Mexico)



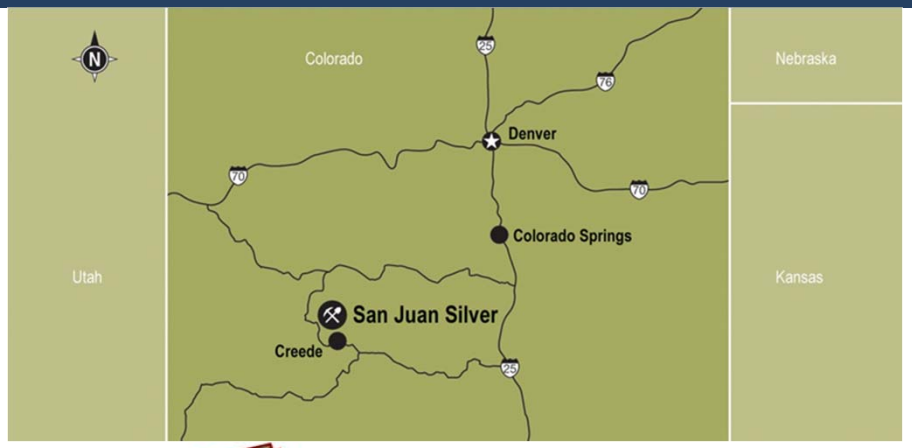
- 185-square-mile land package
- Potential extensions to both Middle Vein and Hugh Zone structures
- Andrea Vein remains open along strike and at depth

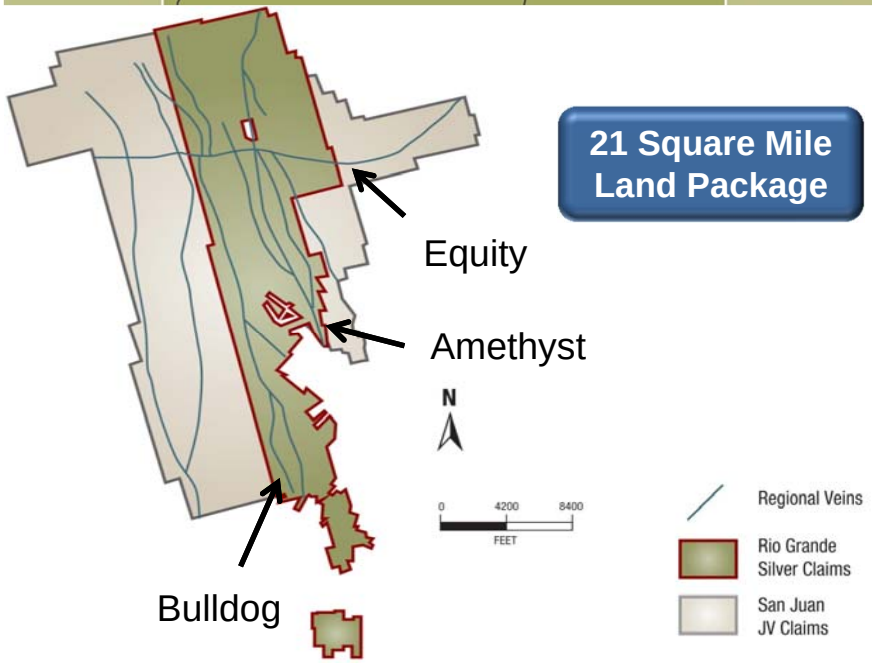


Appendix 5

Organic Growth - San Juan Silver (Colorado)

- Includes historic Bulldog mine: produced 25 million ounces of silver before closing in 1985
- 7.6 million ounces of silver Indicated Resources
- 33.1 million ounces of silver Inferred Resources
- Bulldog decline has broken through to previous underground workings
- Rehabilitation of old workings dependent on permits, available cash flow and priority of other opportunities

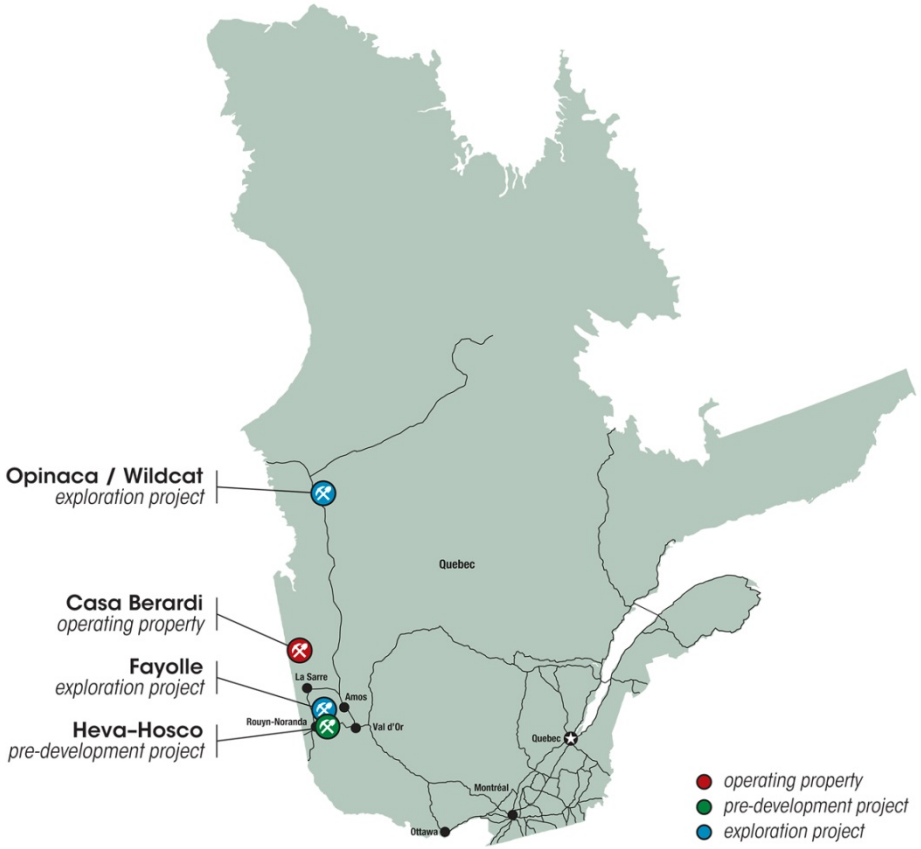




Appendix 5

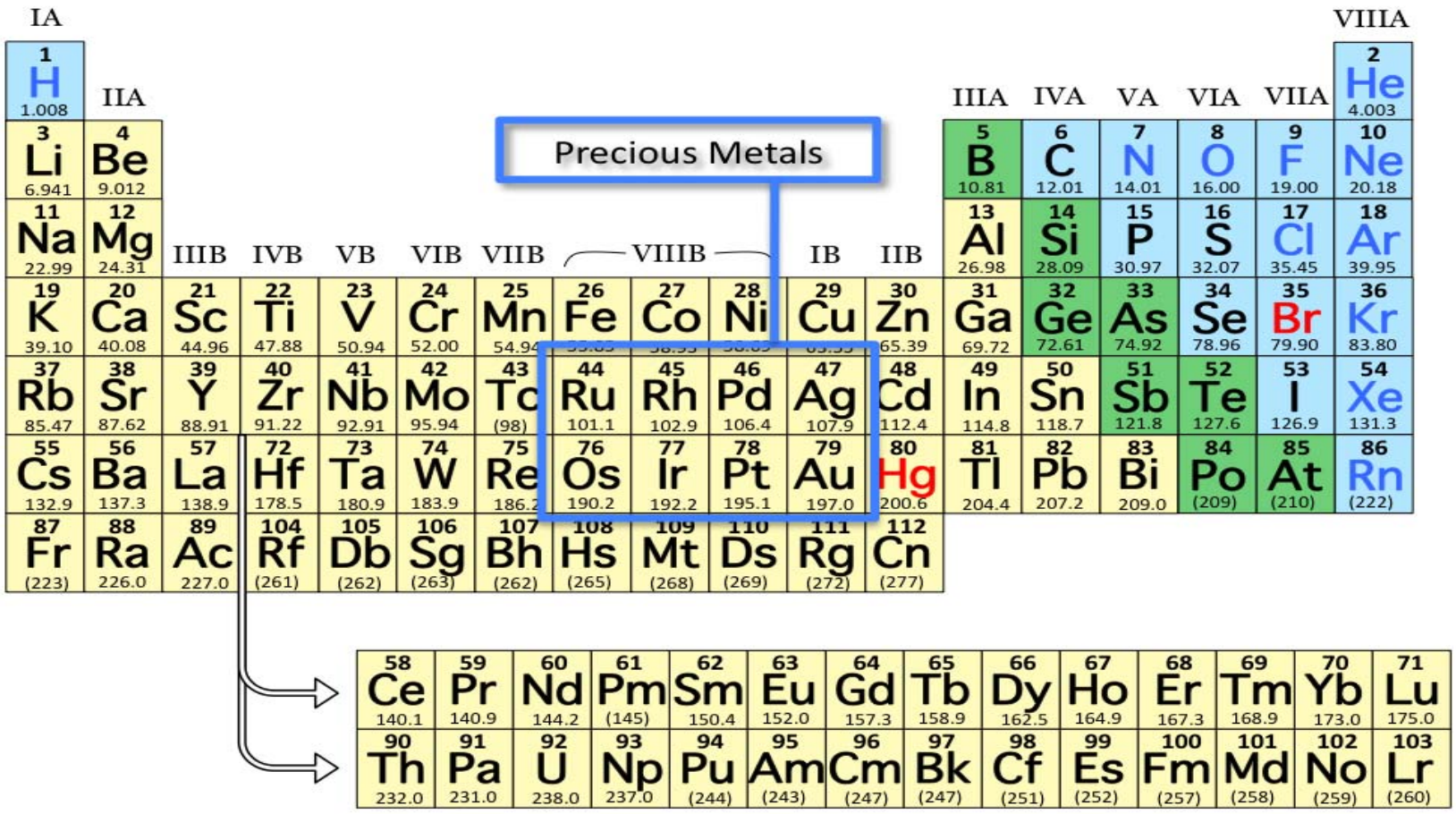
New Quebec Gold Assets

- Gold producer and exploration portfolio in western Quebec
- Heva and Hosco West extension
- Large in-pit gold resource at Hosco
  - Additional gold resources at Heva and Hosco West Extension
  - Attractive exploration potential
- Growth potential with future open pit development and shaft deepening at Casa Berardi
- Significant exploration portfolio
- Portfolio of other earlier stage projects and investments



Appendix 6

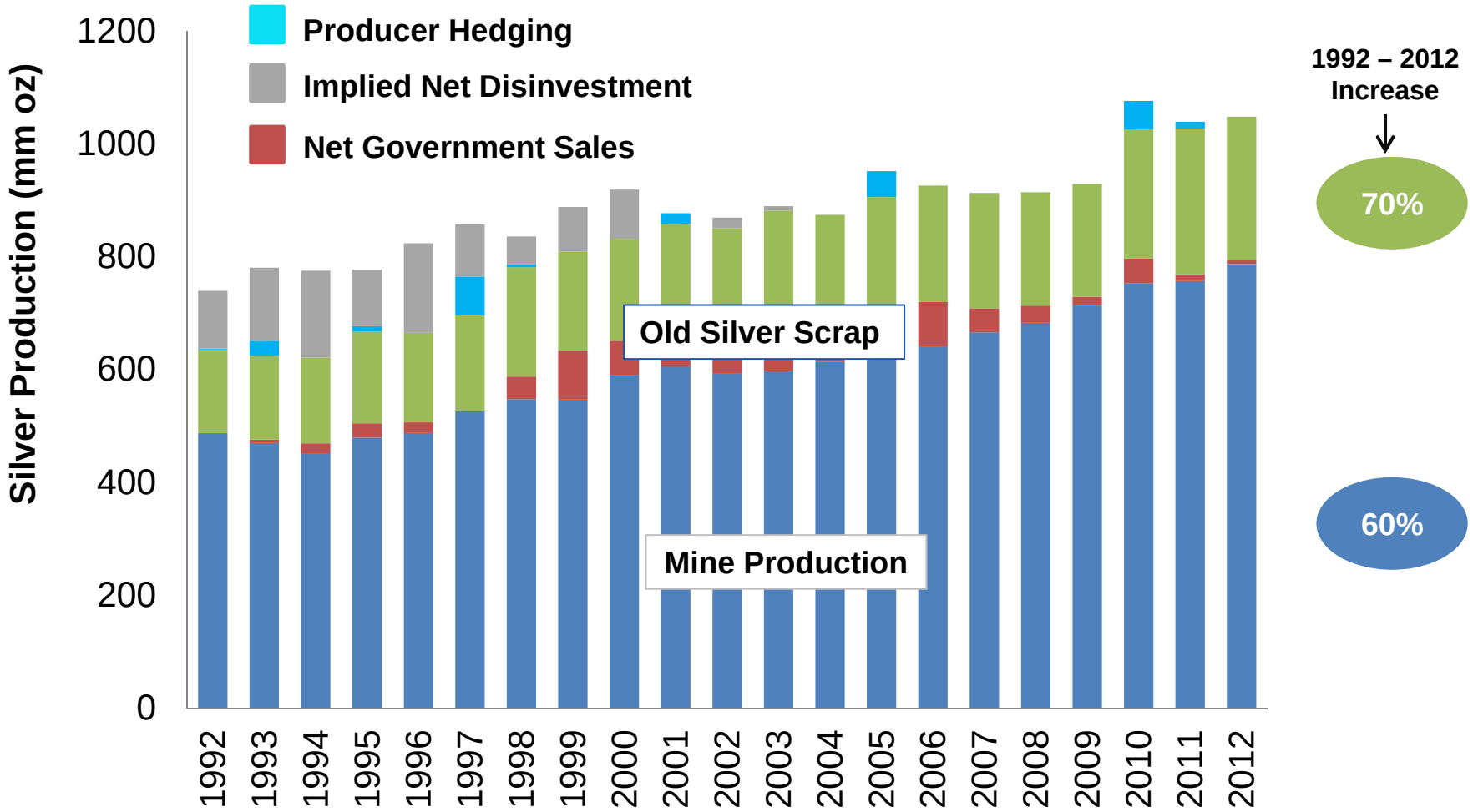
Properties of Silver



 Source – Clear Science 2010

Appendix 6

Mine Production is Key to Silver Supply

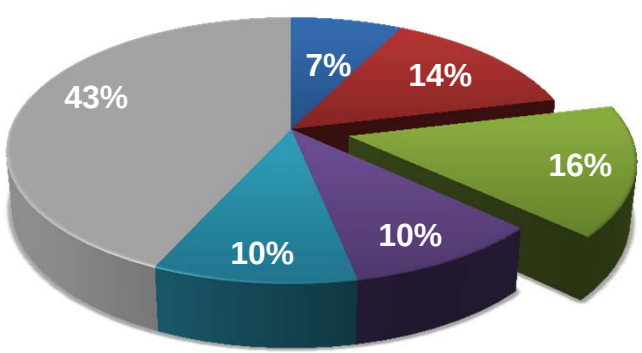


 Source - GFMS

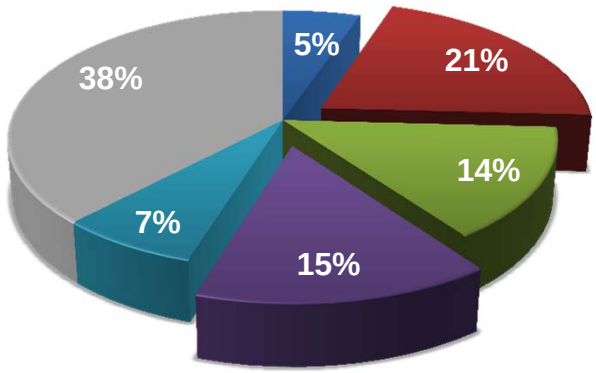
Appendix 6

Top 5 Producing Countries (10 years)

- Mining produced a total of 597.2 mm oz of silver globally in 2003 and nearly 787.0 mm oz in 2012.
- Mexico became the largest single country producer in 2010 and produced 162.2 mm oz in 2012.



2003



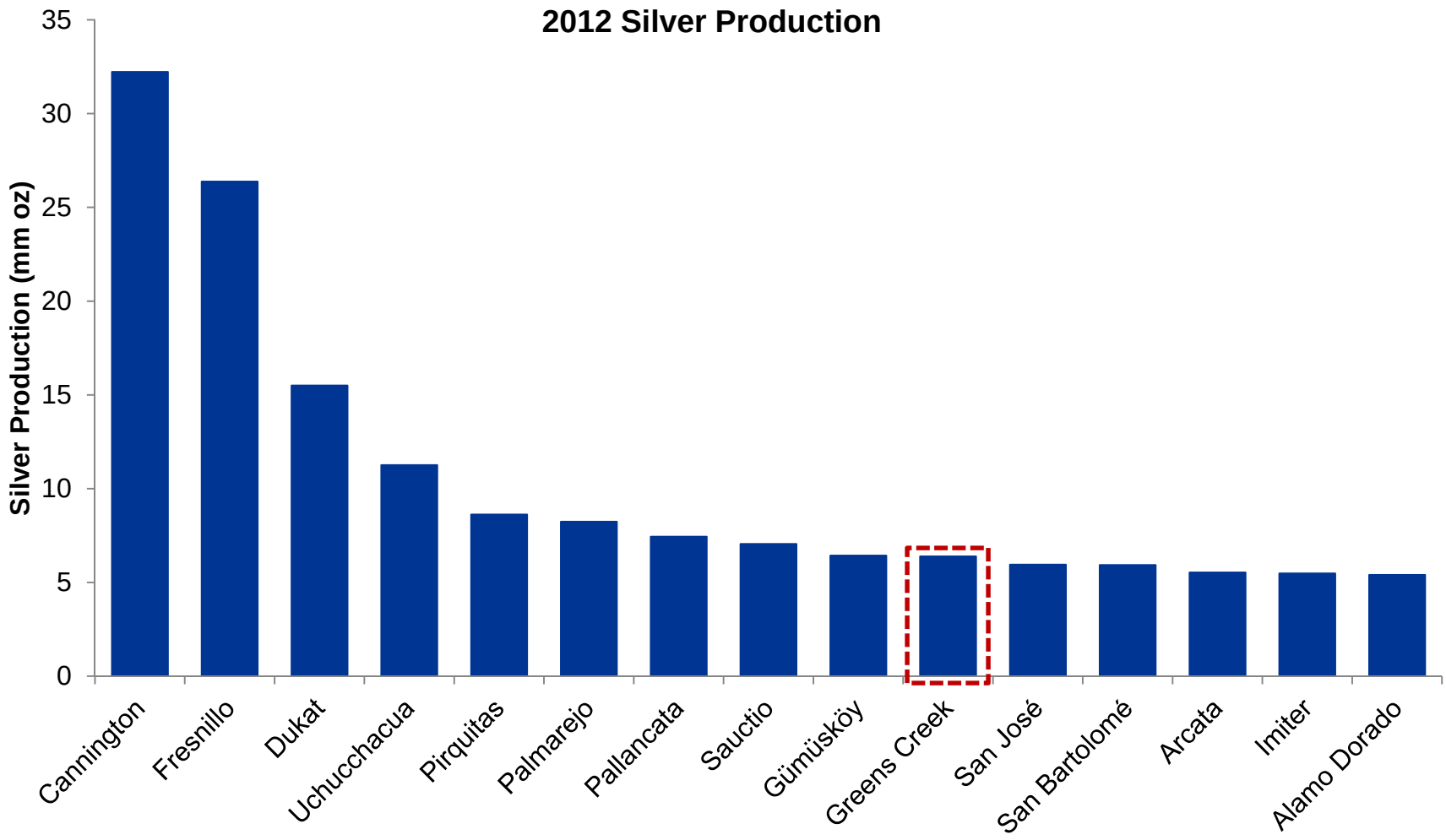
2012

Poland Mexico Peru China Australia Other

 Source: The Silver Institute: World Silver Survey 2012, GFMS, Hecla

Appendix 6

Top 15 Mines Produced 152 mm oz

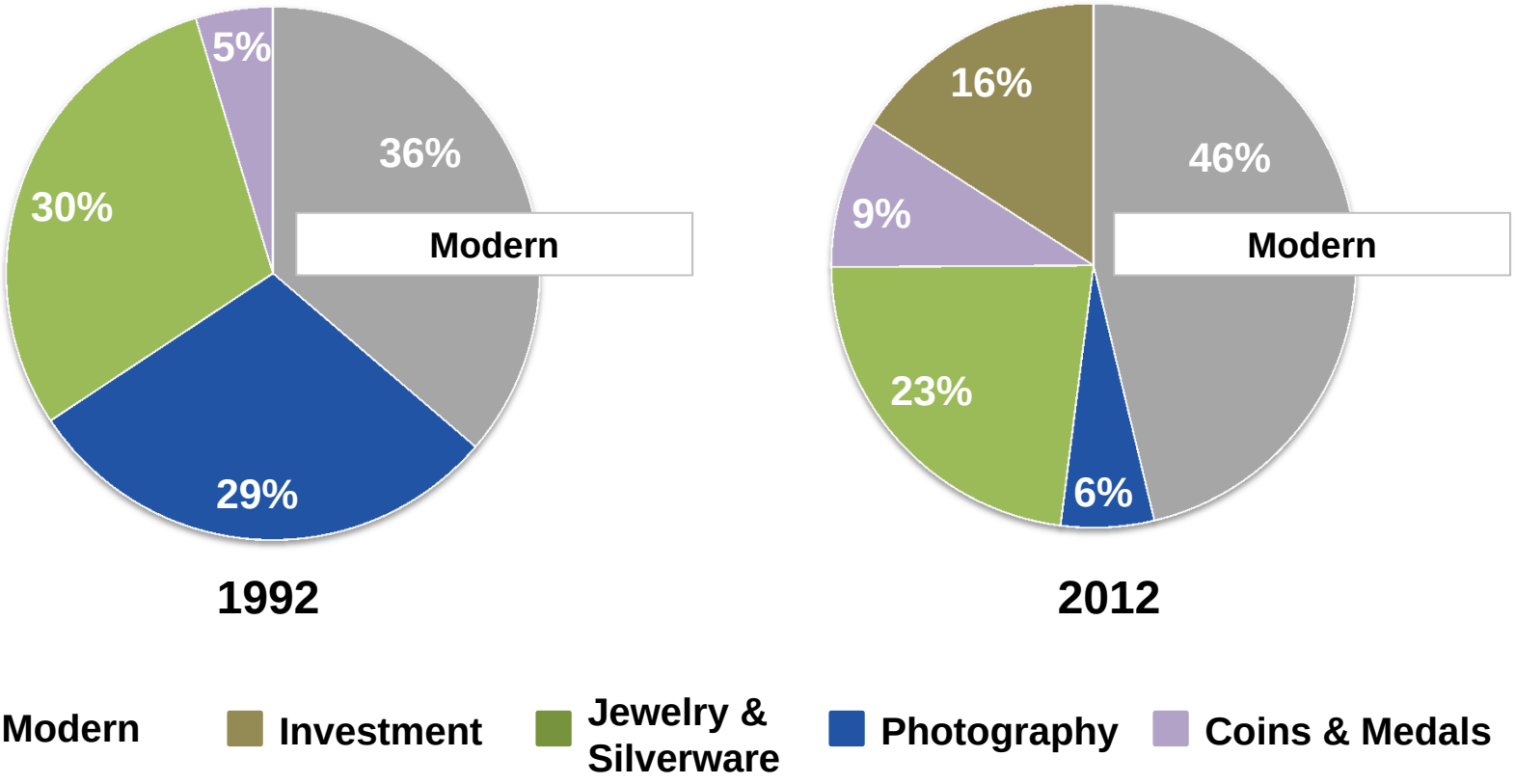


Source: The Silver Institute: World Silver Survey 2012, GFMS, Hecla

Appendix 6

Increasing Share of Modern Demand

- Modern demand increased from 260 mm oz in 1992 to 465 mm oz in 2012, an increase of 80%, and an annualized increase of 3.0%

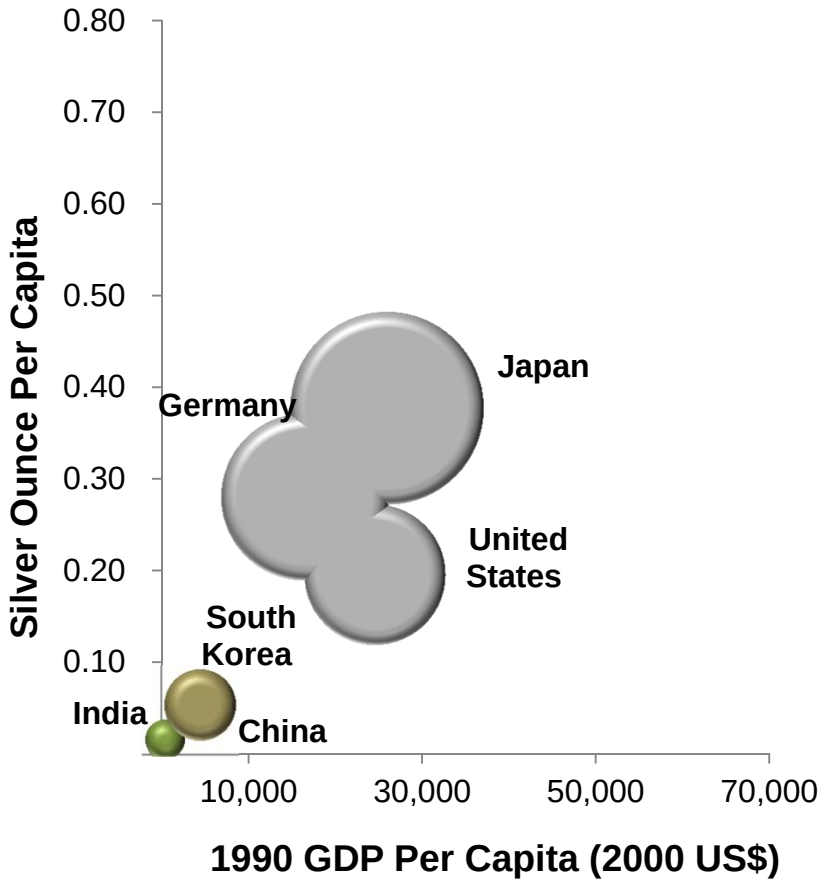


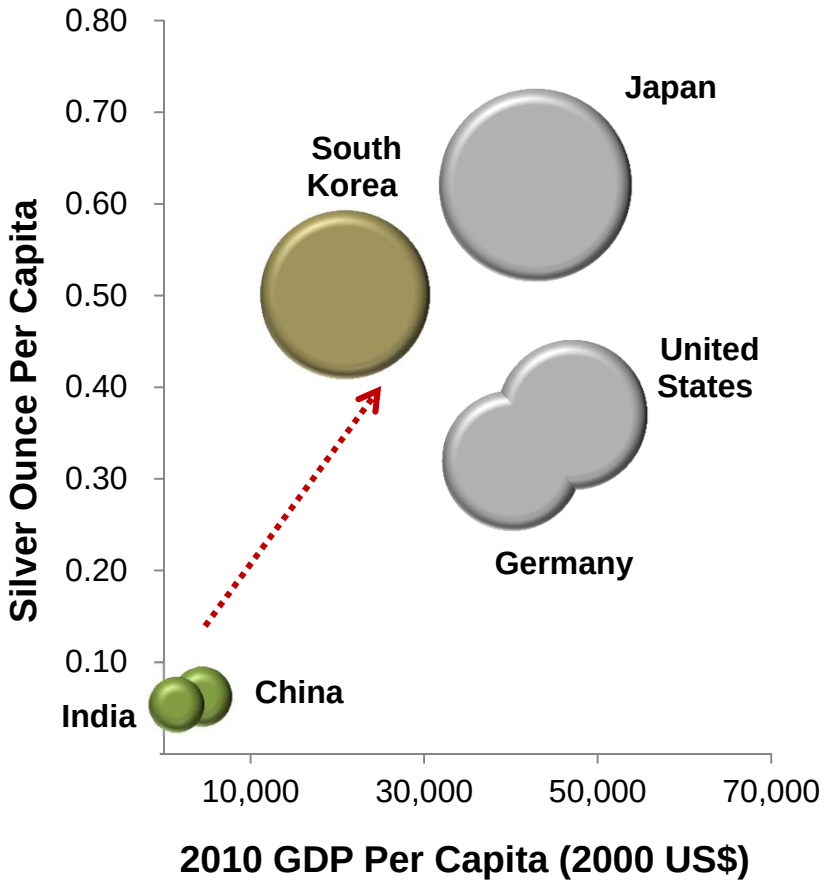
 Source - GFMS

Appendix 6

Silver Consumption per Capita Increases

Increasing Silver Consumption Per Person in China and India





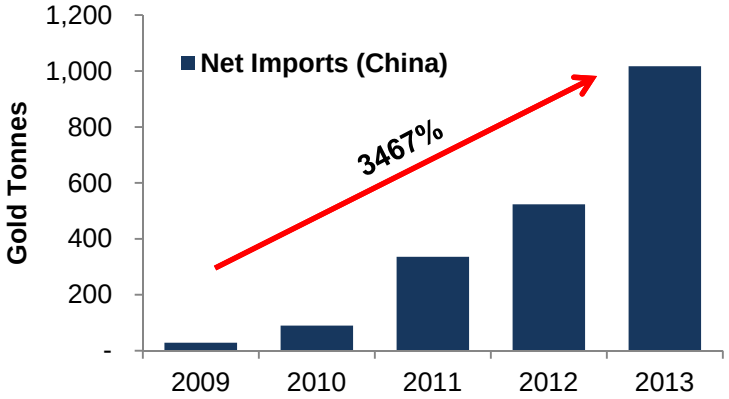
Source – World Bank, GFMS 2011

Size of bubbles indicate relative consumption per person

Appendix 6

Gold: Physical vs. Financial

EAST



Source: Bloomberg, 2013 data until 11/30/2013

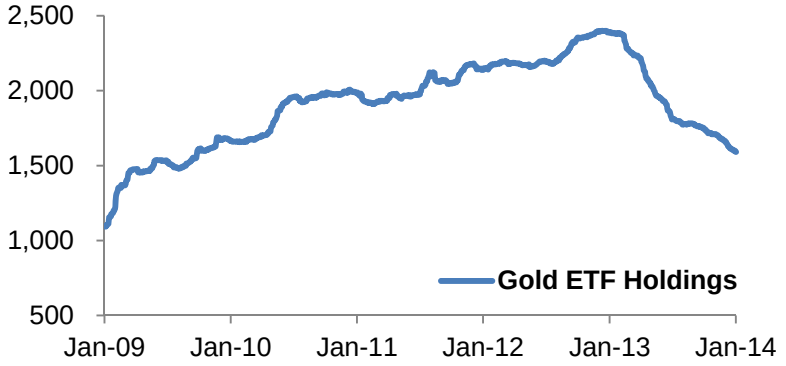
Chinese demand: ↑ 37% in the first nine months of 2013[1]

Indian demand: ↑ 12% in the first nine months of 2013[1]

Combined population: 2.6 billion

vs.

WEST



Source: Bloomberg

Gold ETF's: ↓ -697 tonnes in the first nine months of 2013[1]

Number of ETF's: 19[2]

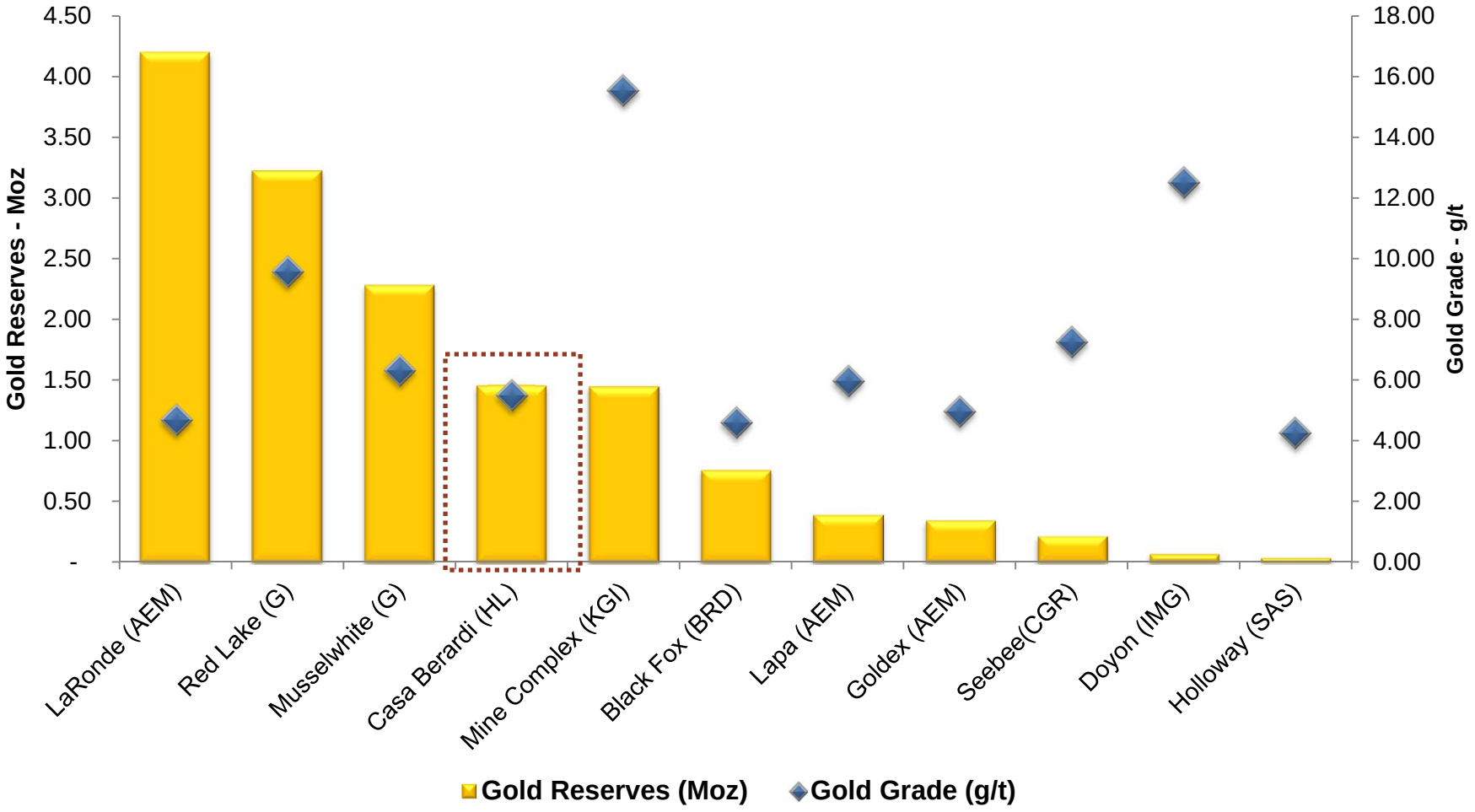
US population: 317 million

1. Source: World Gold Council
2. Includes: Gold Bullion Securities (London & Australia) , SPDR® Gold Shares (formerly streetTRACKS Gold Shares), NewGold Gold Debentures, iShares Comex Gold Trust, ZKB Gold ETF, GOLDIST, ETF Securities Physical Gold, ETF Securities (Tokyo), ETF Securities (NYSE), XETRA-GOLD, Julius Baer Physical Gold, Central Fund of Canada and Central Gold Trust, Swiss Gold, iShares Gold Bullion Fund, Sprott Physical Gold Trust, ETF Securities Glitter, Mitsubishi Physical Gold ETF, CS ETF II and Dubai Gold Securities.

Appendix 6

Solid Gold Grade and Reserves

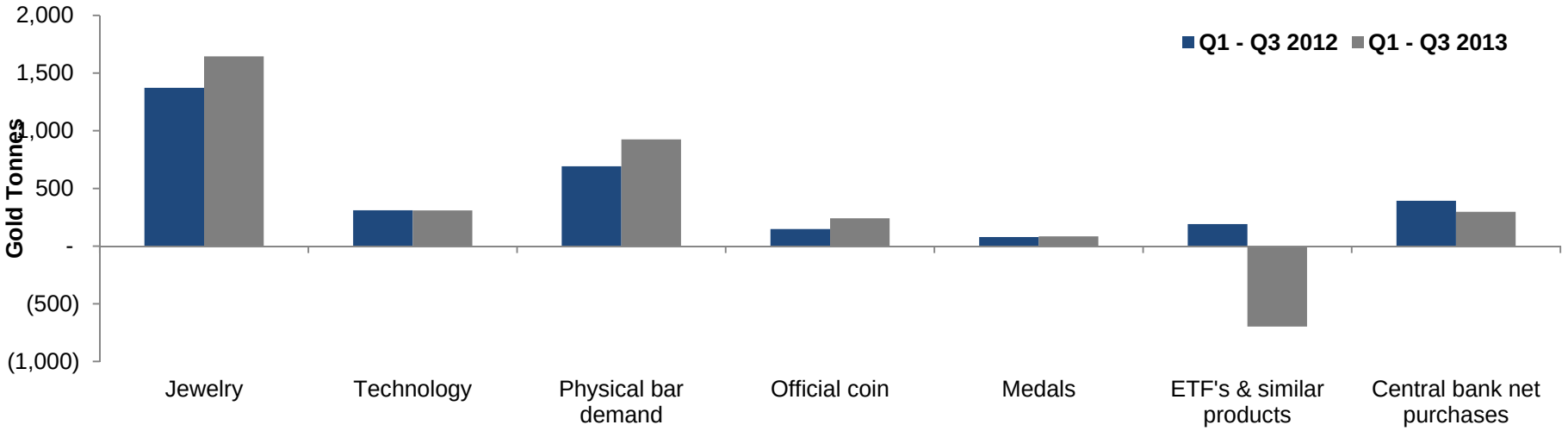
Gold Reserves and Grades of Several Canadian Gold Mines



 Source: Public filings

Appendix 6

Gold Fundamentals

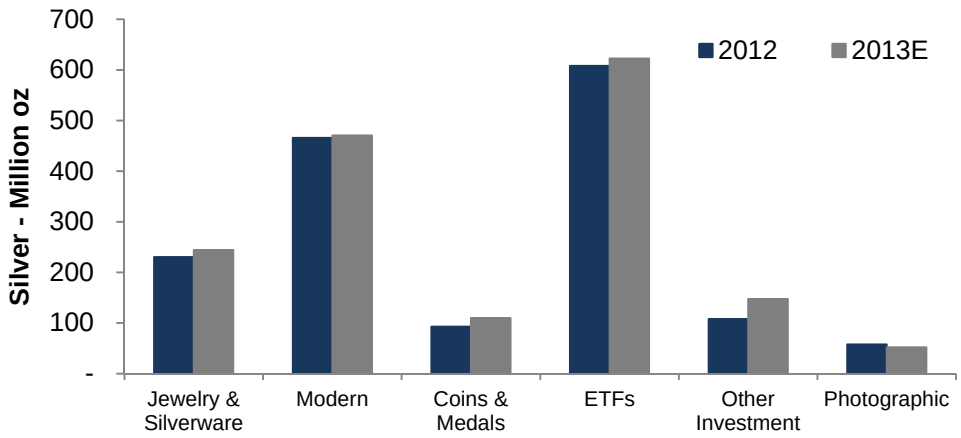


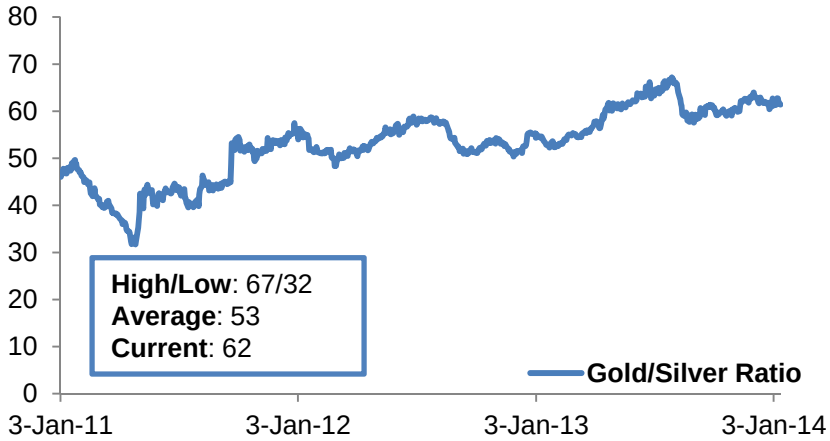
- **Jewelry consumption:** Up 20% in the first nine months of 2013 versus 2012
  - Driven by high demand in South East Asia, China and India
- **Chinese consumer demand:** Up 37% in the first nine months of 2013 versus 2012
- **Indian consumer demand:** Up 12% in the first nine months of 2013 versus 2012 - has been dampened by government regulations
- **Central banks:** Net buyers (slower rate than 2012)
- **Overall demand:** Down 12%, mainly due to the large outflow from ETF's (outflow of 697 tonnes as of September 30, 2013 versus in flow of 191 tonnes in 2012)

Source: World Gold Council
Total demand for Q1-Q3 2013 = 2,805 tonnes

Appendix 6

Silver Fundamentals - 2013E vs. 2012





- **Coinage demand:** Up 19% over 2012; the USA, China, and Canada saw the largest increases
- **Jewelry & silverware demand:** Up 6% over 2013 - driven by China, India and the USA
- **Indian demand:** Physical silver increased significantly due to strict gold import restrictions
- **ETFs net inflow:** 15 Moz in 2013**,** lower than 2012
- **Overall investment demand** (inclusive of ETF additions): Higher in 2013 vs. 2012
- **Fabrication demand** (excluding coins): Declined 1% - increases in jewelry, silverware and modern demand offset by falling photographic demand

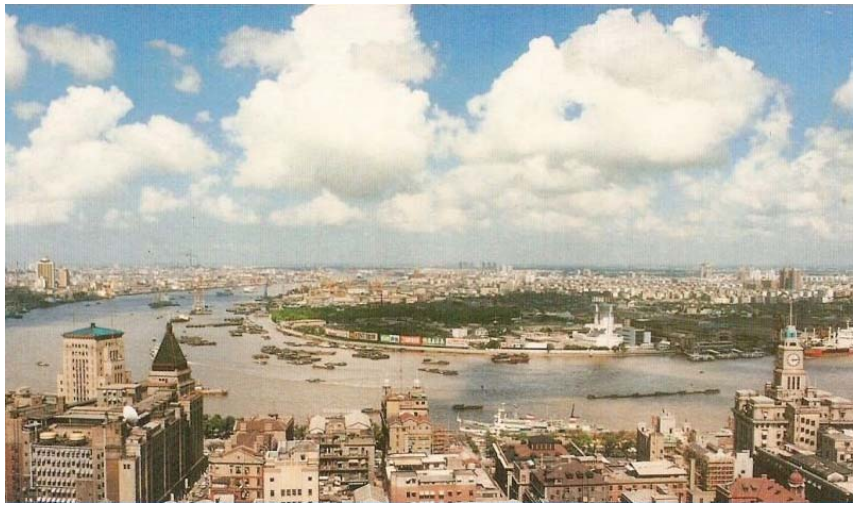
Source: GFMS Silver Survey, Bloomberg
Total demand for 2013E = 1,039 Million oz of silver

Appendix 6

Silver is a Lifestyle Metal

Shanghai, China

1990



2010

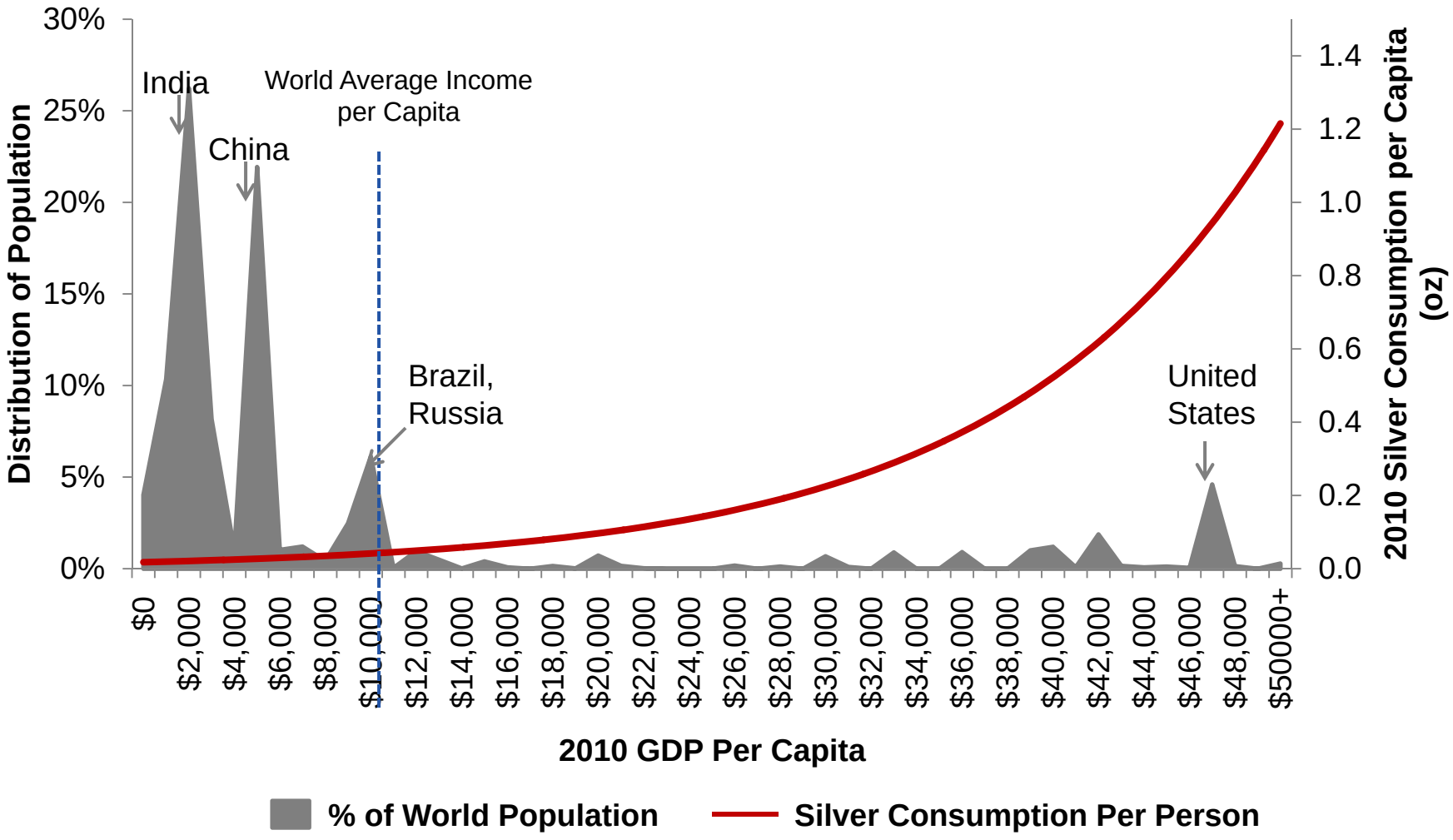


- Silver is not an infrastructure material such as cement, steel, copper; its use is further downstream and is partly tied to discretionary spending
- We expect Chinese modern demand to increase to approximately 120 mm oz by 2015, assuming an annual growth of 9.8% (based on historical 20-year annualized growth rate)

 Pictures from *twistedsifter.com*

Appendix 6

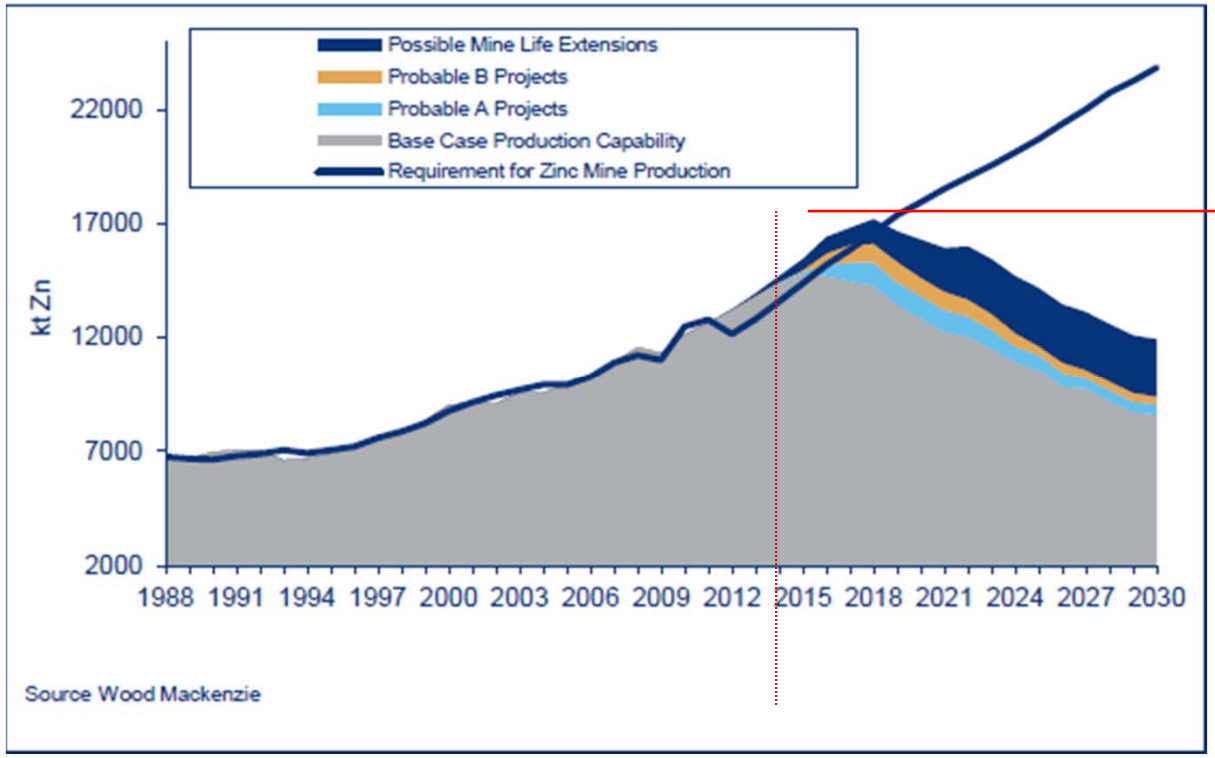
Modern Silver Demand Increases with Increasing Income



Appendix 7

Zinc Supply - Mining

- Forecasted mine production vs. forecasted market demand
- Demand is expected to exceed mine production around 2018



Major Mine Shutdowns

Mine	Annual Capacity (MT)
Perseverance	115K
Brunswick	240K
Century	510K
Lisheen	175K

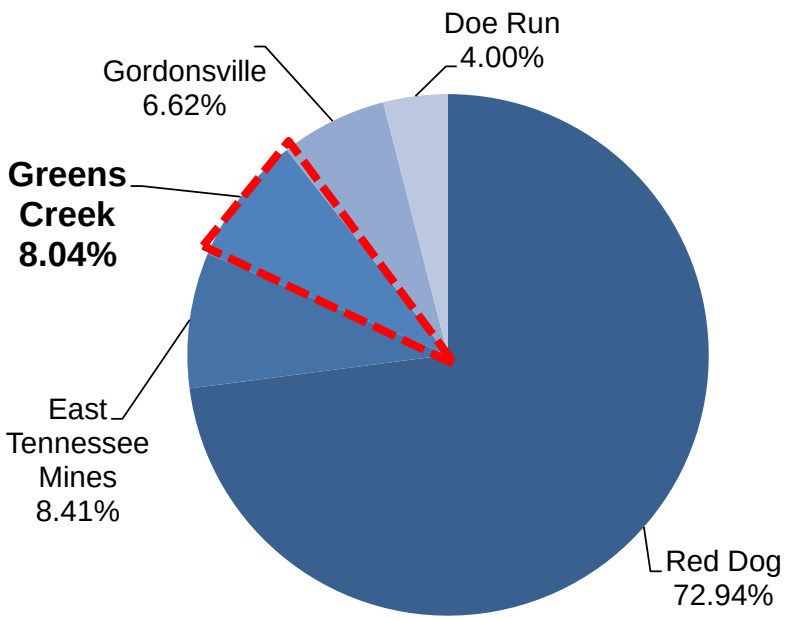
Source: Wood Mackenzie June 2013

Appendix 7

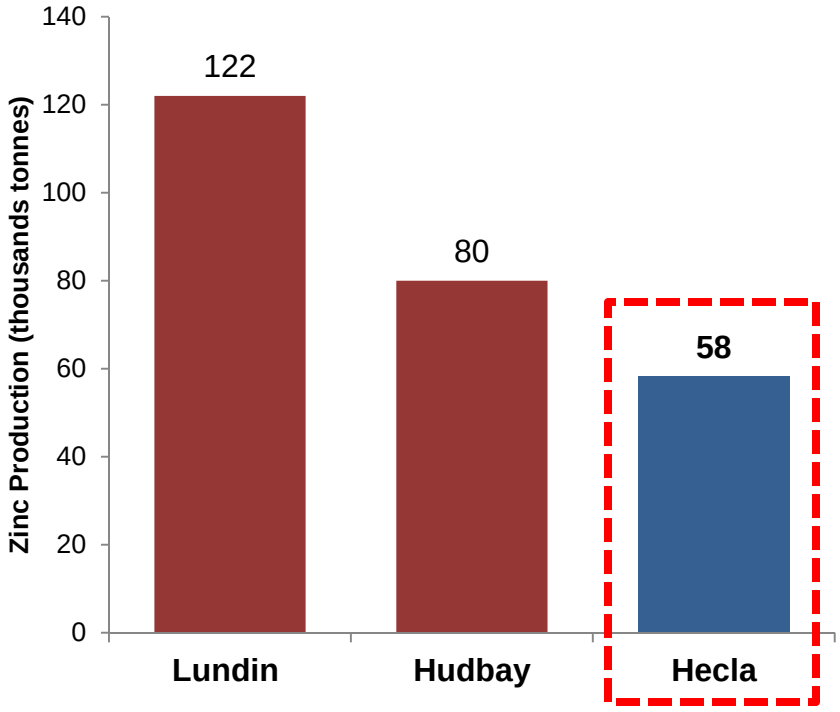
Zinc Supply - US Production

- Greens Creek is the 3rd largest zinc producer in the US

% of USA Zinc Production 2012



Comparison of 2012 Zinc Production



Source: Wood Mackenzie 2013