

HECLA MINING CO/DE/  
Form 11-K  
June 27, 2012

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the Fiscal Year Ended December 31, 2011

Commission File No. 1-8491

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

HECLA MINING COMPANY CAPITAL ACCUMULATION PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Hecla Mining Company  
6500 North Mineral Drive,  
Suite 200  
Coeur d'Alene, ID 83815-9408

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REQUIRED INFORMATION

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Schedules I, II and III have been omitted as provided under SEC Release No. 33-6867.	
(b) Exhibits:	
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Consent of BDO USA, LLP to incorporation by reference of their report dated June 27, 2012, on the audit of the financial statements of the Hecla Mining Company Capital Accumulation Plan.	

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the members of the Administrative Committee of the Hecla Mining Company Capital Accumulation Plan have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

HECLA MINING COMPANY CAPITAL ACCUMULATION PLAN

By: /s/ James Sabala  
James Sabala,  
Senior Vice President and Chief  
Financial Officer

Date:

June 27, 2012

Report of Independent Registered Public Accounting Firm

To the Participants and Administrative Committee  
of the Hecla Mining Company Capital Accumulation Plan  
Coeur d'Alene, Idaho

We have audited the accompanying statements of net assets available for benefits of the Hecla Mining Company Capital Accumulation Plan (the "Plan") as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2011 and 2010, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental Schedule of Assets (Held at End of Year) as of December 31, 2011 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/BDO USA, LLP  
Spokane, Washington  
June 27, 2012

Hecla Mining Company Capital Accumulation Plan  
Statements of Net Assets Available for Benefits

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December 31,	2011	2010
Assets		
Investments, at Fair Value		
Money market funds	\$5,296,378	\$4,981,838
Mutual funds	30,802,198	30,338,541
Common stock of Hecla Mining Company, including money market funds of \$31,124 and \$30,771	3,358,351	4,047,193
<b>Total Investments</b>	<b>39,456,927</b>	<b>39,367,572</b>
Receivables		
Employer contributions	2,553	2,336
Participant contributions	3,715	3,273
Notes due from participants	1,670,775	1,529,033
<b>Total Receivables</b>	<b>1,677,043</b>	<b>1,534,642</b>
<b>Net Assets Available for Benefits</b>	<b>\$41,133,970</b>	<b>\$40,902,214</b>

See accompanying summary of significant accounting

policies and notes to financial statements.

Hecla Mining Company Capital Accumulation Plan  
Statements of Changes in Net Assets Available for Benefits

Years ended December 31,	2011	2010
<b>Investment Income</b>		
Interest income – money market	\$2,295	\$2,651
Interest income – notes due from participants	75,466	71,987
Dividend income	704,808	618,177
Net appreciation (depreciation) in fair value of investments	(3,384,913 )	4,900,849
<b>Total Investment Income</b>	<b>(2,602,344 )</b>	<b>5,593,664</b>
<b>Contributions</b>		
Participants	3,611,638	3,508,885
Employer matching	2,230,953	2,128,395
Rollovers	455,628	159,903
Other additions	1,408	597
<b>Additions to net assets</b>	<b>3,697,283</b>	<b>11,391,444</b>
<b>Deductions</b>		
Distributions to participants	(3,465,527 )	(2,312,172 )
<b>Total Deductions from Net Assets</b>	<b>(3,465,527 )</b>	<b>(2,312,172 )</b>
<b>Net increase in net assets available for benefits</b>	<b>231,756</b>	<b>9,079,272</b>
<b>Net Assets Available for Benefits</b>		
Beginning of year	40,902,214	31,822,942
End of year	\$41,133,970	\$40,902,214

See accompanying summary of significant accounting

policies and notes to financial statements.

Hecla Mining Company Capital Accumulation Plan  
Notes to Financial Statements

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## 1. Summary of Accounting Policies

### Basis of Accounting

The Hecla Mining Company Capital Accumulation Plan (“Plan”) financial statements are presented on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

### Investment Valuation and Income Recognition

Investments in mutual funds and money market funds are reported at quoted market value for the number of shares held by the Plan at year-end. Hecla Mining Company common stock is valued at its quoted market price, per the New York Stock Exchange.

The Plan presents in the statement of changes in net assets available for benefits the net appreciation or depreciation in the fair value of its investments, which consists of the realized gains or losses and the unrealized appreciation or depreciation on those investments. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

### Payment of Benefits

Benefits are recorded when paid.

### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ materially from those estimates.

### Risks and Uncertainties

The Plan invests in funds that invest in a combination of stocks, bonds, fixed income securities and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants’ account balances and the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

The fair value of the Plan's investment in Hecla Mining Company common stock amounted to \$3,358,351 and \$4,047,193 as of December 31, 2011 and 2010, respectively. Such investments represented 8.2% and 9.9% of the Plan's total net assets available for Plan benefits as of December 31, 2011 and 2010, respectively. For risks and uncertainties regarding Hecla Mining Company, participants should refer to the December 31, 2011, Form 10-K and March 31, 2012, Form 10-Q of Hecla Mining Company filed with the Securities and Exchange Commission.

The Plan's investment options include funds that invest in securities of foreign companies, which involve special risks and considerations not typically associated with investing in U.S. companies. These risks include devaluation of currencies, less reliable information about issuers, different securities transaction clearance and settlement practices, and possible adverse political and economic developments. Moreover, securities of many foreign companies and their markets may be less liquid and their prices more volatile than securities of comparable U.S. companies.



Hecla Mining Company Capital Accumulation Plan  
Notes to Financial Statements

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## New Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board issued Accounting Standard Update No. 2011-04, which amends Accounting Standards Codification Topic 820, "Fair Value Measurements and Disclosures," to provide for common principles and requirements for fair value measurements and disclosures between accounting principles generally accepted in the United States of America and International Financial Reporting Standards. The amendments explain how to measure fair value. They do not require additional fair value measurements and are not intended to establish valuation standards or affect valuation practices outside of financial reporting. The amendments change the wording used to describe fair value measurement requirements and disclosures, but often do not result in a change in the application of current guidance. Certain amendments clarify the intent about the application of existing fair value measurement requirements, while certain other amendments change a principle or requirement for fair value measurement disclosure. This guidance is effective for interim and annual periods beginning after December 15, 2011. The Plan does not anticipate that the adoption of this guidance will have an impact on the Plan's financial statement.

## 2. Description of Plan

The following descriptions and disclosures about the Plan provide only general information. Participants should refer to the most recent version of the summary Plan description and the Plan document for a more complete description of its provisions.

### General

The Plan is a defined contribution plan, which originally became effective on January 1, 1986. The Plan provides for incentive savings through investments, which qualify under the Internal Revenue Service of the United States of America ("IRS") section 401(a) for tax deferral status. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended.

### Eligible Employees

All salaried and substantially all non-union hourly employees of Hecla Mining Company (the "Company"), and its subsidiaries, who are residents of the United States are immediately eligible to enroll in the plan upon employment. Non-resident aliens that have no earned income from the Company within the U.S., hourly employees at the company's Lucky Friday Mine who are included in the United Steelworkers of America Local 5114, and leased employees are not allowed to participate in the Plan.

### Contributions

The plan allows non-highly and highly compensated employees, as defined by the plan, to contribute from 1% to 50% of their compensation. Employees who do not affirmatively specify their instructions with regard to participation in the Plan will automatically have 3%

of their compensation reduced for contribution. Total pre-tax contributions may not exceed \$16,500 for the years ended December 31, 2011 and 2010. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Contributions may be suspended at any time upon thirty days written notice by the participant, with reinstatement and changes in suspended contributions effective for the following payroll period. Participants may also contribute amounts to the Plan previously contributed to another qualified plan.

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Hecla Mining Company Capital Accumulation Plan  
Notes to Financial Statements

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The Company makes matching contributions equal to 100% of deferred contributions, up to 6% of the participant's compensation. The Company may also make a discretionary profit sharing contribution for any plan year. For the years ended December 31, 2011 and 2010, the Company did not make any profit sharing contributions.

#### Participant Accounts

Individual accounts are maintained for each participant. Each participant's account is credited with the participant's contribution, employer's matching contribution, if eligible, earnings within the Plan and an allocation of the Company's discretionary profit-sharing contribution, if any. Allocations of the Company's contribution and plan earnings are based on participant account balances, as defined in the Plan document. The participant's benefit is limited to the benefit that has accumulated in the participant's account. Participants may direct the investment of their account balances into the investment options offered by the Plan. Currently the Plan offers twenty-two investment options for participants. Participants may elect to change the amounts invested in any one or all of the individual options at any time.

#### Vesting

Participant contributions and the Company's matching and discretionary contributions are 100% vested at all times.

#### Payment of Benefits

Distributions are made upon termination of employment, death, disability or retirement. Participants or their beneficiaries will receive payment of benefits as follows: (a) balances of \$5,000 or less will be distributed as soon as administratively feasible, or (b) balances greater than \$5,000 in various optional forms of distribution with written request to the Company for payment. Withdrawals from the Plan may also be made upon circumstances of financial hardship or termination of the Plan, in accordance with provisions specified in the Plan.

#### Notes Due From Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with prevailing rates as determined by the Plan administrator, which currently range from 4.25% to 9.25%. Principal and interest are repaid ratably through payroll deductions over periods ranging up to 5 years, unless the loan is for the purchase of the participant's principal residence, in which case the Plan Administrator may permit a longer repayment term.



Hecla Mining Company Capital Accumulation Plan  
Notes to Financial Statements

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### Administrative Expenses

Expenses for administration of the Plan are paid directly by the Company. The loan application fee is paid by the participant.

### 3. Investments

All of the plan's assets are managed and held by Vanguard Fiduciary Trust Company, the Trustee, which operates under the direction of certain officers of the Company. Participants may invest in one or more of the various mutual funds, money market funds, and Hecla common stock fund sponsored by the Trustee.

The following investments represent 5% or more of the Plan's net assets:

December 31,	2011	2010
Vanguard Prime Money Market	\$5,296,378	\$4,981,838
Mutual Funds		
Vanguard Target Retirement 2025	\$5,292,499	\$5,081,848
Vanguard Target Retirement 2020	\$3,740,298	\$3,230,552
Vanguard Target Retirement 2015	\$3,354,822	\$3,838,700
Vanguard Target Retirement 2035	\$3,110,556	\$2,773,244
Vanguard Target Retirement 2030	\$2,991,367	\$2,646,416
Common Stock		
Hecla Mining Company Common Stock Fund	\$3,358,351	\$4,047,193

The net depreciation of the fair value of mutual funds for 2011 was \$787,025 and the net appreciation of the fair value of mutual funds for 2010 was \$2,720,627. The net depreciation in the fair value of common stock of Hecla Mining Company for 2011 was \$2,597,888, while the net appreciation was \$2,180,222 in 2010.

### 4. Plan Termination

Although it has not expressed intent to do so, the Company has the right, under the Plan, to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. All assets remaining in the Plan after payment of any expenses properly chargeable against the Plan shall be paid to participants in such a manner as the Plan Administrator shall determine.

### 5. Party-in-Interest Transactions

Certain Plan investments are shares of mutual funds managed by Vanguard Fiduciary Trust Company, the trustee, and therefore, these transactions qualify as party-in-interest transactions. Certain Plan investments are shares of Hecla Mining Company common stock; therefore, these transactions also qualify as party-in-interest transactions.

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Hecla Mining Company Capital Accumulation Plan  
Notes to Financial Statements

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## 6. Income Tax Status

The Plan received a letter from the IRS dated March 31, 2008, informing it that the Plan is qualified and exempt under Section 401(a) of the Internal Revenue Code. The Plan has been amended since receiving the determination letter; however, management of the Company and the Plan Administrator believe the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

## 7. Fair Value Measurement

The following is a description of the valuation methodologies used for Plan assets, as well as the general classification of such items pursuant to the fair value hierarchy:

**Money Market Funds**—The fair values of the Money Market Funds are determined by the quoted share price on active markets as of the last day of the plan year and are included in Level 1 of the fair value hierarchy.

**Mutual Funds**—The fair values of the Mutual Funds are determined by the quoted share price on active markets as of the last day of the plan year and are included in Level 1 of the fair value hierarchy.

**Common Stock of Hecla Mining Company, including Money Market Funds**—The fair value of the Hecla Common Stock Fund is determined through the use of models or other valuation methodologies and is included in Level 2 of the fair value hierarchy.

There have been no changes in the methodology used at December 31, 2011 and 2010.

The tables below sets forth our assets that were accounted for at fair value as of December 31, 2011 and 2010, and the fair value calculation input hierarchy level that applies to each asset category.

Description	Balance at December 31, 2011	Quoted prices in active market for identical assets (Level 1)	Significant other observable inputs (Level 2)
Mutual Funds			
Blended Funds	\$28,010,176	\$28,010,176	\$—
Bond Funds	1,044,151	1,044,151	—
Growth Funds	1,080,736	1,080,736	—
Value Funds	667,135	667,135	—
Total Mutual Funds	30,802,198	30,802,198	—
Money Market Funds	5,296,378	5,296,378	—
Common Stock-Hecla Mining Company	3,358,351	—	3,358,351

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Total	\$39,456,927	\$36,098,576	\$3,358,351
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Hecla Mining Company Capital Accumulation Plan  
Notes to Financial Statements

Description	Balance at December 31, 2010	Quoted prices in active market for identical assets (Level 1)	Significant other observable inputs (Level 2)
<b>Mutual Funds</b>			
Blended Funds	\$27,098,712	\$27,098,712	\$—
Bond Funds	1,437,726	1,437,726	—
Growth Funds	1,136,890	1,136,890	—
Value Funds	665,213	665,213	—
<b>Total Mutual Funds</b>	<b>30,338,541</b>	<b>30,338,541</b>	<b>—</b>
Money Market Funds	4,981,838	4,981,838	—
Common Stock-Hecla Mining Company	4,047,193	—	4,047,193
<b>Total</b>	<b>\$39,367,572</b>	<b>\$35,320,379</b>	<b>\$4,047,193</b>

#### 8. Subsequent Events

The Plan has evaluated subsequent events through June 27, 2012 which is the date that the financial statements were available to be issued and determined that no significant events have occurred requiring disclosure in the financial statements.

Supplemental Schedule

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Hecla Mining Company Capital Accumulation Plan  
Schedule H, Line 4i Schedule of Assets (Held at End of Year)

EIN: 77-0664171 Plan Number: 004				
(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost **	(e) Current Value
	Artisan International Fund	Mutual fund consisting of 45,342 shares	** \$	899,129
	American Funds Growth Fund of America	Mutual fund consisting of 37,894 shares	** \$	1,080,736
	Third Avenue Small-cap Value Fund	Mutual fund consisting of 12,434 shares	** \$	245,819
*	Vanguard 500 Index Fund	Mutual fund consisting of 10,124 shares	** \$	1,172,395
*	Vanguard Growth and Income Fund	Mutual fund consisting of 62,397 shares	** \$	1,652,260
*	Vanguard Prime Money Market Fund	Cash equivalents at various interest rates averaging 0.05% in 2011	** \$	5,296,378
*	Vanguard Strategic Equity Fund	Mutual fund consisting of 49,516 shares	** \$	908,127
*	Vanguard Total Bond Market Index Fund	Mutual fund consisting of 94,923 units	** \$	1,044,151
*	Vanguard Target Retirement 2005 Fund	Mutual fund consisting of 11,430 shares	** \$	136,932
*	Vanguard Target Retirement 2010 Fund	Mutual fund consisting of 9,091 shares	** \$	203,905
*	Vanguard Target Retirement 2015 Fund	Mutual fund consisting of 272,750 shares	** \$	3,354,822
*	Vanguard Target Retirement 2020 Fund	Mutual fund consisting of 172,443 shares	** \$	3,740,298
*	Vanguard Target Retirement 2025 Fund	Mutual fund consisting of 431,336 shares	** \$	5,292,499
*	Vanguard Target Retirement 2030 Fund	Mutual fund consisting of 142,991 shares	** \$	2,991,367

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* Vanguard Target Retirement 2035 Fund	Mutual fund consisting of 248,646 shares	**	\$	3,110,556
* Vanguard Target Retirement 2040 Fund	Mutual fund consisting of 62,367 shares	**	\$	1,278,515
* Vanguard Target Retirement 2045 Fund	Mutual fund consisting of 106,326 shares	**	\$	1,368,415
* Vanguard Target Retirement 2050 Fund	Mutual fund consisting of 59,703 shares	**	\$	1,218,533
* Vanguard Target Retirement 2055 Fund	Mutual fund consisting of 589 shares	**	\$	12,866
* Vanguard Windsor II Fund	Mutual fund consisting of 16,343 shares	**	\$	421,315

Hecla Mining Company Capital Accumulation Plan  
Schedule H, Line 4i Schedule of Assets (Held at End of Year)

EIN: 77-0664171  
Plan Number: 004

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost **	(e) Current Value
*	Vanguard Target Retirement Income	Mutual fund consisting of 58,071 shares	** \$	669,558
*	Hecla Mining Company Common Stock Fund	Common stock of the Company consisting of 639,228 shares, par value of \$0.25	** \$	3,358,351
*	Notes due from Participants	200 notes from participants with interest rates ranging from 4.25% - 9.25% maturing through march 2026	** \$	1,670,775

\* Represents party-in-interest to the Plan

\*\* The cost of participant directed investments is not required to be disclosed.