

HECLA MINING CO/DE/
Form DEF 14A
April 03, 2013

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant
]

Check the appropriate box:

- | | | | |
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| <input type="checkbox"/> | Preliminary Proxy Statement | <input type="checkbox"/> | Soliciting Material Under Rule 14a-12 |
| <input type="checkbox"/> | Confidential, For Use of the
Commission Only (as permitted
by Rule 14a-6(e)(2)) | | |
| <input checked="" type="checkbox"/> | Definitive Proxy Statement | | |
| <input type="checkbox"/> | Definitive Additional Materials | | |

Hecla Mining Company
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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1) Amount previously paid:

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-

April 3, 2013

Dear Fellow Shareholders:

On behalf of your Board of Directors and management, it is our pleasure to invite you to attend the Annual Meeting of Shareholders of Hecla Mining Company to be held on Wednesday, May 15, 2013, at 2:00 p.m., Pacific Daylight Time, at the Rosewood Hotel Georgia, located at 801 West Georgia Street, Vancouver, British Columbia. Driving directions to the Rosewood Hotel Georgia can be found on the inside of the back cover of this document.

This year's Proxy Statement demonstrates our commitment to simplify and more effectively explain the matters to be addressed at our Annual Meeting of Shareholders. You will see several enhancements in how we present the information to you. Our Board of Directors feel that it is important to provide you the information you are looking for about the Company in a way that is easy to understand.

At the meeting, we will be electing three members to our Board of Directors. We will also be considering ratification of the selection of BDO USA, LLP, as our independent registered public accountants, and an advisory vote to approve executive compensation. In addition, we will discuss Hecla's 2012 performance and the outlook for 2013, and answer your questions.

Your vote is very important to us and to our business. Whether or not you plan to attend our Annual Meeting of Shareholders, we urge you to vote your shares as soon as possible. Since a majority of the outstanding shares of our common stock must be represented either in person or by proxy to constitute a quorum for the conduct of business, please promptly vote your shares by completing, signing, dating and returning your proxy card in the envelope provided, or by Internet or telephone voting as described in the Proxy Statement, the proxy card, or the Notice of Internet Availability of Proxy Materials.

We sincerely hope you will be able to attend and participate in our Annual Meeting of Shareholders. We welcome the opportunity to meet with many of you and give you a firsthand report on our progress, as well as express our appreciation for your confidence and support. Your Board of Directors and management are committed to the continued success of Hecla Mining Company, and the enhancement of your investment.

Ted Crumley
Chairman of the Board

Phillips S. Baker, Jr.
President and Chief Executive Officer

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

May 15, 2013

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Hecla Mining Company Notice of 2013 Annual Meeting of Shareholders

6500 N. Mineral Drive, Suite 200
Coeur d Alene, Idaho 83815-9408
208-769-4100

NOTICE IS HEREBY GIVEN that the 2013 Annual Meeting of Shareholders of Hecla Mining Company will be held at the Rosewood Hotel Georgia, located at 801 West Georgia Street, Vancouver, British Columbia, on Wednesday, May 15, 2013, at 2:00 p.m., Pacific Daylight Time, for the following purposes:

1. Elect three nominees to the Board of Directors, to serve for a three-year term or until their respective successors are elected;
2. Approve, on an advisory basis, the compensation of our named executive officers;
3. To ratify the Audit Committee's appointment of BDO USA, LLP, as our independent registered public accounting firm for 2013; and
4. To transact such other business as may properly come before the meeting.

The Board of Directors has fixed the close of business on March 18, 2013, as the record date for the determination of shareholders entitled to notice of and to vote at the 2013 Annual Meeting of Shareholders and at any adjournment or postponement thereof. We are not currently aware of any other business to be brought before the 2013 Annual Meeting of Shareholders. A list of shareholders eligible to vote at the meeting will be available for examination by any shareholder for any purpose relevant to the meeting during ordinary business hours for at least ten days prior to May 15, 2013, at Hecla's Vancouver offices, located at 800 W. Pender Street, Suite 970, Vancouver, British Columbia, Canada.

We are pleased to take advantage of the Securities and Exchange Commission rule allowing companies to furnish proxy materials to shareholders over the Internet. We believe that this e-proxy process lowers our costs and reduces the environmental impact related to the mailing of materials associated with our 2013 Annual Meeting of Shareholders. On or about April 3, 2013, we began mailing to certain shareholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access our proxy materials and how to vote online. All other shareholders will receive the proxy materials by mail.

By Order of the Board of Directors

Michael B. White
Corporate Secretary
April 3, 2013

Hecla Mining Company Notice of 2013 Annual Meeting and Proxy Statement

Proxy Summary

This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information that you should consider and you should read the entire Proxy Statement before voting. For more complete information regarding the Company's 2012 performance, please review the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

2013 Annual Meeting of Shareholders

Date and Time: May 15, 2013, 2:00 p.m., Pacific Daylight Time

Place: Rosewood Hotel Georgia
801 West Georgia Street
Vancouver, British Columbia

Record Date: March 18, 2013

Proposals to be Voted On

The following proposals will be voted on at the Annual Meeting of Shareholders.

Proposal	For More Information	Board Recommendation
Proposal 1: Election of three directors	Page 16	FOR each nominee
Proposal 2: Advisory vote on executive compensation	Page 21	FOR
Proposal 3: Ratification of appointment of independent registered public accountants	Page 22	FOR

Director Nominees (page 17)

Name	Director		Primary Occupation	Committee
	Age	Since		Memberships
Ted Crumley* Chairman	68	1995	Former Executive Vice President and Chief Financial Officer of OfficeMax Incorporated	C, E
Charles B. Stanley*	54	2007	Chief Executive Officer, President and Director of QEP Resources, Inc.	A, CG, H
Terry V. Rogers*	66	2007	Former Senior Vice President and Chief Operating Officer of Cameco Corporation	A, C, H

* Independent Director

A Audit Committee

C Compensation Committee

E Executive Committee

H Health, Safety, Environmental & Technical Committee

CG Corporate Governance and Directors Nominating Committee

Independent Registered Public Accountant (page 22)

We are asking shareholders to ratify the selection of BDO USA, LLP, as our independent registered public accountant for 2013. The table contains summary information with respect to BDO USA, LLP's fees for services provided in 2012 and 2011.

	2012	2011
Audit Fees	\$ 449,500	\$ 454,500
Audit Related Fees	85,000	85,000
Tax Fees	12,495	3,150
All Other Fees		
Total	\$ 546,995	\$ 542,650

Continues on next page

2012 Business Highlights

We achieved the following business and financial results for 2012:

- Produced 6.4 million ounces of silver;
- Operating cash flow of \$69 million;
- Cash and cash equivalents of \$191 million at December 31, 2012;
- Year-end silver reserve levels increased for the seventh consecutive year to the highest in Company history, with silver reserves up 2% to 150 million ounces;
- Mineralized material increased by 7% to 22.4 million tons averaging 5.7 ounces of silver per ton, and other resources increased 37% to 23.4 million tons averaging 7.4 ounces of silver per ton;
- Gold mineralized material increased fourfold to 1.7 million tons averaging 0.07 ounces of gold per ton, and other resources increased 75% to 13.5 million tons averaging 0.05 ounces of gold per ton;
- Exploration programs in 2012 identified new highly prospective targets in addition to increasing resources at each of the Company's pre-development and exploration projects;

- Completed cleaning and enhancing the Lucky Friday Silver Shaft; and
- Paid common stock dividends totaling \$17.1 million, or \$0.06 per share.

Our production and cash flow in 2012 came exclusively from our Greens Creek mine. This was the result of the halt in production at our Lucky Friday mine through 2012. As a result of the halt in production, most of 2012 was spent rehabilitating and enhancing the Silver Shaft and ramps and drifts throughout the mine. In addition, several other capital projects and training initiatives were undertaken at the mine in an effort to use the time during which production was halted to enhance and improve the overall mine. Production at the mine resumed in February 2013, and all mine employees have now been recalled to work and have received extensive safety training.

Executive Compensation Highlights (page 38)

The following is a summary of changes in compensation and performance results and corresponding compensation plan payments for 2012, as approved by the Compensation Committee. Further details are provided in the 2012 Compensation section of the Compensation Discussion and Analysis beginning on page 48.

- **Base Salary.** We adjusted base salaries following a comprehensive review by Mercer (US) Inc., our independent compensation consultant, of base salaries in our comparator group. The base salaries of the named executive officers were generally below the 25th percentile of the peers and between the 25th percentile and median of the survey data. Based on the review, the Compensation Committee recommended, and the Board of Directors approved, salary increases, placing the named executive officers at approximately the 25th percentile.
- **Annual Incentive Plan.** Aggregate Company performance for 2012 was judged by the Compensation Committee to be 110% of target based on the measures stated on page 49.
- **2010-2012 Long-term Incentive Plan.** Only two of the four key performance elements (e.g., resource growth, cash contribution, production growth and #4 Shaft completion) were met in 2012. The aggregate

three-year performance for resource growth was 780% of target, and the three-year performance for cash contribution was 116% of target. Due to the Lucky Friday mine being shut down in 2012, work on the #4 Shaft was suspended and therefore did not result in any payout under the matrix. The Company was unable to achieve the production growth as well because of the Lucky Friday mine shutdown, and therefore did not result in any payout under the matrix. Since only two elements were met (resource growth and cash contribution), each named executive officer was awarded \$100 per unit.

See 2010-2012 Performance Unit Valuation tables on page 52.

- Restricted Stock Units. Awarded to our named executive officers in three equal amounts with vesting periods of one, two and three years, respectively.
- Performance-based Shares. Awarded performance-based shares to the Chief Executive Officer, which are based on a three-year Total Shareholder Return. See *Performance-based Shares* on page 53 for further discussion of the three-year Total Shareholder Return.

Proxy Summary

We believe that the portion of at-risk, performance-based compensation should comprise a significant portion of executive pay. Characteristics of our executive compensation program that support this philosophy include:

- At-risk Pay. Short- and long-term incentives made up 81% of 2012 total target compensation for our Chief Executive Officer, and 71% for the other named executive officers (as noted in the charts below) with long-term and equity compensation representing a significant portion of total pay.
- Long-term Compensation. Overall, approximately 57% of targeted compensation for our named executive officers is based on the long-term financial and other key performance metrics, as well as our stock price performance.
- Base Salary. Our named executive officers base salary is targeted for the 25th percentile of our peers, or below average, and the only way our named executive officers can receive average (50th percentile) or above average (75th percentile) total compensation is through our at-risk and performance-based compensation programs (short- and long-term incentive plans, as well as equity awards).

Key Compensation Committee Actions Following Say-on-Pay Vote

Last year, we received an 87% vote in favor of our named executive officer compensation. This result indicates support for our executive compensation program. Nevertheless, the Compensation Committee continues to review our executive compensation structure to increase its effectiveness and further align with shareholder interests. For example, over the past year, the Compensation Committee made the following changes to our executive compensation program:

- Implemented share ownership guidelines for executive officers, including the named executive officers and directors;
- Adopted a compensation recoupment clawback policy;
- Revised the Company's comparator group to improve industry representation and include companies more relevant in size;
- Reviewed the Long-term Incentive Plan structure and measures for potential adjustments in 2013. Based on the review, the Compensation Committee changed the resource growth performance metric to a reserve growth performance metric for the 2013-2015 Long-term Incentive Plan;

Continues on next page

- Awarded restricted stock units in 2012 with a three- year vesting period, in place of a shorter vesting period or awarding stock options; and
- Added a three-year Total Shareholder Return performance-based award for the Chief Executive Officer.

2012 Summary Compensation and Realized Compensation

Set forth below is the 2012 compensation for each named executive officer as determined under Securities and Exchange Commission (SEC) rules. Total compensation, as reported in the Summary Compensation Table and calculated under SEC rules, includes several items that are driven by accounting and actuarial assumptions. Accordingly, it is not necessarily reflective of the compensation our named executive officers actually realized in 2012. To supplement that disclosure we have

added the W-2 Realized Comp. column to the right of the table below to compare our named executive officers 2012 compensation as determined under SEC rules with W-2 income for 2012, which is the compensation our named executive officers actually received in 2012. For more information on total compensation as calculated under SEC rules, see the narrative and footnotes accompanying the Summary Compensation Table for 2012 on page 58.

2012 Summary Compensation and Realized Compensation

Name and Principal Position	Salary (\$)	Stock Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Deferred Compensation Earnings (\$)	All Other Compensation (\$)	SEC Total (\$)	Change in Pension Value and Non- Qualified Deferred	SEC Total Without Change in W-2	Realized Comp.
							Pension Value (\$)	Pension Value (\$)	Comp. (\$)
Phillips S. Baker, Jr. President and Chief Executive Officer	522,917	979,305	1,355,000	1,059,514	15,000	3,931,736	2,872,222	2,243,016	
James A. Sabala Senior Vice President and CFO	313,750	327,000	552,050	254,701	15,000	1,462,501	1,207,800	1,039,001	
Dr. Dean W. A. McDonald Vice President - Exploration	242,444	294,000	337,840	200,307	15,000	1,089,591	889,284	800,479	
Don Poirier Vice President Corporate Development	210,411	193,000	292,000	149,824	15,000	860,235	710,411	670,422	
Lawrence P. Radford Vice President Operations	313,750	222,000	360,980	38,823	15,000	950,553	911,730	528,068	

Proxy Statement

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2013 ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 15, 2013

This Proxy Statement and the accompanying Annual Report are available at: <http://www.hecla-mining.com>

This Proxy Statement is being furnished by the Board of Directors (Board) of Hecla Mining Company, a Delaware corporation (we, our, us, Hecla, or the Company), to holders of shares of Hecla's common stock, par value \$0.25 per share, in connection with the soliciting of proxies to be voted at our Annual Meeting of Shareholders to be held on Wednesday, May 15, 2013, at 2:00 p.m., Pacific Daylight Time, and any adjournment or postponement thereof (Annual Meeting), for the purposes set forth in the accompanying Notice of 2013 Annual Meeting of Shareholders. The Annual Meeting will be held at the Rosewood Hotel Georgia, located at 801 West Georgia Street, Vancouver, British Columbia.

If you held shares of our common stock on March 18, 2013 (the Record Date), you are invited to attend the Annual Meeting and vote on the proposals described in this Proxy Statement. However, you do not need to attend the Annual Meeting to vote your shares. Instead, you may complete, sign, date, and return the enclosed proxy card. You may also vote over the Internet or by telephone.

On or about April 3, 2013, we mailed to our shareholders of record as of the close of business on the Record Date, either a Notice of Internet Availability of Proxy Materials (Notice) containing instructions on how to access this Proxy Statement and our 2012 Annual Report (Proxy Materials) online, or a printed copy of these Proxy Materials.

Notice of Electronic Availability of Proxy Materials

As permitted by SEC rules, we are making these Proxy Materials available to certain shareholders electronically via the Internet. The Notice contains instructions on how to access these Proxy Materials and vote online. If you received a Notice by mail, you will not receive a printed copy of the Proxy Materials in the mail. Instead, the Notice instructs you on how to access and review all of the

important information contained in the Proxy Materials. The Notice also instructs you on how you may submit your proxy over the Internet or by telephone. If you received a Notice by mail and would like to receive a printed copy of our Proxy Materials, you should follow the instructions for requesting such materials contained in the Notice.

Record Date, Shares Outstanding and Quorum

If you were a holder of Hecla common stock either as a *shareholder of record* or as the *beneficial owner* of shares held in street name as of the Record Date, you may vote your shares at the Annual Meeting. As of the Record Date, 285,163,224 shares of common stock were outstanding and entitled to vote at the Annual Meeting. Shares of our common stock that are held by us in our treasury are not counted as shares outstanding and will not be voted. Each shareholder has one vote for each share of common

stock held as of the Record Date.

A quorum must be present in order for business to be conducted at the Annual Meeting. A quorum consists of the presence at the Annual Meeting, in person or represented by proxy, of a majority of the outstanding shares of our common stock as of the Record Date. Shares represented by proxies marked *Abstain* and *broker non-votes* are counted in determining whether a quorum is present for the transaction of business at the Annual Meeting. A *broker non-vote* occurs when a broker or other nominee holding shares for a beneficial owner does not vote on a particular proposal because the broker or nominee does not have discretionary voting power and has not received instructions from the beneficial owner.

Continues on next page

Voting Matters and Vote Recommendation

Our Board recommends that you vote your shares as follows:

Proposal No.	Matter	Board Vote	Page Reference
		Recommendation	(for more detail)
		FOR EACH	
1	Election of three directors	NOMINEE	16
2	Approval of named executive officer compensation	FOR	21
3	Ratification of appointment of BDO USA, LLP as auditors for 2013	FOR	22

Shareholder of Record versus Beneficial Owner

If, on the Record Date, your shares are registered directly in your name with our transfer agent, American Stock Transfer & Trust Company, you are considered, with respect to those shares, the shareholder of record. As a shareholder of record, you may vote in person at the Annual Meeting or vote by proxy. Whether or not you plan to attend the Annual Meeting, we urge you to fill out and return the enclosed proxy card, or vote by telephone or Internet, to ensure your vote is counted.

If, on the Record Date, your shares were held in an account at a broker, bank, or other financial institution or other nominee (we will refer to those organizations

collectively as broker), then you are the beneficial owner of shares held in street name and these Proxy Materials are being forwarded to you by that broker. The broker holding your account is considered the shareholder of record for purposes of voting at the Annual Meeting. As the beneficial owner, you have the right to direct your broker on how to vote the shares in your account. As a beneficial owner, you are invited to attend the Annual Meeting. However, since you are not a shareholder of record, you may not vote your shares in person at the Annual Meeting unless you request and obtain a valid proxy from your broker giving you the legal right to vote the shares at the Annual Meeting.

Special Note to Beneficial Holders of Shares of Common Stock

THE INFORMATION SET FORTH IN THIS SECTION IS OF SIGNIFICANT IMPORTANCE TO MANY SHAREHOLDERS OF THE COMPANY, SINCE MANY SHAREHOLDERS HOLD SHARES THROUGH THEIR BROKER OR OTHER NOMINEE AND DO NOT HOLD SHARES IN THEIR OWN NAME.

Shareholders who do not hold their shares in their own name (referred to in this Proxy Statement as beneficial shareholders or beneficial owner) should note that only proxies submitted by shareholders whose names appear on the Company records as the registered holders of shares of common stock can be recognized and acted upon at our Annual Meeting. **If shares of common stock are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares of common stock will not be registered in the shareholder's name on the Company records and are most likely registered under the names of the shareholders' broker or an agent of that broker.** In the United States, the vast majority of such shares are registered under the name of Cede & Co. as

nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee and custodian for many Canadian brokerage firms).

Applicable regulatory policy requires brokers to seek voting instructions from beneficial shareholders in advance of shareholders meetings, unless a beneficial shareholder has waived the right to receive meeting materials. Every broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by beneficial shareholders in order to ensure that their shares of common stock are voted at our Annual Meeting. The form of proxy supplied to a beneficial

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shareholder by its broker (or the agent of the broker) is similar to the form of proxy provided to registered shareholders by us. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the beneficial shareholder. The majority of brokers now delegate responsibility for obtaining instructions

Proxy Statement

from clients to Broadridge Financial Solutions, Inc. (Broadridge) in the United States and Canada. Broadridge typically applies a special sticker to proxy forms, mails those forms to the beneficial shareholders, and the beneficial shareholders return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions on the voting of shares to be represented at our Annual Meeting. **A beneficial shareholder receiving a Broadridge proxy cannot use that proxy to vote shares of our common stock directly**

at our Annual Meeting the proxy must be returned to Broadridge well in advance of our Annual Meeting, in order to have the shares of common stock voted.

Alternatively, a beneficial shareholder may request in writing that his or her broker send to the beneficial shareholder a legal proxy which would enable the beneficial shareholder to attend our Annual Meeting and vote his or her shares of common stock.

Information about Voting

The Notice containing instructions on how to access these Proxy Materials electronically cannot be used to vote your shares. The Notice does, however provide instructions on how to vote by using the Internet, telephone, or by requesting and returning a paper proxy card or voting instruction card.

If your shares are held in your name, you have the right to vote in person at the Annual Meeting. If your shares are held in a brokerage account or by another nominee, you are considered the beneficial owner of shares held in street name. Since a beneficial owner is not the shareholder of record, you may not vote these shares in person at the Annual Meeting unless you obtain a legal proxy from your broker or nominee that holds your shares, giving you the right to vote the shares at the Annual Meeting.

Whether you hold shares directly as a shareholder of record or beneficially in street name, you may vote without attending the Annual Meeting. You may vote by granting a proxy or, for shares held beneficially in street name, by submitting voting instructions to your broker or nominee. In most cases, you will be able to do this by using the Internet, by telephone, or by mail if you received a printed set of the Proxy Materials.

To vote by mail:

- Mark, sign and date your proxy card; and
- Return your proxy card in the enclosed postage- paid envelope.

To vote over the Internet:

- Have your proxy card or Notice available;
- Log on to the Internet and visit the website noted on your proxy card or Notice (www.proxyvote.com);
- Follow the instructions provided; and
- Do not mail your proxy card.

To vote by telephone:

- Have your proxy card available;
- Call the toll-free number listed on your proxy card (1-800-690-6903);
- Follow the recorded instructions; and
- Do not mail your proxy card.

To vote in person if you are a registered shareholder of record:

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- Attend our Annual Meeting;
- Bring a valid photo identification; and
- Deliver your completed proxy card or ballot in person.

To vote in person if you hold your shares in street name (through a broker, financial institution or other nominee):

- Attend our Annual Meeting;
- Bring a valid photo identification; and
- Obtain from your broker, a document that allows you to vote the shares held for your benefit, attach that document to your completed proxy card or ballot and deliver it in person.

Continues on next page

To vote your 401(k) Plan shares:

If you participate in the Hecla Mining Company Capital Accumulation Plan and hold shares of our common stock in your plan account as of the Record Date, you will receive a request for voting instructions from the plan trustee (Vanguard) with respect to your plan shares.

You are entitled to direct Vanguard how to vote your plan shares. If you do not provide voting instructions to Vanguard by 11:59 p.m., Eastern Daylight Time, on May 14, 2013, the Hecla shares in your plan account will be voted by Vanguard in the same proportion as the shares held by Vanguard for which voting instructions have been received from other participants in the plan.

Inspectors of Election

Representatives of Broadridge will receive and tabulate proxies, act as independent Inspectors of Election, supervise the voting, decide the validity of proxies, and certify their count of all votes and ballots. Broadridge has been instructed that the vote of each shareholder must be

kept confidential and may not be disclosed (except in the event of legal proceedings or, in the event of a contested proxy solicitation, to permit the solicitation of the votes of undecided shareholders).

Votes Required for the Proposals

Under New York Stock Exchange (NYSE) rules, if your shares are held in street name and you do not indicate how you wish to vote, your broker is only permitted to exercise its discretion to vote your shares on certain routine matters. Proposal 1 (Election of Directors) and Proposal 2 (Approval of Executive Compensation), are not routine matters, whereas Proposal 3 (Ratification of Appointment of BDO USA, LLP) is a routine matter. Accordingly, if you do not direct your broker how to vote for a director in Proposal 1 or how to vote for Proposal 2, your broker is not permitted to exercise discretion and is not permitted to vote your shares on such matters. This is called a broker non-vote.

Proposal 1 - Election of Directors. For more information on director elections, see Proposal 1 - Election of Directors beginning on page 16. Each director will be elected by a majority of votes cast at the Annual Meeting, whether in person or by proxy. A properly executed proxy card marked WITHHOLD with respect to the election of directors will not be voted and will not count FOR the nominee or nominees for which the vote was withheld. Any shares not voted (whether by abstentions, broker non-votes or otherwise) have the same impact as a vote to withhold authority in the election of directors, and does not affect the election of directors.

You may vote FOR the nominees for election as directors, or you may WITHHOLD authority to vote for one or more of the nominees.

Proposal 2 - Approval of Named Executive Officer Compensation. For more information on approval of our executive compensation see Proposal 2 - Approval of Named Executive Officer Compensation beginning on page 21. The advisory vote on executive compensation will require the affirmative vote of a majority of votes cast at the Annual Meeting, whether in person or by proxy. Abstentions or shares that are not voted are not counted as cast for this purpose. Even though your vote is advisory and therefore will not be binding on the Company, the Board's Compensation Committee will review the voting results and take them into consideration when making future decisions regarding executive compensation.

You may vote FOR, AGAINST or ABSTAIN on the proposal to approve the compensation of our named executive officers.

Proposal 3 - Ratification of Appointment of BDO USA, LLP. Under the Sarbanes-Oxley Act of 2002, the Audit Committee has the sole authority to appoint the independent registered public accounting firm for the Company. However, the Board feels that it is

important for

8 Proxy Statement

Proxy Statement

the shareholders to approve the selection of BDO USA, LLP. This proposal requires the affirmative vote of a majority of votes cast at the Annual Meeting, whether in person or by proxy. Abstentions or shares that are not voted are not counted as cast for this purpose. The appointment of our independent registered public accounting firm for calendar year 2013 is considered a routine matter and brokers that are not directed how to vote are permitted to vote shares held in street name for their customers on this item.

You may vote **FOR**, **AGAINST**, or **ABSTAIN** on the proposal to ratify the appointment of BDO USA, LLP, as our independent registered public accounting firm for 2013.

Discretionary voting by proxies on other matters. Aside from the election of three directors, the approval of executive compensation, and the ratification of the appointment of BDO USA, LLP, we do not know of any other proposal that may be presented at the Annual Meeting. However, if any other business is properly presented at the Annual Meeting, your proxy gives authority to Phillips S. Baker, Jr. and Michael B. White to vote on such matters at their discretion. No other proposals have been timely submitted in accordance with our Bylaws, and we are not aware of any matters other than those described in this Proxy Statement that will be acted upon at the Annual Meeting.

Proxies

A proxy is your legal appointment of another person to vote the shares that you own in accordance with your instructions. The person you appoint to vote your shares is also called a proxy. If you designate someone as your proxy in a written document, that document also is called a proxy or a proxy card. We have designated Phillips S. Baker, Jr., our President and Chief Executive Officer, and Michael B. White, our Corporate Secretary, as proxies for the Annual Meeting.

When you sign the proxy card, you appoint Phillips S. Baker, Jr. and Michael B. White as your representatives at the Annual Meeting. As your representatives, they will vote your shares at the Annual Meeting (including any adjournment or postponement) as you have instructed them on your proxy card or, if no instruction is given, as set forth in the following paragraph. With proxy voting,

your shares will be voted whether or not you attend the Annual Meeting in person. Even if you plan to attend the Annual Meeting, it is a good idea to complete, sign and return your proxy card in advance of the Annual Meeting in case your plans change.

Properly signed and dated proxies received by us prior to or at the Annual Meeting will be voted as instructed on the proxies or, in the absence of such instruction:

- (i) **FOR** the election to the Board of Ted Crumley, Charles B. Stanley and Terry V. Rogers;
- (ii) **FOR** approval of our named executive officer's compensation; and
- (iii) **FOR** the ratification of the appointment of BDO USA, LLP, as our independent registered public accounting firm for 2013.

Revoking a Proxy

If you are a shareholder of record, you may revoke your proxy and change your vote at any time before your proxy is voted at the Annual Meeting, in any of the following ways:

- By sending a written notice of revocation to our Corporate Secretary, if such notice is received prior to the vote at the Annual Meeting, at our principal executive offices:

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Hecla Mining Company
Attn: Corporate Secretary
6500 N. Mineral Drive, Suite 200
Coeur d Alene, ID 83815-9408

- By submitting a later-dated proxy to our Corporate Secretary prior to the vote at the Annual Meeting; or
- By voting in person at the Annual Meeting.

If you hold your shares in street name, you should contact your broker for information on how to revoke your voting instructions and provide new voting instructions.

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If you hold your shares in the Hecla Mining Company Capital Accumulation Plan, you may revoke your previously provided voting instructions by filing with Vanguard either a written notice of revocation or a

properly executed proxy bearing a later date prior to the deadline for voting plan shares. If you hold your Hecla shares outside of the plan, you may vote those shares separately.

Costs of Solicitation

We will bear all costs and expenses relating to the solicitation of proxies, including the costs of preparing, assembling, printing, mailing and distributing these Proxy Materials. We have hired Broadridge to assist us in mailing these Proxy Materials. Additionally, we have retained Morrow & Co. to assist in the solicitation of votes for an estimated fee of \$8,000, plus reimbursement of certain out-of-pocket expenses. Solicitations may be made personally or by mail, facsimile, telephone, or via the Internet. However, if you choose to access the Proxy

Materials over the Internet, you are responsible for any Internet access charges you may incur. Arrangements will be made with brokerage firms and other custodians, nominees and fiduciaries for forwarding solicitation materials to the beneficial owners of the shares of common stock held by such persons, and we will reimburse such brokerage firms, custodians, nominees and fiduciaries for reasonable out-of-pocket expenses incurred by them in connection with such activities.

Results of the Annual Meeting

Preliminary voting results will be announced at the Annual Meeting. We will publish final results in a Current Report on Form 8-K that we expect to file with the SEC within four business days of the Annual Meeting. After the Form 8-K is filed, you may obtain a copy by visiting the SEC's website at www.sec.gov, visiting our website

at www.hecla-mining.com or contacting our Investor Relations Department by writing to Investor Relations Department, Hecla Mining Company, 6500 N. Mineral Dr., Suite 200, Coeur d'Alene, ID 83815 or by sending an email to hmc-info@hecla-mining.com.

Annual Report

Our Annual Report to Shareholders, consisting of our Form 10-K for the year ended December 31, 2012, and other information, is being made available to shareholders with this Proxy Statement. Shareholders may obtain a copy of our Annual Report for the calendar year ended December 31, 2012, without cost, by written or oral request to:

Hecla Mining Company
Attention: Jeanne DuPont
6500 N. Mineral Drive, Suite 200
Coeur d'Alene, Idaho 83815-9408
Telephone: 208-769-4100

You can also access our SEC filings, including our Annual Reports on Form 10-K, and all amendments thereto, on the SEC website at <http://www.sec.gov/edgar.shtml> or on our website at <http://www.hecla-mining.com>.

Hecla's Transfer Agent

Please contact our transfer agent, at the phone number or address listed, with questions concerning stock certificates, dividend checks, transfer of ownership or other matters pertaining to your stock account.

American Stock Transfer & Trust Company
59 Maiden Lane
New York, NY 10038
800-937-5449 or 718-921-8275

Householding of Proxy Materials

Many brokerage firms, financial institutions and transfer agents have instituted householding procedures for beneficial owners and shareholders of record. Householding is when a single copy of our Proxy Materials is sent to a household in which two or more shareholders reside if they appear to be members of the same family. This practice is designed to reduce duplicate mailings and save significant printing and postage costs, as well as natural resources.

If you are a beneficial owner, you may have received householding information from your broker, financial institution or other nominee shareholder in the past. Please contact the shareholder of record directly if you have questions, require additional copies of our Proxy Materials, or wish to revoke your decision to household

and thereby receive multiple copies. You should also contact the shareholder of record if you wish to institute householding. These options are available to you at any time.

Shareholders of record who share an address and would like to receive a separate copy of our Proxy Materials for future annual meetings, or have questions regarding the householding process, may contact our transfer agent, American Stock Transfer & Trust Company, either by written request or by telephone at the address and telephone number listed above. By contacting American Stock Transfer & Trust Company, shareholders of record sharing an address can also request delivery of multiple copies of our Proxy Materials in the future.

Electronic Delivery of Proxy Materials, Annual Reports, News Releases and Documents Filed with the Securities and Exchange Commission

If you are a shareholder of record, you may request and consent to electronic delivery of future Proxy Materials by following the instructions on your proxy card or by visiting our website at <http://www.hecla-mining.com> under Investors and selecting the Annual Report and Proxy Material icon and following the instructions. If your shares are held in street name, please contact your broker and ask about the availability of electronic delivery. If you select electronic delivery, we will discontinue mailing the Proxy Materials to you beginning next year and you will be sent an email message notifying you of the Internet address or addresses where you may access the Proxy Materials. Your consent to electronic delivery will remain in effect until you revoke it. If you selected electronic delivery last year, we will not mail the Proxy Materials

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to you this year and you will receive an email message with the Internet address where you may access the Proxy Materials for the current year. This process is designed to expedite shareholders' receipt of Proxy Materials, lower the cost of the Annual Meeting, and help conserve natural resources.

Shareholders may also elect to receive notice of our filings with the SEC, annual reports and news releases by email. You may sign up for this service by visiting our website at <http://www.hecla-mining.com> and selecting the "Email Updates" icon on our home page.

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Direct Registration System and Investor Services

The Direct Registration System (DRS) is a system that allows your shares in Hecla to be held in your name in book-entry form, without having a physical certificate issued. You retain full ownership of your shares, and you have the same rights and privileges as holders of shares held in certificate form. You may request a physical certificate at any time, although it is generally easier and more efficient to maintain your shares in non-certificated form. The benefits of DRS are:

- Provides accurate, quick and cost-efficient transfers between our transfer agent and your broker/dealer;
- Ensures secure electronic transfer of your securities;
- Reduces the risk with physical certificates being processed, including turnaround delays, mail losses and risks associated with stolen, forged or counterfeit securities;
- You will receive a periodic annual statement from our transfer agent. Unlike a physical security, if you lose the statement, it is easy to get another one; and
- It is generally safer to own your shares in book-entry form because there are no certificates to be stolen, lost or destroyed. There is also no need to rent a safe-deposit box or other safe place to keep the certificates, and you do not have to send them in the mail or insure them.

You can contact our transfer agent, American Stock Transfer & Trust Company at the address and telephone number listed above for more information on DRS.

Our transfer agent also offers expanded online services through its affiliate, AST Investor Services, an online retail investor portal. It offers shareholders the ability to consolidate positions in a single account, online access to approximately 10,000 equity issuers and comprehensive investment tools. The benefits include:

- Consolidated positions in a single account;
- Buy and sell equities;
- Dividend reinvestments; and
- Provides shareholders with online access and consolidated account management, allowing more options for diversification.

For more information on this service, contact AST Investor Services at 1-888-444-0057, or visit them on the Internet at www.astinvestor.com, or through customer service at Customerservice@astinvestor.com.



You may submit proposals for consideration at future annual shareholder meetings, including director nominations, as follows:

Shareholder Proposals at the 2014 Annual Meeting of Shareholders

Our Bylaws establish procedures governing the eligibility of nominees for election to our Board, and the proposal of business to be considered by our shareholders at an Annual Meeting of Shareholders. For nominations or other business to be properly brought before an Annual Meeting of Shareholders by a shareholder, the shareholder must have given timely notice thereof in writing to our Corporate Secretary. To be timely, a shareholder's notice shall be delivered to our Corporate Secretary at our principal executive offices located at 6500 N. Mineral Drive, Suite 200, Coeur d'Alene, Idaho 83815-9408, not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's Annual Meeting of Shareholders *provided, however*, that in the event the date of the Annual Meeting of Shareholders is advanced by more than 30 days or delayed by more than 60 days from such anniversary date, notice by the shareholder to be timely must be delivered not earlier than the 120th day prior to such Annual Meeting of Shareholders and not later than the close of business on the later of the 90th day prior to such Annual Meeting of Shareholders or the 10th day following the day on which public announcement of the date of such meeting is first made. Adjournment of a meeting shall not commence a new time period for giving shareholder's notice as described above. Such shareholder's notice shall set forth:

- (a) As to each person whom the shareholder proposes to nominate for election or re-election as a director, all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities and Exchange Act of 1934 (the Exchange Act), as amended, and Rule 14a-11 thereunder, including such person's written consent to being named in our Proxy Statement as a nominee and to serve as a director if elected;
- (b) As to any other business that the shareholder proposes to bring before the meeting, who has not otherwise complied with the rules and regulations under the Exchange Act for the inclusion of a shareholder proposal in our Proxy Statement, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting, and any material interest in such business of such shareholder and the beneficial owner, if any, on whose behalf the proposal is made; and
- (c) As to the shareholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made:
 - (i) the name and address of such shareholder, as they appear on the Company's books, and of such beneficial owner; and
 - (ii) the class and number of Company shares which are owned beneficially, and of record by such shareholder or beneficial owner.

The applicable time period for timely shareholder submissions pursuant to the above provisions for the 2014 Annual Meeting of Shareholders is January 15, 2014 (the 120th day preceding the anniversary of the 2013 Annual Meeting) to February 14, 2014 (the 90th day preceding such anniversary).

The chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the procedures set forth in the Bylaws and, if any proposed nomination or business is not in compliance with the Bylaws, to declare that such defective proposal shall be disregarded. The foregoing time limits also apply in determining whether notice is timely for purposes of rules adopted by the SEC relating to the exercise of discretionary voting authority.

Shareholder Proposals to be Included in Next Year's Proxy Statement

In addition to the foregoing section, we will comply with Rule 14a-8 under the Exchange Act with respect to any shareholder proposals that meet that rule's requirements. We will review shareholder proposals intended to be included in our Proxy Statement for the 2014 Annual Meeting of Shareholders which are received by us at our principal executive offices located at 6500 N. Mineral Drive, Suite 200, Coeur d'Alene, Idaho 83815-9408, no

later than December 4, 2013. Such proposals must be submitted in writing and should be sent to the attention of our Corporate Secretary.

You may contact the Corporate Secretary at our principal executive offices for a copy of the relevant Bylaw provisions regarding the requirements for making shareholder proposals and nominating director candidates.

Identifying and Evaluating Nominees for Directors

General Principles and Procedures. The Corporate Governance and Directors Nominating Committee uses a variety of methods for identifying and evaluating nominees for director. The committee is responsible for ensuring that the composition of the Board accurately reflects the needs of our business. In the event vacancies are anticipated, or arise, the committee considers various potential candidates for director. Candidates may come to the attention of the committee through current Board members, professional search firms, shareholders or other persons. Consideration of new director nominee candidates typically involves a series of internal discussions, review of information concerning candidates and interviews with selected candidates. The committee then determines the best qualified candidates based on the established criteria and recommends those candidates to the Board for election at the next annual meeting of shareholders.

We hold the view that the continuing service of qualified incumbents promotes stability and continuity in the boardroom, contributing to the Board's ability to work as a collective body, while giving us the benefit of familiarity and insight into our affairs that our directors have accumulated during their tenure. Accordingly, the process for identifying nominees reflects our practice of re-nominating incumbent directors who continue to satisfy the committee's criteria for membership on the Board, who the committee believes continue to make important contributions to the Board, and who consent to continue their service on the Board.

The committee reviews annually with the Board the composition of the Board as a whole and recommends, if necessary, measures to be taken so that the Board reflects the appropriate balance of knowledge, experience, skills, expertise and diversity required for the Board as a whole and contains at least the minimum number of independent directors required by applicable laws and regulations. Board members should possess such attributes and experience as are necessary for the Board as a whole

to contain a broad range of personal characteristics, including diversity of backgrounds, management skills, mining, accounting, finance and business experience. Directors should be able to commit the requisite time for preparation and attendance at regularly scheduled Board and committee meetings, as well as be able to participate in other matters necessary to ensure good corporate governance is practiced.

In general, and as more fully outlined in our Bylaws and Corporate Governance Guidelines, in evaluating director candidates for election to our Board, the committee will: (i) consider if the candidate satisfies the minimum qualifications for director candidates as set forth in the Corporate Governance Guidelines; (ii) consider factors that are in the best interests of the Company and its shareholders, including the knowledge, experience, integrity and judgment of each candidate; (iii) consider the contribution of each candidate to the diversity of backgrounds, experience and competencies which the Board desires to have represented, with such diversity being considered among the other desirable attributes of the Board; (iv) assess the performance of an incumbent director during the preceding term; (v) consider each candidate's ability to devote sufficient time and effort to his or her duties as a director; (vi) consider a candidate's independence and willingness to consider all strategic proposals; (vii) consider any other criteria established by the Board and any core competencies or technical expertise necessary to manage and direct the affairs and business of the Company, including, when applicable, to enhance the ability of committees of the Board to fulfill their duties; and (viii) determine whether there exists any special, countervailing considerations against nomination of the candidate.

Provisions of Hecla's Bylaws with Respect to Shareholder
Proposals and Nominations for Election as Directors

Shareholder Nominees

The committee will consider persons recommended by shareholders as nominees for election as directors. Our Bylaws provide that any shareholder who is entitled to vote for the election of directors at a meeting called for such purpose may nominate persons for election to the Board by following the procedures set forth on page 13. Shareholders who wish to submit a proposed nominee to the committee should send written notice to the Corporate Governance and Directors Nominating Committee Chairman, c/o Corporate Secretary, Hecla Mining Company, 6500 N. Mineral Drive, Suite 200, Coeur d'Alene, Idaho 83815-9408, within the time period set forth on page 13. The notification should set forth all information relating to the nominee that is required to be disclosed in solicitations of proxies for elections of directors pursuant to Regulation 14A under the Exchange Act, including the nominee's written consent to being

named in the Proxy Statement as a nominee and to serving as a director if elected; the name and address of the shareholder or beneficial owner making the nomination or on whose behalf the nomination is being made; and the class and number of shares of the Company owned beneficially and of record by such shareholder or beneficial owner. The committee will consider shareholder nominees on the same terms as nominees selected by the committee.

Regardless of how a candidate is brought to the committee, qualified candidates are subjected to one or more interviews with appropriate members of the Board. Chosen candidates are extended invitations to join the Board. If a candidate accepts, he or she is formally nominated.

Director Qualifications, Evaluation, and Nomination

The committee believes that nominees for election to the Board should also possess certain minimum qualifications and attributes. The nominee must: (i) exhibit strong personal integrity, character and ethics, and a commitment to ethical business and accounting practices; (ii) not be involved in ongoing litigation with the Company or be employed by an entity that is engaged in such litigation; and (iii) not be the subject of any ongoing criminal investigations in the jurisdiction of the United States or any state thereof, including investigations for fraud or financial misconduct.

In connection with the director nominees who are up for re-election at the Annual Meeting, the committee also considered the nominees' roles in: (i) overseeing the Company's efforts in complying with its SEC disclosure requirements; (ii) assisting in improving the Company's internal controls and disclosure controls; (iii) assisting with the strategic plan of the Company; and (iv) working with management to implement the strategic plan and mission statement. Directors are expected to exemplify high standards of personal and professional integrity and to constructively challenge management through their active participation and questioning.

In addition to fulfilling the above criteria, each nominee for election to the Board at the upcoming Annual Meeting brings a strong and unique background and set of skills to the Board, giving the Board as a whole competence and experience in a wide variety of areas, including corporate

governance, executive management, accounting, finance, mining, and board service. The committee has reviewed the nominees' overall service to the Company during their terms, including the number of meetings attended, level of participation and quality of performance.

The biography of each of the nominees and continuing directors below contains information regarding the person's service as a director, business experience, director positions held currently or at any time during the last five years, information regarding involvement in certain legal or administrative proceedings, if applicable, and the experience, qualifications, attributes or skills that caused the Corporate Governance and Directors Nominating Committee and the Board to determine that the person should serve as a director for the Company.

Proposal 1 Election of Directors

Our current Bylaws require the Board to have not less than five nor more than nine members. The size of the Board may be increased or decreased within that range from time-to-time by resolution approved by the affirmative vote of a majority of the Board. The current Board is composed of seven directors.

In accordance with our Certificate of Incorporation, the Board is divided into three classes. The terms of office of the directors in each class expire at different times. There are three directors whose terms will expire at the 2013 Annual Meeting: Messrs. Ted Crumley, Charles B. Stanley, and Terry V. Rogers.

At a meeting held by the Corporate Governance and Directors Nominating Committee in February 2013, the committee determined that the three directors whose terms are expiring - Messrs. Crumley, Stanley and Rogers - were qualified candidates and recommended to the Board that they stand for re-election at the Annual Meeting.

Subsequently, the Board designated Messrs. Crumley, Stanley and Rogers as nominees for election as directors of the Company, each for a three-year term expiring in 2016. Each of the nominees has accepted the nomination and agreed to serve as a director if elected by the Company's shareholders.

It is intended that the proxies solicited hereby from our shareholders that do not provide voting instructions will be voted **FOR** the election of Ted Crumley, Charles B. Stanley, and Terry V. Rogers. The Board knows of no reason why the nominees will be unable or unwilling to accept election. However, if any nominee becomes unable or is unwilling to accept election, the Board will either reduce the number of directors to be elected or select substitute nominees submitted by the Corporate Governance and Directors Nominating Committee. If substitute nominees are selected, proxies that do not provide voting instructions will be voted in favor of such nominees.

Director Qualifications and Biographical Information

Biographical information for each of the director nominees is set forth below, including the key qualifications, experience, attributes, and skills that led our Board to the conclusion that each of the director nominees should serve as a director.

Our Board includes individuals with strong backgrounds in executive leadership and management, accounting and finance, and Company and industry knowledge, and we believe that, as a group, they work effectively together in overseeing our business. We believe that our directors hold themselves to the highest standards of integrity and that they are committed to representing the long-term best interests of our shareholders.

Nominees for Election to the Board Term Ending at the 2013 Annual Meeting

If elected, the nominees will each serve for a three-year term ending in 2016. The nominees are as follows:


Ted Crumley, 68, a director of the Company since 1995, was the Executive Vice President and Chief Financial Officer of OfficeMax Incorporated (distributor of office products) from January 2005 until his retirement in December 2005. He was also Senior Vice President of OfficeMax Incorporated from November 2004 to January 2005; and Senior Vice President and Chief Financial Officer of Boise Cascade Corporation (manufacturer of paper and forest products) from 1994 to 2004.

Key attributes, experience and skills: Mr. Crumley has over 30 years experience in management, finance and accounting in the natural resources industry. He understands all aspects of our business, including the mining elements. He has served on Hecla's Board since 1995, making him the longest standing member of the Board, and also holds the position of Chairman of the Board. It is these attributes that led the Board to conclude that Mr. Crumley should continue to serve as a director of Hecla.

Charles B. Stanley, 54, a director of the Company since 2007, has been Chief Executive Officer, President and Director of QEP Resources, Inc. (an independent natural gas and oil exploration and production company), since May 2010. He was appointed Chairman of the Board of QEP Resources, Inc. in May 2012. He also served as Chief Operating Officer of Questar Corporation (a Western U.S. natural gas-focused exploration and production, interstate pipeline and local distribution company) from March 2008 to June 2010; Executive Vice President and Director of Questar Corporation from February 2002 to June 2010; President and Chief Executive Officer, Questar Market Resources, Inc., Wexpro Company (exploration and production company, develops and produces gas reserves), Questar Exploration and Production Company (oil and gas exploration and production), Questar Gas Management Company (gas gathering and processing) and Questar Energy Trading Company (wholesale marketing and storage) from February 2002 to June 2010.

Key attributes, experience and skills: Mr. Stanley has over 29 years experience in the international and domestic upstream and midstream oil and gas industry. He is a geologist with an extensive background in natural resources and is familiar with the financial reporting, disclosure, governance, and control requirements imposed on public companies by various regulatory agencies because of his experience as an executive officer of an SEC registrant, in which he is required to certify the company's filings with the SEC. It is these attributes that led the Board to conclude that Mr. Stanley should continue to serve as a director of Hecla.

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Terry V. Rogers, C. Dir., 66, a director of the Company since 2007, was the Senior Vice President and Chief Operating Officer of Cameco Corporation (one of the world's largest uranium producers) from February 2003 until his retirement in June 2007. He was the former President of Kumtor Operating Company (a gold producing company and a division of Cameco Corporation) from 1999 to 2003 and has served on the Board of Directors of Centerra Gold Inc. (a gold mining company) since February 2003.

Key attributes, experience and skills: Mr. Rogers has over 30 years experience in the mining industry where he held several executive positions with major mining companies and their subsidiaries worldwide. His duties included decision-making processes which established the strategic direction of those companies. He has experience in operating mining projects, including being a mine manager and overseeing all aspects of production, engineering, planning and administrative services. Mr. Rogers also has experience in open-cast, open-pit and underground operations in coal, gold, and uranium mines around the world. Mr. Rogers obtained the Chartered Director (C. Dir.) designation from The Directors College (a joint venture of McMaster University and The Conference Board of Canada) in March 2011. It is these attributes that led the Board to conclude that Mr. Rogers should continue to serve as a director of Hecla.

The Board recommends that shareholders vote FOR the election of Ted Crumley, Charles B. Stanley, and Terry V. Rogers.

Our directors whose terms are not expiring this year follow. They will continue to serve as directors for the remainder of their terms or such other date in accordance with our Bylaws.

Continuing Members of the Board Term Ending at the 2014 Annual Meeting

Phillips S. Baker, Jr., 53, a director since 2001, has been our Chief Executive Officer since May 2003 and has served as our President since November 2001. He served as Hecla's Chief Financial Officer from May 2001 to June 2003; Chief Operating Officer from November 2001 to May 2003; and Vice President from May 2001 to November 2001. He has also served as a Director of QEP Resources, Inc. (an independent natural gas and oil exploration and production company), since May 2010, as well as serving as a Director for Questar Corporation (a Western U.S. natural gas-focused exploration and production, interstate pipeline and local distribution company) from February 2004 through June 2010.

Key attributes, experience and skills: As our Chief Executive Officer for nearly ten years and our President and a director since 2001, Mr. Baker is very familiar with Hecla and all of our operations, and is unique among our directors in his institutional knowledge of the Company. His over 26 years' experience with mining companies is a key component of our Board's collective experience. Mr. Baker has served on the board of other publicly held mining and natural resource companies and holds legal and accounting degrees, each of which provides additional experience and skills that are helpful to our Board. It is these attributes that led the Board to conclude that Mr. Baker should continue to serve as a director of Hecla.

Dr. Anthony P. Taylor, 71, a director since 2002, has been the President, CEO and Director of Selex Resources Ltd. (a private Ontario Corporation engaged in mineral exploration) since January 2012. He previously served as Executive Chairman of Crown Gold Corporation (an exploration company) from August 2010 to August 2012, after serving as Chief Executive Officer and Director of Gold Summit Corporation (a public Canadian minerals exploration company) from October 2003 to August 2010. Since October 2001, he has served as President and Director of Caughlin Preschool Co. (a private Nevada corporation he co-founded that operates a preschool).

Key attributes, experience and skills: Dr. Taylor has over 48 years' experience in the mining industry in all levels of exploration from a field geologist to senior management. He has extensive experience in lead, zinc, nickel, copper, gold and silver exploration in Alaska, Europe, Australia, South Africa, and North and South America. It is these attributes that led the Board to conclude that Dr. Taylor should continue to serve as a director of Hecla.

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Continuing Members of the Board Term Ending at the 2015 Annual Meeting

George R. Nethercutt, Jr., 68, a director since 2005, has been a Principal of Nethercutt Consulting LLC (a strategic planning and consulting firm), since January 2007. He has served as Chairman of The George Nethercutt Foundation (a non-profit student leadership and civics education charity), since 2007; Member, Board of Directors IP Street (a software company), since May 2011; Of Counsel, Lee & Hayes PLLC (a law firm), since September 2010; a Board Member of Washington Policy Center (a public policy organization providing analysis on issues relating to the free market and government regulation), since January 2005; a Board Member of ARCADIS Corporation (an international company providing consultancy, engineering and management services), since May 2005; Board of Chancellors, Juvenile Diabetes Research Foundation International (a charity and advocate of juvenile diabetes research worldwide), since June 2011. He also served as U.S. Chairman of the Permanent Joint Board on Defense - U.S./Canada from April 2005 to December 2009; Member, U.S. House of Representatives from 1995 to 2005; Member, Subcommittee on Interior, Agriculture and Defense Appropriations from 1995 to 2005; Member, Committee on Science and Energy from 1998 to 2005; and Vice Chairman, Defense Subcommittee on Appropriations from 2000 to 2004. Mr. Nethercutt has also been a member of the Washington State Bar Association since 1972.

Key attributes, experience and skills: While serving as a U.S. Congressman, Mr. Nethercutt's focus was on natural resources policy, mining legislation and environmental policies on public lands. Mr. Nethercutt's extensive political background also included working as a staff member in the U.S. Senate in Washington, D.C., where he focused on issues relating to oil and gas, natural resources, mining and commerce. He served as chief of staff to a U.S. Senator from Alaska, working on such issues as agriculture, fisheries, timber and mining. Mr. Nethercutt's consulting business consists of representing clients with mining and natural resources issues. He holds a Juris Doctor degree which he used to gain experience and expertise in business, natural resources and mining law. It is these attributes that led the Board to conclude that Mr. Nethercutt should continue to serve as a director of Hecla.

John H. Bowles, 67, a director since 2006, was a Partner in the Audit and Assurance Group of PricewaterhouseCoopers LLP (an accounting firm) from April 1976 until his retirement in June 2006. He has served as a Director of Mercator Minerals LTD. (a copper, molybdenum and silver mine), since April 2011; Director of Boss Power Corp. (a mineral exploration company), since September 2007; Treasurer, Mining Suppliers Association of British Columbia (an association of providers of equipment, products and related services to the British Columbia mining industry) from May 1999 to May 2012; and Director Emeritus, Ducks Unlimited Canada (a national, private, non-profit wetland conservation organization), since March 1996. He also served as a Director of HudBay Minerals Inc. (a zinc, copper, gold and silver mining company) from May 2006 to March 2009. He was appointed a Fellow of the British Columbia Institute of Chartered Accountants in December 1997, and appointed a Fellow of the Canadian Institute of Mining and Petroleum in May 2003.

Key attributes, experiences and skills: Mr. Bowles is a chartered accountant and served with one of the Big Four auditing firms, where he specialized in the audits of public companies in the mining industry. He is currently serving as a board member for a mineral exploration company, as well as a copper and silver producing company, and previously served as a director for a zinc, copper, gold and silver mining company. It is these attributes that led the Board to conclude that Mr. Bowles should continue to serve as a director of Hecla.

Proposal 2 Approval of Named Executive Officer Compensation

We are asking our shareholders to indicate their support for the compensation of our named executive officers as disclosed in this Proxy Statement. This advisory vote on executive compensation proposal gives our shareholders the opportunity to express their views on the compensation of our named executive officers. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the principles, policies and practices described in the Compensation Discussion and Analysis.

The vote is advisory and therefore not binding on Hecla, the Compensation Committee or the Board. The Board and the Compensation Committee value the opinions of the Company's shareholders and to the extent there is any significant vote against the named executive officer compensation as disclosed in this Proxy Statement, the Compensation Committee will carefully review and consider the voting results when evaluating our executive compensation program.

The guiding principles of the Company's compensation policies and decisions include aligning each executive's compensation with the Company's business strategy and the interests of our shareholders and providing incentives needed to attract, motivate and retain key executives who are important to our long-term success. Our executive compensation program, composed of base salary, short-and long-term incentives, and equity awards, is intended to align the interests of our named executive officers with the long-term interests of our shareholders.

Shareholders are urged to read the Compensation Discussion and Analysis section of this Proxy Statement, starting on page 37, which discusses how our compensation design and practices reflect our compensation philosophy. The Compensation Committee and the Board believe that our compensation design and practices are effective in implementing our guiding principles.

At the 2012 Annual Meeting, our shareholders approved the compensation of our named executive officers as disclosed in the 2012 Proxy Statement, with more than 87% of the total votes cast voting in favor. The current frequency of shareholder advisory votes on executive compensation is every year.

We are asking shareholders to approve the following resolution at the 2013 Annual Meeting:

RESOLVED, that the compensation paid to the Company's named executive officers, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, compensation tables and any related material disclosed in the Proxy Statement is hereby APPROVED.

The Board of Directors recommends that you vote FOR approval of the compensation of our named executive officers.

Proposal 3 Ratification of Appointment of BDO USA, LLP, as the Company's Independent Registered Public Accounting Firm for 2013

The Audit Committee has appointed BDO USA, LLP (BDO), to serve as our independent registered public accounting firm for 2013, subject to ratification by our shareholders. BDO has served as our independent registered public accounting firm since 2001.

Representatives of BDO are expected to be present at the Annual Meeting with the opportunity to make statements and respond to appropriate questions from shareholders present at the meeting.

Under the Sarbanes-Oxley Act of 2002, the Audit Committee has the sole authority to appoint the independent registered public accounting firm for the Company. However, we are asking our shareholders to ratify the appointment of BDO as our independent registered public accounting firm. Although ratification is not required, the Board is submitting the appointment

of BDO to our shareholders for ratification because we value our shareholders' views on the Company's independent registered public accounting firm, and as a matter of good corporate practice. In the event that our shareholders fail to ratify the appointment, it will be considered as a direction to the Board and to the Audit Committee to consider the appointment of a different firm. Even if the appointment is ratified, the Audit Committee in its discretion may select a different independent registered public accounting firm at any time during the year if it determines that such change would be in the best interest of the Company and our shareholders.

The Board recommends that shareholders vote FOR the ratification of the appointment of BDO USA, LLP, as our independent registered public accounting firm for 2013.

Audit Committee Report

Membership and Role of the Audit Committee

The Audit Committee consists of John H. Bowles (Chairman), Terry V. Rogers, and Charles B. Stanley. Each member of the committee satisfies the definition of independent director as established in the NYSE listing standards and SEC rules. In addition, each member of the committee is financially literate and the Board has determined that each member of the committee qualifies as an audit committee financial expert as defined by SEC rules. In addition to Hecla, Mr. Bowles serves on the audit committee of two Canadian public companies. Mr. Rogers serves on the audit committee of one Canadian public company. Mr. Stanley does not serve on the audit committee of any other public companies.

The committee's principal functions are to assist the Board in fulfilling its oversight responsibilities, and to specifically review: (i) the integrity of our financial statements; (ii) the independent auditor's qualifications and independence;

(iii) the performance of our internal auditor and the independent auditor; and (iv) our compliance with laws and regulations, including disclosure controls and procedures. During 2012, the committee worked with management, our internal auditor and our independent auditor to address Sarbanes-Oxley Section 404 internal control requirements. The committee also appoints our independent auditor. The committee met six times in 2012.

The committee acts under a written charter as amended and restated effective January 1, 2007. You may obtain a copy of the charter in the Company section of <http://www.hecla-mining.com> under Corporate Governance.

¹ Audit Committee financial expert is defined as a person who has thorough: (i) education and experience as a principal financial officer, principal accounting officer, controller, public accountant, auditor or position performing similar functions; (ii) experience actively supervising one or more such persons; (iii) experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements; or (iv) other relevant experience and the following attributes: (a) an understanding of Generally Accepted Accounting Principles and financial statements; (b) the ability to assess the general application of Generally Accepted Accounting Principles in connection with the accounting for estimates, accruals, and reserves; (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can be reasonably expected to be raised by a company's financial statements, or experience actively supervising one or more persons engaged in such activities; (d) an understanding of internal controls and procedures for financial reporting; and (e) an understanding of audit committee functions.

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Review of the Company's Audited Financial Statements for the Calendar Year Ended December 31, 2012

The committee reviews our financial reporting process on behalf of the Board. Management has the primary responsibility for the financial statements, the reporting process and maintaining an effective system of internal control over financial reporting. Our independent auditors are engaged to audit and express opinions on the conformity of our financial statements to accounting principles generally accepted in the United States, and the effectiveness of our internal control over financial reporting.

The committee has reviewed and discussed the audited financial statements, together with the results of management's assessment of the internal control over financial reporting, with management and the independent auditor. The committee has discussed with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61 (*Communications with Audit Committees* (SAS 61)), as amended and as adopted by the Public Company Accounting Oversight Board in Rule 3200T. In addition, the committee has received the written disclosures and the letter from the independent

auditors required by applicable requirements of the Public Company Accounting Oversight Board (PCAOB Ethics and Independence Rule 3526 (*Communication with Audit Committees Concerning Independence*) for independent auditor communications with audit committees concerning independence, and has discussed with the independent auditors the independent auditor's independence. The committee meets with the internal auditor and independent auditor, with and without management present, to discuss the results of their examinations, their evaluations of our internal controls, and the overall quality of our financial reporting. The committee has considered whether the independent auditor's provision of non-audit services to us is compatible with the auditor's independence.

Based on the Audit Committee's review and discussions noted above, it recommended to the Board that our audited financial statements be included in our Annual Report on Form 10-K for the calendar year ended December 31, 2012, for filing with the SEC.

Appointment of Auditors

The Audit Committee has appointed the firm of BDO USA, LLP (BDO) as our independent registered public accounting firm for 2013. Under the Sarbanes-Oxley Act of 2002, the committee has the sole authority to appoint the independent auditors for us. However, the Board feels that it is important for the shareholders to approve the selection of BDO. The Board is asking our shareholders to ratify and approve the selection of BDO as our independent registered public accounting firm for 2013. BDO has served as our independent auditor since 2001. Representatives of BDO are expected to be present at the Annual Meeting with the opportunity to make statements and respond to appropriate questions from shareholders present at the meeting.

*Respectfully submitted by
The Audit Committee of the
Board of Directors*

John H. Bowles, Chairman
Terry V. Rogers
Charles B. Stanley

Audit Fees

Audit and Non-Audit Fees

The following table represents fees for professional audit services rendered by BDO for the audit of our annual financial statements for the years ended December 31, 2012 and December 31, 2011, and fees for other services rendered by BDO during those periods.

	2012	2011
Audit Fees	\$449,500	\$454,500
Audit Related Fees	85,000	85,000
Tax Fees	12,495	3,150
All Other Fees		
Total	\$546,995	\$542,650

Audit Fees. Annual audit fees relate to services rendered in connection with the annual audit of our consolidated financial statements, quarterly reviews of financial statements included in our quarterly reports on Form 10-Q, fees related to the registration of securities with the SEC, as well as consultation on accounting standards or transactions.

Audit Related Fees. Audit related fees consisted principally of fees for audits of financial statements of employee benefit plans.

Tax Fees. Tax services consisted of fees for tax consultation and tax compliance services, tax planning and miscellaneous tax research.

All Other Fees. There were no other fees.

The Audit Committee considers whether the provision of these services is compatible with maintaining BDO's independence, and has determined such services for calendar years 2012 and 2011 were compatible with such independence. All of the fees were pre-approved by the committee. All of the services described above were approved by the committee pursuant to paragraph (c)(7)(i)(B) of Rule 2-01 of Regulation S-X promulgated by the SEC, to the extent that rule was applicable during calendar years 2012 and 2011.

Policy on Audit Committee Pre-Approval of Audit and Non-Audit Services of Independent Auditor

The Audit Committee is responsible for appointing, setting compensation and overseeing the work of the independent auditor. The committee has established a policy regarding pre-approval of all audit and non-audit services provided by the independent auditor. On an ongoing basis, management communicates specific projects and categories of services for which advance approval of the committee is requested. The committee reviews these requests and advises management if the committee approves the engagement of the independent

auditor for specific projects. On a periodic basis, management reports to the committee regarding the actual spending for such projects and services compared to the approved amounts. The committee may also delegate the ability to pre-approve audit and permitted non-audit services to a subcommittee consisting of one or more committee members, provided that any such pre-approvals are reported on at a subsequent committee meeting.

Corporate Governance

Our business, operations and affairs are managed under the direction of our Board. Members of our Board are kept informed of our business through discussions with our Chairman, our Chief Executive Officer and other officers, by reviewing materials provided to them, by

visiting our offices and operations and by participating in meetings of the Board and its committees. The Board is committed to good business practices, transparency in financial reporting and the highest quality of corporate governance.

Electronic Access to Corporate Governance Documents

Our corporate governance documents are available by accessing our website at <http://www.hecla-mining.com> under the tab entitled Company and then selecting the tab entitled Corporate Governance. These include:

- Corporate Governance Guidelines;
- Whistleblower Policy;
- Charters of the Audit, Compensation, Corporate Governance and Directors Nominating and Health Safety, Environmental & Technical Committees of the Board;
- Code of Ethics for our Chief Executive Officer and Senior Financial Officers; and
- Code of Business Conduct and Ethics for Directors, Officers and Employees.

The information on our website is not incorporated by reference into this Proxy Statement.

Shareholders may also request a free copy of these documents from: Investor Relations, Hecla Mining Company, 6500 N. Mineral Drive, Suite 200, Coeur d Alene, Idaho 83815-9408; (208) 769-4100.

Corporate Governance Guidelines

We first adopted Corporate Governance Guidelines in May 2004. These Corporate Governance Guidelines were adopted by the Board to ensure that the Board is independent from management, that the Board

adequately performs its function as the overseer of management, and to help ensure that the interests of the Board and management align with the interests of our shareholders.

Code of Business Conduct and Ethics

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We believe that operating with honesty and integrity has earned trust from our shareholders, credibility within our community, and dedication from our employees. Our directors, officers and employees are required to abide by our Code of Business Conduct and Ethics to ensure that our business is conducted in a consistently legal and ethical manner. Our Code of Business Conduct and Ethics covers many topics, including conflicts of interest, confidentiality, fair dealing, protection, proper use of the Company's assets, and compliance with laws, rules and regulations. In addition to the Code of Business Conduct and Ethics for directors, officers and employees, our Chief Executive Officer, Chief Financial Officer and Controller are also bound by a Code of Ethics for the Chief Executive Officer and Senior Financial Officers.

The Corporate Governance and Directors Nominating Committee has adopted procedures to receive, retain, and react to complaints received regarding possible violations of the Code of Business Conduct and Ethics, and to allow for the confidential and anonymous submission by employees of concerns regarding possible violations of the Code of Business Conduct and Ethics. Our employees may submit any concerns regarding apparent violations of the Code of Business Conduct and Ethics to their supervisor, our General Counsel, the Chairman of the Corporate Governance and Directors Nominating Committee, or through an anonymous telephone hotline.

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Whistleblower Policy

The Audit Committee adopted a Whistleblower Policy, which encourages our employees to report to appropriate Company representatives, without fear of retaliation, certain accounting information relating to possible fraud. Our employees may submit any concerns regarding financial statement disclosures, accounting,

internal accounting controls or auditing matters to the Audit Committee, our General Counsel, or through an anonymous telephone hotline. The goal of this policy is to discourage illegal activity and business conduct that damages Hecla's reputation, business interests, and our relationship with shareholders.

Diversity Policy

While the Board has not adopted a formal policy on diversity, the Company's Corporate Governance Guidelines provide that, as a whole, the Board should include individuals with a diverse range of experience to give the Board depth and breadth in the mix of skills represented. The Board seeks to include an array of skills and experience in its overall composition rather

than requiring every director to possess the same skills, perspective, and interests. This guideline is implemented by seeking to identify candidates who bring diverse skill sets, backgrounds, and experiences, including ethnic and gender diversity, to the Board when director candidates are needed.

Family Relationships

There are currently no family relationships between the directors or executive officers of Hecla.

Director Independence

Our Corporate Governance Guidelines provide, among other things, that the Board will have a majority of directors who meet the criteria for independence required by the NYSE. In determining independence each year, the Corporate Governance and Directors Nominating Committee affirmatively determines whether directors have any material relationship with the Company. When assessing the materiality of a director's relationship with the Company, the committee considers all relevant facts and circumstances, not merely from the director's standpoint, but from that of the persons or organizations with which the director has an affiliation. The committee also reviews the frequency or regularity of services or transactions between the Company and directors, whether the services or transactions are being carried out at arm's length in the ordinary course of business and whether the services or transactions are being provided substantially on the same terms to the Company as those prevailing at the time from unrelated parties for comparable services or transactions. Material relationships can include commercial, banking, industrial, consulting, legal, accounting, charitable and familial relationships. To guide its determination of whether a

director is independent, the Board has adopted the following NYSE listing standards:

A director will not be independent if:

- the director is, or has been, within the last three years, our employee, or an immediate family member² is, or has been within the last three years, our executive officer³;

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- the director or an immediate family member has received during any twelve-month period within the last three years, more than \$120,000 in direct compensation from us, other than director and committee fees and pension and other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);

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- ² An immediate family member includes a person's spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and anyone (other than domestic employees) who shares such person's home.
- ³ The term executive officer has the same meaning specified for the term officer in Rule 16a-1(f) under the Securities Exchange Act of 1934.

- the director is: (i) a current partner or employee of a firm that is our internal or external auditor; (ii) the director has an immediate family member who is a current partner of a firm that is our internal or external auditor and who personally works on the Company's audit; or (iii) the director or an immediate family member was within the last three years a partner or employee of a firm that is our internal or external auditor and personally worked on our audit within that time;
- the director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of our present executive officers at the same time serves or served on that company's compensation committee; or
- the director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from us for property or services in an amount which, in any of the last three calendar years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues.

Pursuant to our Corporate Governance Guidelines, the committee undertook its annual review of director independence in February 2013. During this review, the committee considered transactions and relationships between each director or any member of his immediate family and Hecla and our subsidiaries and affiliates, including relationships described below and any reported on page 32 under Certain Relationships and Related Transactions. The committee also examined transactions and relationships between directors or their affiliates and members of our senior management or their affiliates. As provided in the Corporate Governance Guidelines, the purpose of this review was to determine whether any such relationships or transactions were inconsistent with a determination that the director is independent.

After applying the standards set forth above and as a result of review by the committee, the Board affirmatively determined that the following directors are independent of the Company and its management under the standards set forth by the NYSE:

John H. Bowles
Terry V. Rogers
Charles B. Stanley

Dr. Anthony P. Taylor
George R. Nethercutt, Jr.
Ted Crumley

Messrs. Stanley and Baker, both serve as members of the board of directors of QEP Resources, Inc. The committee reviewed this relationship with the Board, and the Board made the affirmative decision that this relationship did not disqualify Mr. Stanley from being independent. Neither Mr. Baker nor Mr. Stanley serve on the Compensation Committee of either Hecla or QEP Resources, Inc.

On May 29, 2012, our subsidiary Hecla MC Subsidiary, LLC (Hecla MC) entered into an Asset Purchase Agreement with Crown Gold Corporation (Seller) and one of its subsidiaries, pursuant to which Hecla MC purchased certain unpatented mining claims and mining leases and other assets comprising Seller's Monte Cristo property in Esmeralda County, Nevada. The transaction closed in the third quarter of 2012. Dr. Anthony P. Taylor was the Executive Chairman of Crown Gold. In order to fully ensure the independence of Hecla's board, Dr. Taylor recused himself from all Hecla board meetings at which this transaction was discussed, and did not vote on the acquisition of the project by Hecla. The remaining Board members made the affirmative decision that this relationship did not disqualify Dr. Taylor from being independent.

Mr. Baker is our President and Chief Executive Officer. As such, he cannot be deemed independent under the NYSE listing standards.


Directors are expected to immediately inform the Board of any material change in their circumstances or relationships that may impact their independence.

Board Leadership and Executive Sessions

Currently, the positions of Chief Executive Officer and Chairman of the Board are held by separate persons. The Board believes this structure is optimal for the Company at this time because it allows the Chief Executive Officer to focus on leading the Company's business and operations, and the Chairman to serve as a sounding board and advisor to the Chief Executive Officer and to lead the activities of the Board. The Board has also determined that having a non-management

director serve as Chairman of the Board is in the best interest of shareholders. This structure ensures a greater role for the independent directors in the oversight of the Company and it enhances the Board's independence and, we believe, senior management's accountability to the Board. Mr. Crumley is our Chairman of the Board and lead independent director. He chairs meetings of the Board, as well as the executive sessions with independent members of the Board. His duties include chairing annual

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meetings of shareholders, overseeing the preparation of agendas for Board meetings, preparing for executive sessions of the Board and providing feedback to the Chief Executive Officer, staying current on developments to determine when it may be appropriate to alert the Board to significant pending developments, serving as a liaison between independent directors and the Chief Executive Officer with respect to sensitive issues, and other matters. Executive sessions of non-management directors are included on the agenda for every regularly scheduled Board and committee meeting and during 2012,

executive sessions were held at each regularly scheduled Board meeting. The executive sessions are chaired by the Chairman of the Board. Our non-management directors meet in executive sessions without management present, unless the non-management directors request their attendance.

For the foregoing reasons we have determined that our leadership structure is appropriate in the context of our specific circumstances.

Board Self-Evaluation

Each year the Board conducts a self-evaluation of its performance and effectiveness. As part of this process, each director completes an evaluation form on specific aspects of the Board's role, organization and meetings. The collective comments are then presented by the chairman of the Corporate Governance and Directors' Nominating

Committee to the whole Board. As part of the evaluation, the Board assesses the progress in the areas targeted for improvement a year earlier, and develops actions to take to enhance the Board's effectiveness over the next year. Additionally, each committee conducts an annual self-evaluation of its performance through a similar process.

Succession Planning

The Compensation Committee of the Board, the Chief Executive Officer, and the Director of Human Resources maintain an ongoing focus on executive development and succession planning to prepare the Company for future events. In addition to preparing for the Chief Executive Officer's succession, the succession planning process includes all executive officer positions. A comprehensive

review of executive talent determines participants' readiness to take on additional leadership roles and identifies developmental and coaching opportunities needed to prepare them for greater responsibilities. The Chief Executive Officer and Director of Human Resources make a formal succession planning presentation to the Board annually.

Role of Board in Risk Oversight

Our management is responsible for identifying and reviewing risks facing the Company, including, without limitation, strategic, operational, financial and regulatory risks, and meets regularly as part of such responsibility to review and discuss the Company's risk exposure. The Board does not have a standing risk management committee, but rather administers this oversight function directly through the Board as a whole, as well as through various standing committees of the Board that address risks inherent in their respective areas of oversight. In particular, the Board is responsible for monitoring and assessing strategic risk exposure. The Board and its committees periodically receive risk management updates through business reports from management provided at

meetings of the Board or its committees throughout the year. Following consideration of the information provided by management, the Board provides feedback and

makes recommendations, as needed, to help minimize the Company's risk exposure. We also believe that our leadership structure and the use of executive sessions as described above aids the Board in risk oversight.

The Audit Committee is responsible for considering and discussing major financial risk exposures and the steps management has taken to monitor and control these exposures. The committee regularly reviews and monitors compliance with securities and financial regulations, in addition to overseeing the audit work performed on behalf of the Company in the area of internal audit for compliance with the Sarbanes-Oxley Act. The committee meets at least quarterly to review the major financial risk exposures in connection with various matters, including the filing of quarterly reports with the SEC.

The Directors' Nominating and Corporate Governance Committee monitors the effectiveness of the Company's corporate governance guidelines.

The Compensation Committee assesses and monitors whether any of the Company's compensation policies and programs have the potential to encourage excessive risk-taking.

To the extent any risks identified by each standing committee of the Board are material or otherwise merit

discussion by the whole Board, the respective committee chairman will raise risks at the next scheduled meeting of the Board.

For the foregoing reasons, we have determined that our risk oversight is appropriate in the context of our specific circumstances, risk management efforts, and the Board's administration of its oversight function.

Director Communications

Shareholders or other interested parties wishing to communicate with the Chairman or with the independent directors as a group may do so by delivering or mailing the communication in writing to: Chairman of the Board, c/o Corporate Secretary, Hecla Mining Company, 6500 N. Mineral Drive, Suite 200, Coeur d'Alene, Idaho 83815-9408. Concerns relating to accounting, internal controls or auditing matters are immediately brought to the attention of our internal auditor and handled in

accordance with procedures established by the Audit Committee with respect to such matters. From time-to-time, the Board may change the process in which shareholders may communicate with the Board or its members. Please refer to our website at <http://www.hecla-mining.com> under the tab entitled "Company" and then select the tab entitled "Corporate Governance" for any changes in this process.

Stock Ownership Guidelines

In an effort to more closely align the Company's non-management directors' financial interests with those of the shareholders, the Board has established stock ownership guidelines for non-management directors. Under these guidelines, the Company's non-management directors are expected to own common stock valued at a minimum of three times their annual cash retainer. Non-management directors are expected to meet or exceed these guidelines within five years of joining the Board. As of the end of 2012, each non-management director's stock ownership met these guidelines.

Similarly, the Company has established stock ownership guidelines for the Company's senior management. The guidelines for the Chi