

HECLA MINING CO/DE/  
Form FWP  
September 03, 2008

Investor Presentation  
September 2008

1  
Cautionary Statements  
Cautionary Statements  
Cautionary  
Note  
Regarding  
Forward

Looking  
Statements

Statements made which are not historical facts, such as anticipated payments, litigation outcome, production, sales of assets, exploration results and plans, costs, and prices or sales performance are forward-looking statements

within the meaning of the Private Securities Litigation Reform Act of 1995, and 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, exploration risks and results, political risks, project development risks, labor issues and ability to raise financing. Refer to the company's Form 10-Q and 10-K 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.

Hecla has filed a shelf registration statement (including a prospectus) and a preliminary prospectus supplement with the SEC for the offering to which this communication relates. Before you invest, you should read

the  
preliminary  
prospectus  
supplement  
and  
the  
prospectus  
in  
that  
registration  
statement

and other documents Hecla has filed with the SEC for more complete information about Hecla and the offering. You may get these documents for free by visiting EDGAR on the SEC web site at [www.sec.gov](http://www.sec.gov). Alternatively, Hecla, any underwriter or any dealer participating in the offering will arrange to send you a copy of the preliminary prospectus supplement and prospectus in the registration statement if you request it by calling

Merrill  
Lynch,  
Pierce,  
Fenner  
&  
Smith  
Incorporated  
at  
212-449-1000  
or  
Scotia  
Capital  
(USA)  
Inc.  
at  
212-225-  
6853.

Reconciliation of Enterprise Value (EV) and cash cost per ounce can be found in the Appendix.

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Issuer Free Writing Prospectus, dated September 3,  
2008

Filed pursuant to Rule 433

Registration Statement No.: 333-145919

2  
Offering Summary  
Offering Summary  
Issuer  
Hecla Mining Company  
Offer Size  
30 million shares

Over-Allotment

15% greenshoe

Offer Type

Fully registered offer in the U.S.

Private placement in Canada and Europe

Exchange / Ticker

NYSE / HL

Use of Proceeds

Repayment of bridge facility

General corporate purposes

Joint Bookrunners

Merrill Lynch and Scotia Capital

Key Milestones

Roadshow September 2 to September 8

Anticipated pricing September 8

3

Why Hecla?

Why Hecla?

Attractive production profile

mining a great product

Consistently one of the lowest cost silver producers in North America

Geo-politically stable locations  
Largest silver producer in the U.S.  
100% of silver reserves in the U.S.  
Additional exploration opportunities in the U.S. and Mexico  
Strength operationally, financially, organizationally  
Established history with over 100 years of operational experience  
Lucky Friday in operation since 1942  
Greens Creek in operation since 1989  
Accretive acquisition not yet fully appreciated by the market  
Experienced management team



4

6%/annum increase in industrial/consumer demand over last five years (54% of total demand)

New/expanded sophisticated consumer uses (cell phones, laptops)

Developing countries are urbanizing

Physical properties  
versatile & difficult to  
substitute

Jewelry/Silverware steady (26%)

Photography use becoming irrelevant (15%)

Also an investment vehicle  
store of value like  
gold

Supply shortage of physical metal

Why Silver?

Why Silver?

A High Growth Metal

A High Growth Metal

5

On April 16, 2008, Hecla completed the acquisition of 70.3% of the Greens Creek joint venture, increasing our ownership interest to 100%

Funded with \$700 million in cash and approximately \$50 million in common stock

Gives Hecla control of 100% of the fifth largest silver mine in the world

Nearly doubles Hecla's annual silver production to approximately 11 million ounces

Significantly increases cash flow from operations

Maintains Hecla's already-low average cash costs per ounce of silver relative to peers

On July 8, 2008, Hecla completed the sale of its Venezuelan properties to Rusoro

Mining for \$25 million

Consideration

consisted

of

\$20

million

in

cash

and

approximately

4.3

million

shares

of

Rusoro

Mining

common

stock

Transforming

Transforming

Transactions

Transactions

6

Silver

Silver

Production Growth

Production Growth

Note: 2008 production estimates include 3.5 months of 29.7% of Greens Creek and 8.5 months of 100.0% of Greens Creek  
11 million

ounces  
5.6 million  
ounces

7

Greens Creek is the largest silver mine owned  
by any N. American-listed silver company  
(2007 Production)

Largest Silver Producer

Largest Silver Producer

\* SLW purchases silver metal under contract from mine owners

Source: Public filings



(\$6)  
(\$4)  
(\$2)  
\$0  
\$2  
\$4  
\$6

\$8

\$10

(\$6)

(\$4)

(\$2)

\$0

\$2

\$4

\$6

\$8

\$10

Low Cost Producer

Low Cost Producer

2007 Cash Costs

2007 Cash Costs

8

Source: GFMS World Silver Survey

Greens Creek is the lowest cost mine owned by any

North American listed silver company

9

Low Costs = High Margins

Low Costs = High Margins

10  
194% increase  
\*  
Pro  
forma  
100%  
Greens

Creek  
Silver Reserve Growth  
Silver Reserve Growth

11  
Coeur  
Silver Wheaton  
Silver Standard  
Apex Silver  
Locations of Peer Group  
Locations of Peer Group

Silver Reserves

Silver Reserves

Australia

22%

Bolivia

71%

Chile

3%

Argentina

4%

Argentina

100%

Pan American Silver

Bolivia

13%

Argentina

17%

Peru

44%

Mexico

26%

Sweden

10%

Greece

3%

Peru

4%

Mexico

83%

USA

100%

Source: Public filings

12

Relative Valuation -

Relative Valuation -

Cash Flow

Cash Flow

Note: Enterprise values as of August 19, 2008 except for Hecla 30% Greens Creek, which is as of February 11, 2008

1



Enterprise Value

=

Market  
Capitalization

+

Debt

+

Preferred  
Stock

+

Minority  
Interests

Cash

and

Equivalents

Hecla generates significantly higher

cash

flow

at

a

much

lower

EV

1

13  
Diversified Portfolio in  
Diversified Portfolio in  
Stable Geographies  
Stable Geographies  
\*San Sebastian, Mexico  
\*San Juan Silver, Colorado

Greens Creek, Alaska  
Lucky Friday Unit, Idaho  
Coeur d Alene, Idaho  
Vancouver, BC  
Silver Properties  
Corporate Offices  
Exploration Projects

\*

14

Hecla's ownership interest: 100%  
Underground silver-zinc-gold-lead  
mine

World's fifth largest silver mine

1

Low cash cost producer due to

significant byproduct credits

In operation since 1989 with good

history of reserve replacement

Hecla's attributable 2008 production

estimate

2

:

6 million oz. of silver

50,000 oz. of gold

45,000 tons of zinc

16,000 tons of lead

Greens Creek Mine

Greens Creek Mine

1

Source: The Silver Institute

2

Includes 29.7%

of

Greens

Creek

for

3.5

months

and

100.0%

of

Greens

Creek

for

8.5

months.

Admiralty Island,

Alaska

Greens Creek  
Greens Creek  
Property Boundary  
Property Boundary  
Projected Mine Contact  
Projected Mine Contact  
1 mile

1 mile

Greens Creek

Greens Creek

Long-Term Potential

Long-Term Potential

15

16  
Mullan, Idaho  
Lucky Friday Mine  
Lucky Friday Mine  
Hecla's  
ownership interest:  
100%



Underground silver-lead-zinc  
mine

Low cash cost producer due to  
byproduct credits

In operation since 1942 with  
good history of reserve  
replacement

Excellent exploration potential  
2008 production estimate:

3 million oz. of silver

18,000 tons of lead

5,500 tons of zinc

17

Lucky Friday:

Lucky Friday:

Excellent

Excellent

Exploration Potential

Exploration Potential

Mined Out Area  
Identified Reserve and  
Other Exploration Opportunities  
Potential Discovery  
Areas

18

A World Class District

A World Class District

The Silver Valley, North Idaho

1.2 billion oz of historical  
silver production

300 million oz silver from

Hecla's  
land position  
Very significant vertical  
continuity in the district  
Large 25-square-mile claims  
area  
Under-explored with modern  
exploration techniques  
Hecla Land Position



19  
Mexican Silver Belt  
Mexican Silver Belt  
Santa Eulalia  
Batopilas

Parral  
San Dimas  
Fresnillo  
Zacatecas  
Real de Angeles  
Pachuca  
Guanajuato  
Taxco  
Real de Catorce  
Concepcion  
del Oro  
MEXICAN SILVER BELT  
10.2 Billion Ounces of  
Historical Silver Production  
SAN SEBASTIAN  
Penasquito



San Sebastian  
San Sebastian  
Exploration Targets  
Exploration Targets  
20

21  
San Juan Silver JV  
San Juan Silver JV  
Hecla's earn-in interest:  
70%  
1  
Excellent exploration

potential

District has historically used  
narrow-vein mining

84 million ounces of historic  
silver production

100 million+ oz potential

mostly on patented

ground

Land package consolidated

1

In February 2008, Hecla acquired the right to earn into a 70% joint venture interest in a roughly 25-square-mile consolidated land package in one of Colorado's most prolific silver-producing districts.

22  
Equity  
OH  
Amethyst  
Bulldog  
Alpha Corsair  
1 mile

Homestake  
San Juan patented  
San Juan unpatented  
25 sq. miles  
30 miles of  
prospective  
veins  
An immediate  
drilling program  
\$23 million of  
work and stock  
for 70% of JV  
San Juan Silver -  
San Juan Silver -  
Major Veins  
Major Veins

23  
Silver Valley 3D compilation  
25-square-mile target area  
Lucky Friday Gap  
area and  
deep underground drilling  
5250 Zone

West Gallagher Zone  
Surface drilling for new  
deposit  
Idaho  
Alaska  
511-square-mile target  
area --  
multiple targets  
Hugh Zone evaluation  
Rio Grande  
Mexico  
San Juan Silver Mining J.V.  
Colorado  
Project Pipeline  
Project Pipeline

24

Why Hecla?

Why Hecla?

Attractive production profile

mining

a great product



Consistently one of the lowest cost silver producers in North America  
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Largest silver producer in the U.S.  
100% of silver reserves in the U.S.  
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26  
Silver  
Silver  
A High Growth Metal  
A High Growth Metal

Global aluminum consumption and industrial demand of silver have

followed a similar trend in the past. Both have high end consumer uses.

Silver's long-term industrial demand growth could be expected to parallel aluminum's future estimated growth rate of 6-7%.

Sources: Brook Hunt, Silver Institute, Hecla analysis

27

Industrial Demand Grows  
Industrial Demand Grows  
as GDP Grows  
as GDP Grows  
Source: GFMS, China GDP  
World Bank

Industrial uses of silver in China have increased  
with the growth of GDP per capita

28  
Silver  
Silver  
The Rest of the Story  
The Rest of the Story  
Investment  
Silver is an investment vehicle

Silver's investment demand is driven by same factors as gold's (i.e. weak US dollar, negative real interest rates in US, ongoing credit market crisis, inflation fears)

Jewelry and Silverware

Steady demand (30%)

Photographic

Becoming irrelevant and is not a substantial part of the total fabrication demand (15%)

Overall, silver's total fabrication demand is poised for growth



Silver: Not Easily  
Silver: Not Easily  
Substitutable  
Substitutable  
Silver has unique properties that make it  
versatile and difficult to substitute  
Natural bactericide/biocide

water purification,  
wound dressings  
Photosensitive  
photography, x-rays  
Highly reflective  
mirrors, glass coatings  
Chemically useful  
catalyst for plastics and  
petrochemical industry; used in batteries  
Strength and fluidity  
used in solders, brazing  
alloys  
29

30  
Silver Industrial Demand  
Silver Industrial Demand  
is Price Inelastic  
is Price Inelastic

31

Strong Silver Industry

Strong Silver Industry

Fundamentals

Fundamentals

Positive trends in end markets

Growth of the middle class in China and India

Growing use of mobile phones/other consumer products  
Computerization in the third world  
Continued demand for industrial applications  
Demand is relatively inelastic to the price of silver (low proportion of cost)  
Scarcity of supply  
Inventories leveling off over the past year  
Silver demand from ETFs expected to result in a continued tightening of the silver market

32  
Silver Supply & Demand  
Silver Supply & Demand  
0  
100  
200  
300

400  
500  
600  
700  
800  
900  
1,000  
1,100  
1998  
1999  
2000  
2001  
2002  
2003  
2004  
2005  
2006  
2007  
Mined Silver production  
Industrial Applications  
Photography  
Jewelry  
Silverware  
Coins & Medals  
Source: World Silver Survey 2008

Silver and Gold Prices  
Silver and Gold Prices  
(2003  
(2003  
2008 YTD)  
2008 YTD)



34  
Grade  
Contained Metal  
Ore  
Silver  
Gold  
Lead

Zinc  
Silver  
Gold  
Lead  
Zinc  
(tons)  
(oz/ton)  
(oz/ton)  
(%)  
(%)  
(000 oz.)  
(000 oz.)  
(MM lbs.)  
(MM lbs.)  
Proven reserves  
Lucky Friday  
760,700  
12.3  
  
7.2  
2.5  
9,325  
  
109  
38  
9,325  
  
109  
38  
Probable reserves  
Lucky Friday  
680,000  
11.9  
  
7.5  
2.5  
8,065  
  
102  
33  
Greens Creek  
8,454,000  
13.7  
0.110  
3.8  
10.2  
116,025  
908  
642  
1,722

Total  
124,090  
908  
744  
1,755  
Total Reserves  
133,415  
908  
853  
1,793  
Source:  
Hecla's  
Q1  
2008  
Earnings  
Release  
Proforma  
with 100% Greens Creek, Jan. 1, 2008  
Reserves  
Reserves

35  
Exploration and  
Exploration and  
Capital Expenditures  
Capital Expenditures  
(US\$ in millions)  
Source: Hecla Mining

\$47 mil  
Lucky Friday  
Silver Valley \$5.5  
Mexico  
\$5  
San Juan Silver \$5  
Greens Creek \$4  
Lucky Friday \$3  
Other  
\$2.5  
\$47 mil  
\$42.2 mil  
\$

36

Maintain low cash cost position among precious metal producers

Exploit and develop existing asset base

Grow through new and existing exploration opportunities

Build on the Greens Creek transaction through

new acquisitions  
Key Strategies  
Key Strategies

37

Snapshot

Snapshot

Market cap: US\$899 million

1

Basic shares outstanding: 126.3 million

Fully diluted shares: 126.4 million



Listings: NYSE: HL

2008 share liquidity: 3.5 million/day

Cash: US\$45.8 million

2

1

Based on share price at August 19, 2008 and diluted shares outstanding calculated using the treasury stock method

2

Cash and cash equivalents as of June 30, 2008 less cash used to acquire the Greens Creek joint venture plus cash from sale of Venezuelan gold assets

38  
Experienced Management  
Experienced Management  
Phillips S. Baker, Jr.  
President and  
Chief Executive Officer  
(21 years in mining)

James A. Sabala  
Senior Vice President and  
Chief Financial Officer  
(27 years in mining)  
Ronald W. Clayton  
Senior Vice President  
Operations  
(28 years in mining)  
Dr. Dean W. McDonald  
Vice President  
Exploration  
(28 years in mining)  
Don Poirier  
Vice President  
Corporate Development  
(25 years in mining)  
Michael H. Callahan  
Vice President  
(18 years in mining)  
Vicki Veltkamp  
Vice President  
Investor  
and Public Relations  
(20 years in mining)  
Philip C. Wolf  
Senior Vice President  
General Counsel  
(36 years in mining)

39

Enterprise Value

Enterprise Value

Reconciliation

Reconciliation

Market Capitalization

1

Plus: Total Debt

Plus: Preferred Stock

2

Less: Cash and Cash Equivalents

3

Enterprise Value

\$898.9

360.0

156.7

(45.8)

\$1,369.8

1

Based on share price at August 19, 2008 and diluted shares outstanding calculated using the treasury stock method

2

Based on market value of preferred stock outstanding as of August 19, 2008

3

Cash and cash equivalents (including short-term investments) as of June 30, 2008 less cash used to acquire the Greens Creek joint venture plus cash from sale of Venezuelan gold assets

Note: US\$ in millions

40

Cash Cost per Ounce

Cash Cost per Ounce

Reconciliation

Reconciliation

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.

Three Months Ended June 30,

Six Months Ended June 30,

2008

2007

2008

2007

Total

cash

costs

1

\$8,269

(\$2,950)

\$6,484

(\$4,699)

Divided by ounces produced

2,409

1,493

3,664

3,050

Total cash cost per ounce produced

\$3.43

(\$1.98)

\$1.77

(\$1.54)

Reconciliation to GAAP:

Total cash costs

\$8,269

(\$2,950)

\$6,484

(\$4,699)

Depreciation, depletion and amortization

9,855

3,078

12,768  
6,145  
Treatment and freight costs  
(23,922)  
(7,647)  
(34,776)  
(16,108)  
By-product credits  
49,147  
26,694  
78,729  
51,526  
Change in product inventory  
18,452  
1,241  
16,523  
589  
Reclamation and other costs  
569  
50  
617  
95  
Cost of sales and other direct  
production costs and depreciation,  
depletion and amortization  
\$62,370  
\$20,466  
\$80,345  
\$37,548