

SECOND QUARTER OVERVIEW

FINANCIAL REVIEW

OPERATIONS REVIEW

EXPLORATION &  
PRE-DEVELOPMENT UPDATE



# Second Quarter 2013 Earnings Conference Call

August 8, 2013



# Cautionary Statements

## Cautionary Note Regarding Forward Looking Statements

Statements made which are not historical facts, such as strategies, plans, anticipated payments, litigation outcome (including settlement negotiations), production, sales of assets, exploration results and plans, costs, and prices or sales performance are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "may," "will," "should," "expects," "intends," "projects," "believes," "estimates," "targets," "anticipates," and similar expressions are used to identify these forward-looking statements. Forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those projected, anticipated, expected or implied. These risks and uncertainties include, but are not limited to, metals price volatility, volatility of metals production and costs, environmental and litigation risks, operating risks, project development risks, political risks, labor issues, ability to raise financing, and exploration risks. Refer to our Form 10-K and 10-Q reports for a more detailed discussion of factors that may impact expected future results. We undertake no obligation to update forward-looking statements other than as may be required by law.

## Cautionary Note Regarding Estimates of Measured, Indicated and Inferred Resources

The United States Securities and Exchange Commission permits mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. We use certain terms in this presentation, such as "resource," "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](http://www.sec.gov).

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

Dean McDonald, P.Geol., 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](http://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.

## Q2 2013 - Highlights

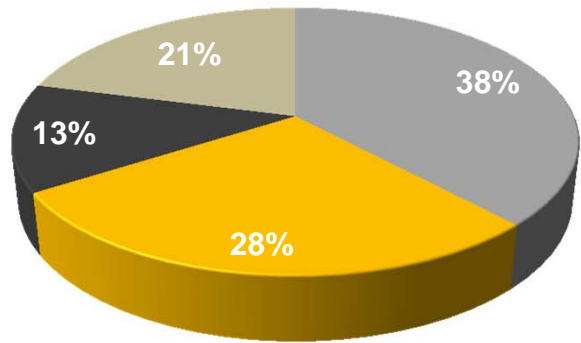
- Completed acquisition of Aurizon Mines Ltd. on June 1, 2013
- Issued \$500 million of 6 7/8% Senior Notes due in 2021
- Increased silver production 64% to 2.2 million ounces from Q2 2012 with strong performance at Greens Creek and restart of Lucky Friday
- Increased gold production 68% to 22,073 ounces from Q2 2012 with acquisition of Casa Berardi
- Total Cash Cost, Net of By-Product Credits, per Silver Ounce of \$5.56<sup>1</sup>
- Cash and equivalents of \$296 million at June 30, 2013
- Disciplined operating measures implemented across organization

1. Total Cash Cost, Net of By-Product Credits, per Silver Ounce represents 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.

# Financial Review

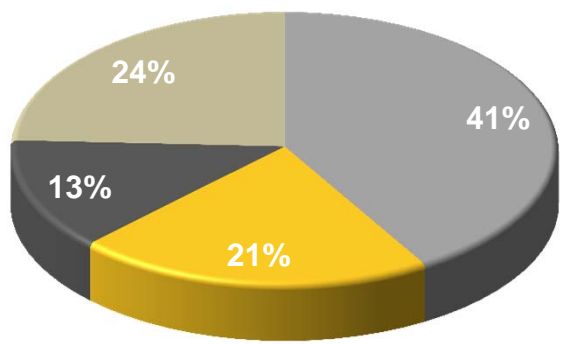
# Q2 2013 - Total Revenue \$85.3 million

## Consolidated<sup>1</sup>

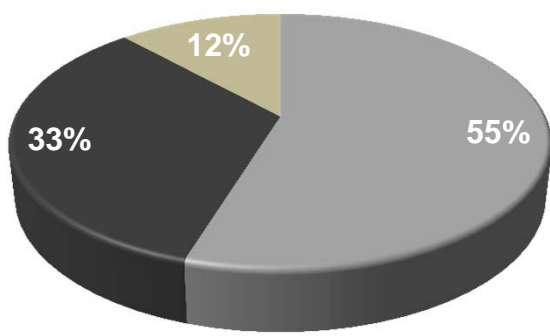


■ Silver ■ Gold ■ Lead ■ Zinc

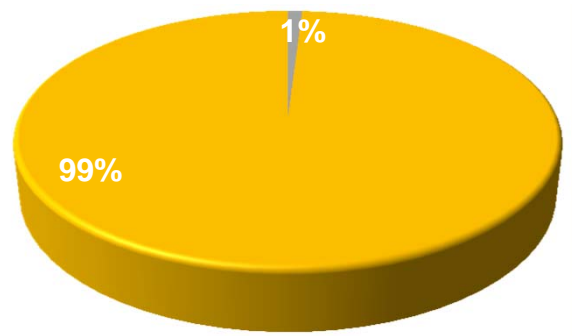
## Greens Creek



## Lucky Friday



## Casa Berardi

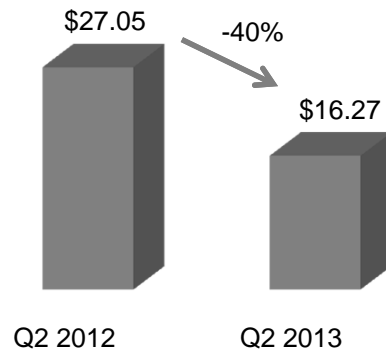


1. Based on realized prices Q2/2013: Silver - \$16.27, Gold - \$1,245, Zinc - \$0.84, Lead - \$0.93

# Q2 2013 - Realized Metals Prices

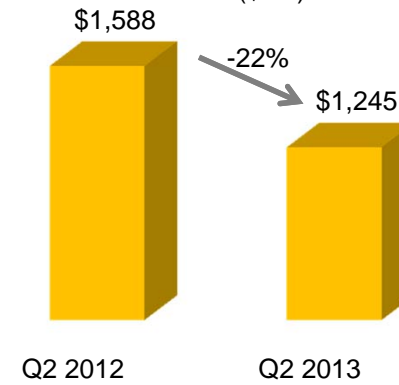
## Silver

(\$/oz)



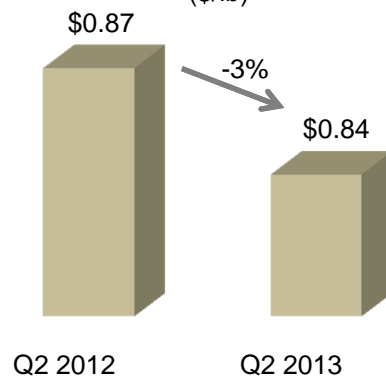
## Gold

(\$/oz)



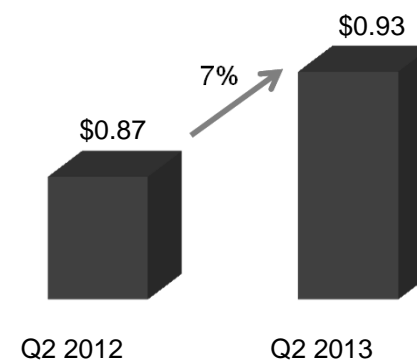
## Zinc

(\$/lb)



## Lead

(\$/lb)

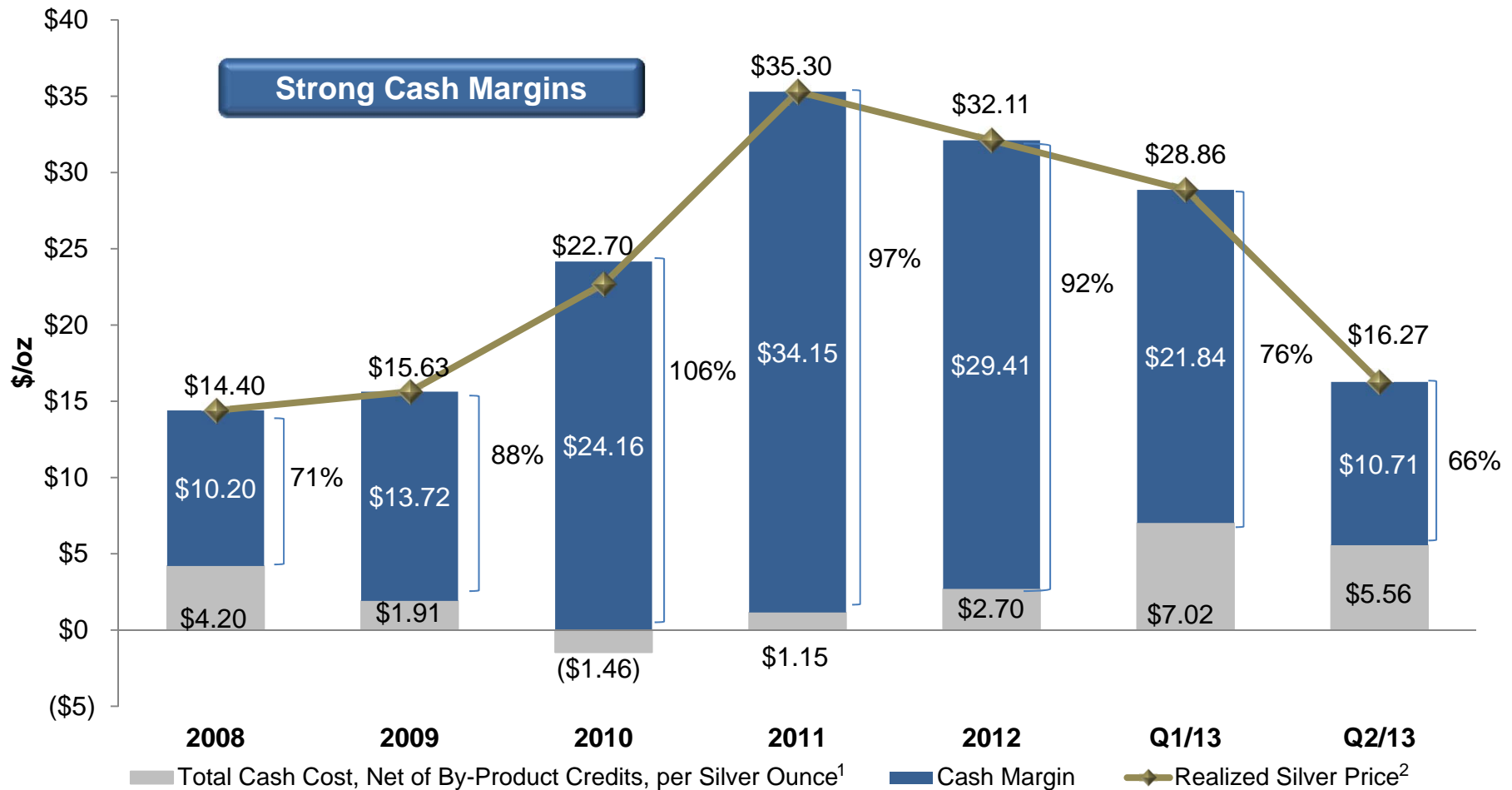


## Q2 2013 Realized Prices

- Negative adjustments to provisional settlements of \$15.1 million in second quarter compared to \$1.5 million in Q2 2012
- Resulted from sharp decrease in silver prices between the shipment of concentrate and the final settlement
- The timing of sales was also important. Approximately 40% of silver sales were in June at prices below the quarterly average
- Going forward, expect to fully hedge metals price exposure once it is shipped to reduce price adjustment swings
- No plans for long-term hedging of silver or gold



# Q2 2013 - Continued Strong Margins



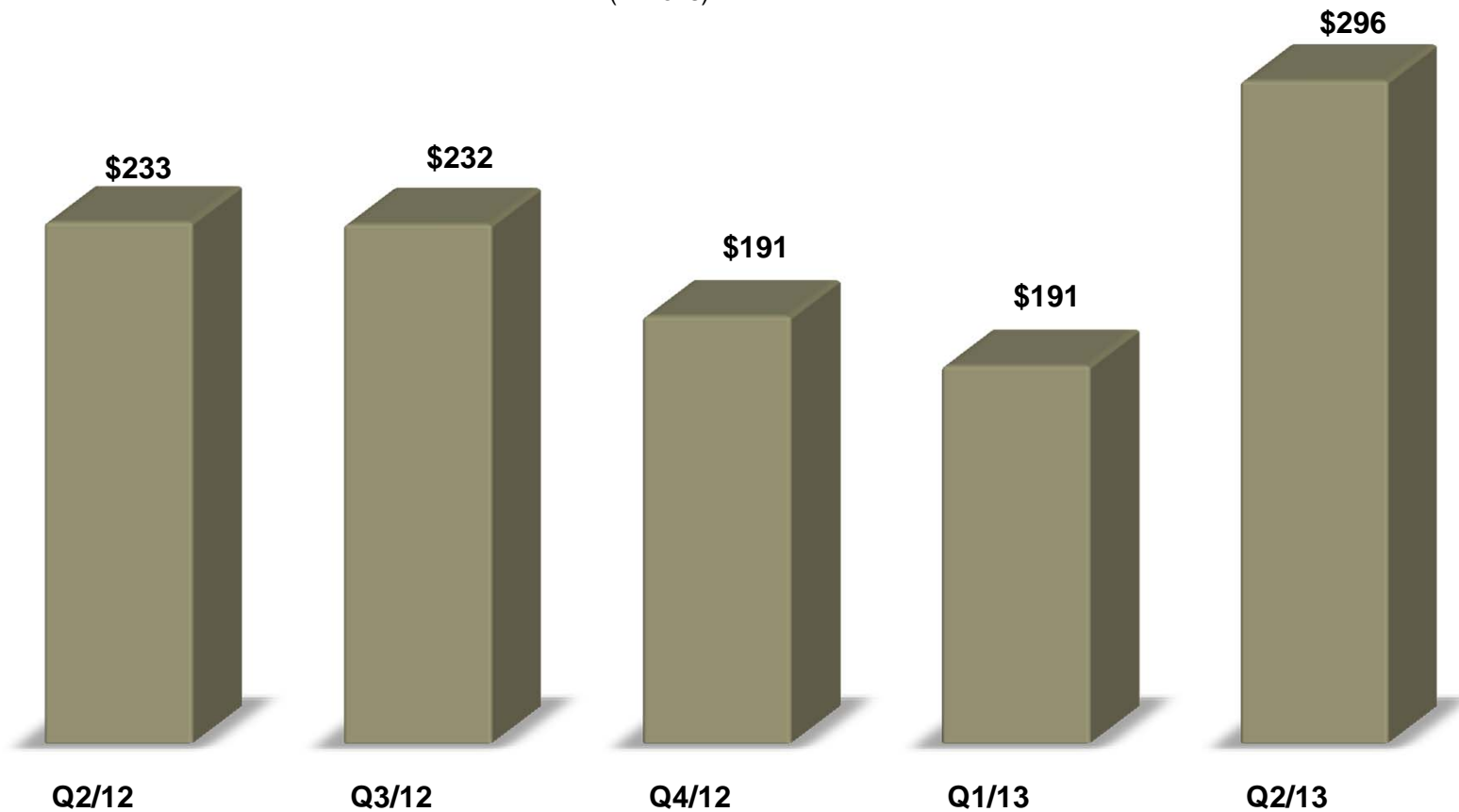
- Total Cash Cost, Net of By-Product Credits, per Silver Ounce represent non-U.S. Generally Accepted Accounting Principles (GAAP) measurement a reconciliation of which to cost of sales and other direct production costs and depreciation, depletion and amortization (GAAP) can be found in the Appendix.
- 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.



# Strong Balance Sheet

## Cash and Cash Equivalents

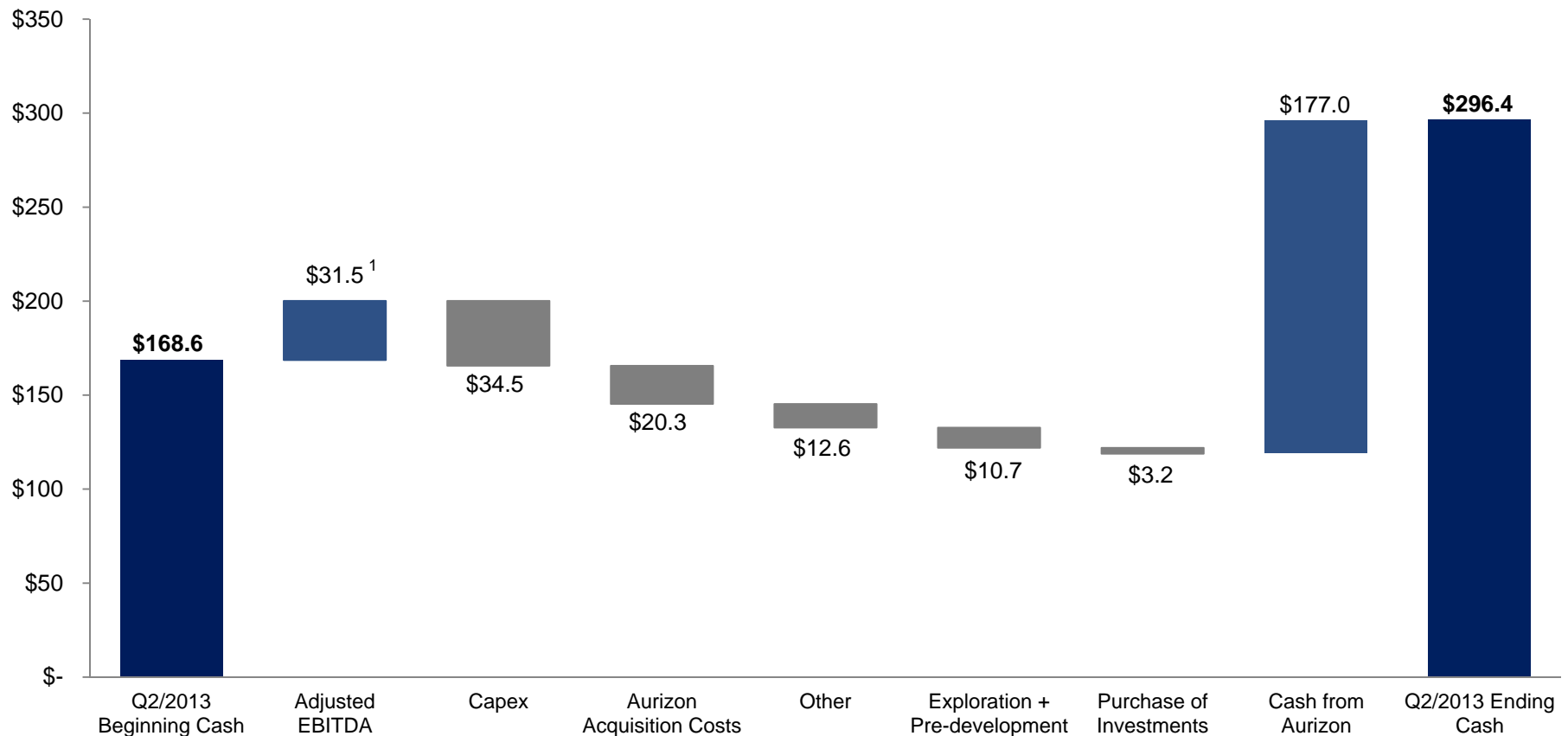
(millions)



# Cash Flow Usage

## Cash Bridge Q2 2013

(US\$mm)



1. Adjusted EBITDA represents a non-GAAP measurement. A reconciliation can be found in the appendix.

# Operations Review

# Lucky Friday Ramping Up Production

- 217,096 ounces of silver production in Q2 during ramp up
- Average Total Cash Cost, Net of By-Product Credits, per Silver Ounce of \$32.19<sup>1</sup>
- Production at 760 tpd in June. Expected to reach full capacity in September
- All production stopes back in operation
- Operating costs expected to decline through second half
- Approximately 1.3 million ounces of silver expected to be produced in 2H
- Work on #4 Shaft sinking continues, expected to access higher grades to further extend mine life



1. Total Cash Cost, Net of By-Product Credits, per Silver Ounce 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.

# Greens Creek - Q2 Silver Production up 48%

- Silver production of 2.0 million ounces
  - Up 48% from a year ago
- Total Cash Cost, Net of By-Product Credits, per Silver Ounce, of \$2.71<sup>1</sup>
- 54% lower costs than Q1
- Production of gold, lead and zinc were all up more than 10% from the first quarter
- Full year silver production expected between 6 and 7 million ounces



1. Total Cash Cost, Net of By-Product Credits, per Silver Ounce represents 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 - Long-Life Gold Asset

- Acquisition completed 6/1/13
- One month production to Hecla of 6,740 ounces of gold at Total Cash Cost, Net of By-Product Credits, per Gold Ounce, of approximately \$1,152<sup>1</sup>
- Grade expected to increase in Q3
- Shaft deepening expected to raise production and extend mine life
- Additional mine enhancements underway
- Expect more than 60,000 ounces of gold in 2H, of which 2/3 expected in the fourth quarter, at \$900 per ounce, net of by-product credits, within its expected long-term run rate of 125,000 to 150,000 ounces per year



1. Total Cash Cost, Net of By-Product Credits, per Gold Ounce 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.

## Exploration and Pre-Development Update



## Q2 2013 - Exploration and Pre-Development

- 2013 exploration and pre-development budgets reduced by 28% and 35%, respectively
- Budget reductions conducted in a thoughtful and prudent manner enabling high priority exploration and pre-development projects to continue to show steady progress
- Exploration programs succeeded at extending high grade mineralization at Greens Creek, San Sebastian and Heva and Hosco projects
- Pre-development work includes optimization studies and ramp design on the Hugh Zone and Middle Vein at San Sebastian and the advancement of the ramp (decline) at the Bulldog Vein at the San Juan Silver Project

## Conclusion

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# Appendix



# 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	--	--
<b>Total</b>			<b>3,318</b>					<b>26,891</b>	<b>193</b>	<b>493</b>	<b>999</b>
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	--	--
<b>Total</b>			<b>17,728</b>					<b>123,157</b>	<b>1,987</b>	<b>434,800</b>	<b>764,600</b>
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	--	--
<b>Total</b>			<b>21,044</b>					<b>150,048</b>	<b>2,180</b>	<b>598,480</b>	<b>824,090</b>

# 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%	32,465	--	0.04	--	--	--	1,295	--	--
San Sebastian	Mexico	100.0%	--	--	--	--	--	--	--	--	--
San Juan Silver	United States	100.0%	--	--	--	--	--	--	--	--	--
Star	United States	100.0%	--	--	--	--	--	--	--	--	--
<b>Total</b>			<b>45,054</b>					<b>61,313</b>	<b>1,633</b>	<b>417,130</b>	<b>259,420</b>

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%	34,019	--	0.04	--	--	--	1,299	--	--
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
<b>Total</b>			<b>55,945</b>					<b>65,266</b>	<b>2,556</b>	<b>408,084</b>	<b>286,082</b>

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%	66,495	--	0.04	--	--	--	2,595	--	--
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
<b>Total</b>			<b>101,011</b>					<b>126,579</b>	<b>4,190</b>	<b>825,214</b>	<b>545,502</b>

# 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%	18,569	--	0.04	--	--	--	831	--	--
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	--	--
<b>Total</b>			<b>46,323</b>					<b>172,270</b>	<b>2,126</b>	<b>718,010</b>	<b>625,850</b>

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) Measured & Indicated & Inferred resources are based on \$1,000 gold and a US\$/CAN\$ exchange rate of 1:1. The resources are in-situ (without dilution and ore loss) (Resource completed in 2011)

A subsequent feasibility study in June 2012 converted some of this resource to reserve. Hecla considers the Heva-Hosco mineralization as a resource only.

(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.

# Total Cash Cost GAAP Reconciliation

## Reconciliation of Total Cash Cost, Net of 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)

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

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. See the *Lucky Friday Segment* section above for further discussion of the Silver Shaft work and temporary suspension of operations. Care and maintenance income and costs incurred at the Lucky Friday mine related to the suspension of production are included in a separate line item under *Other operating expenses* on the *Condensed Consolidated Statement of Operations and Comprehensive Income (Unaudited)*, and have been excluded from the calculation of total cash cost, before by-product credits for the three- and six-month periods ended June 30, 2013 and 2012.



# Total Cash Cost GAAP Reconciliation

Reconciliation of Total Cash Cost, Net of 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, June 30	
	<u>2013</u>	<u>2012</u>
Total cash costs, before by-product credits <sup>(1)</sup>	\$ 61,777	\$ 46,762
By-product credits	(49,324)	(45,352)
Total cash cost, net of by-product credits	12,453	1,410
Divided by silver ounces produced	2,237	1,365
Total cash cost, before by-product credits, per silver ounce	\$ 27.61	\$ 34.26
By-product credits per silver ounce	\$ (22.05)	\$ (33.22)
Total Cash Cost, Net of By-product Credits, per Silver Ounce	<u>\$ 5.56</u>	<u>\$ 1.03</u>
Reconciliation to GAAP:		
Total cash cost, net of by-product credits	\$ 12,453	\$ 1,410
Depreciation, depletion and amortization	16,888	9,879
Treatment costs	(18,972)	(16,164)
By-products credits	49,324	45,352
Change in product inventory	8,436	2,101
Suspension-related costs <sup>(2)</sup>	-	-
Reclamation, severance and other costs	536	473
<b>Costs of sales and other direct production costs and depreciation, depletion and amortization (GAAP)</b>	<u>\$ 68,665</u>	<u>\$ 43,051</u>

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.

# Adjusted Earnings Reconciliation

## Reconciliation of Net Income Applicable to Common Shareholders (GAAP) to Earnings Before Adjustments

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

	Three Months Ended June 30	
	2013	2012
Net income applicable to common shareholders (GAAP)	\$ (24,996)	\$ 2,386
Adjusting items:		
(Gains)/losses on derivatives contracts	(6,541)	(6,171)
Environmental accruals	330	527
Provisional price (gains)/losses	15,095	1,510
Lucky Friday suspension-related costs	(2,840)	6,465
Aurizon acquisition costs	20,308	-
Aurizon product inventory fair value adjustment	550	-
Income tax effect of above adjustments	<u>(12,106)</u>	<u>(513)</u>
Adjusted income applicable to common shareholders	<u>\$ (10,200)</u>	<u>\$ 4,204</u>
Weighted average shares - basic	303,566	285,312
Weighted average shares - diluted	303,566	295,160
Basic adjusted income per common share	\$ (0.03)	\$ 0.01
Diluted adjusted income per common share	\$ (0.03)	\$ 0.01

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.

# Hecla Adjusted EBITDA Reconciliation

## Reconciliation of Adjusted EBITDA to Generally Accepted Accounting Principles (GAAP)

	Three Months Ended June 30,	
	2013	2012
Net Income	\$ (24,858)	\$ 2,524
Plus: Interest expense, net of amount capitalized	6,454	505
Plus/(Less): Income taxes	(6,795)	693
Plus: Depreciation, depletion, and amortization	20,123	11,530
Plus: Exploration expense	6,221	7,146
Plus: Pre-development expense	4,512	3,471
Plus: Aurizon acquisition costs	20,308	-
Plus: Aurizon product inventory fair value adjustment	550	-
Plus/(Less): Lucky Friday suspension-related costs (income)	(2,840)	6,465
Plus/(Less): Interest and other (income) expense	(685)	(32)
Less: Gains on derivative contracts	(6,541)	(6,171)
Plus/(Less): Provisional price (gains)/losses	15,095	1,510
	<b>\$ 31,544</b>	<b>\$ 27,641</b>
Adjusted EBITDA	<b>\$ 31,544</b>	<b>\$ 27,641</b>

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.