

HECLA MINING CO/DE/  
Form FWP  
December 12, 2007

HL:NYSE  
Free Writing Prospectus  
Filed Pursuant to Rule 433  
Registration No. 333-145919  
December 12, 2007

Cautionary Note  
Regarding  
Forward  
Looking  
Statements

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

forward-looking statements  
within the meaning of the Private Securities Litigation Reform Act of 1995,  
and involve  
a  
number  
of  
risks  
and  
uncertainties  
that  
could  
cause  
actual  
results  
to  
differ  
materially  
from  
those projected, anticipated, expected or implied. These risks and uncertainties include, but are not limited  
to,  
metals  
price  
volatility,  
volatility  
of  
metals  
production  
and  
costs,  
exploration  
risks  
and  
results,  
political  
risks, project development risks, labor issues and ability to raise financing. Refer to the company's Form 10-  
Q and 10-K reports for a more detailed discussion of factors that may impact expected future results. The  
company undertakes no obligation and has no intention of updating forward-looking statements.

Cash Cost  
Per  
Ounce  
Reconciliation  
to  
GAAP  
On Hecla Mining Company's website at  
[www.hecla-mining.com](http://www.hecla-mining.com)  
you  
can  
find  
the  
quantitative

reconciliation

to GAAP of cash cost per ounce. The reconciliation can be found in this presentation, or in Hecla's quarterly earnings news release in the Investor Relations section of the website, as well as in the company's Form 10-K and 10-Q reports.

A Registration Statement

has

been

Filed

Hecla Mining Company has filed a registration statement (including a prospectus) with the SEC for the offering to

which

this

communication

relates.

Before

you

invest,

you

should

read

the

prospectus

in

that

registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at

[www.sec.gov](http://www.sec.gov).

Alternatively,

copies

of

the

preliminary

prospectus

supplement

and

accompanying

prospectus relating to this offering may be obtained by contacting Merrill Lynch & Co., 4 World Financial Center, New York, New York 10080; phone 212-449-1000.

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Cautionary Statements

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Offering Summary

Offering Summary

Security:

Mandatory Convertible Preferred

Shares

Size:

\$175 Million (+15% Over-Allotment)

Option)

Payment Rate:

6.25% +/- 0.25%

Conversion Premium:

20.0% +/- 2.0%

Maturity:

3 Years

Use of Proceeds:

General corporate purposes, including  
acquisitions

Bookrunners:

Merrill Lynch, JPMorgan



Low Cost, Low Risk,  
Low Cost, Low Risk,  
High Potential  
High Potential  
Low Cost Silver  
\$(4.91) cash cost per ounce of silver\*  
Low Risk Silver

Geo-politically stable locations

Long life, low cost silver operations

\$195 million cash, no debt, unhedged

High Potential

Exploration success and future potential upside

Acquisition focus

\* Q3 2007 average total cash cost per ounce

Greens Creek  
Lucky Friday  
New Vancouver  
office  
Focused on  
internal growth and  
acquisitions: Mexico,

Silver Valley, the  
world  
\$195 million on  
hand, no debt  
\$23 million  
exploration program  
San Sebastian  
Growing Hecla  
Growing Hecla  
La Camorra  
Coeur d Alene  
Vancouver  
Operations  
Exploration  
Corporate Office

Mining Silver & Gold  
Mining Silver & Gold

**(For 116 Years!)**

2007 Estimates  
Approx. 6 million ounces  
of silver

Approx. 110,000-  
115,000 ounces of gold  
25,000 tons of zinc  
24,000 tons of lead

Lucky Friday  
Lucky Friday  
Lucky  
Friday  
Location:  
Mullan,  
Idaho

2007 Estimate

3.2 million ounces  
silver

18,000 tons lead

7,000 tons zinc

Longest operating  
mine (nearly 60 years)



Lucky Friday  
Lucky Friday  
Expansion Potential  
Expansion Potential

Lucky Friday: 30 Vein  
Lucky Friday: 30 Vein  
& Intermediate Veins  
& Intermediate Veins

8.4/4.4/0.2  
4050 Level  
4900 Level  
5900 Level  
6900 Level  
7900 Level  
Conceptual layout  
#4 Shaft  
17.6/11.4/0.9

18.3/11.4/11.9

26.3/28.8/7.8

3.8/4.5/0.3

Lucky Friday:

Lucky Friday:

Going Deeper

Going Deeper

Drill Holes

Silver opt/Lead%/Zinc%

Silver Valley  
Silver Valley  
Production & Potential  
Production & Potential  
Location: North Idaho  
Historic World Silver  
Producer: 1.2 Billion Oz.

300 million oz Silver  
from Hecla's land position  
25 square miles  
Very little modern  
exploration  
Hecla Land Position

Silver Valley  
Silver Valley  
Expansion Potential  
Expansion Potential

Greens Creek  
Greens Creek  
Greens Creek  
Location:  
Admiralty  
Island, Alaska  
29.73% joint venture



with Rio Tinto  
2007 Estimate:  
2.7 million ounces  
silver  
19,000 ounces gold  
18,000 tons zinc  
6,000 tons lead



Lower Zinc-Lil  
Sore Trend  
Killer-Bruin-Cub  
Creek Target  
Near Mine  
Targets  
Greens Creek  
Greens Creek  
Long-Term Potential  
Long-Term Potential  
Greens Creek  
Property Boundary



Mexican Silver Belt  
Mexican Silver Belt  
Santa Eulalia  
Batopilas  
Parral

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

San Sebastian  
San Sebastian  
Exploration Targets  
Exploration Targets

Sacramento  
Sacramento  
vein  
vein  
Concepcion  
Concepcion  
vein



vein  
(7.7 opt Ag,  
(7.7 opt Ag,  
7.2 opt Ag)  
7.2 opt Ag)  
La Soledad  
La Soledad  
vein and mine  
vein and mine  
(8.6 opt  
(8.6 opt  
Ag)  
Arcangeles  
Arcangeles  
vein  
vein  
San Martin  
San Martin  
vein  
vein  
(178 opt Ag)  
(178 opt Ag)  
El Leon  
El Leon  
vein  
vein  
Rio Grande Project:  
Rio Grande Project:  
Exciting Early Results  
Exciting Early Results  
Zacatecas  
Zacatecas  
State, Mexico  
State, Mexico

Hecla's Value is Silver  
Hecla's Value is Silver  
% of Hecla Value  
Gross profit  
100%  
0%  
Revenue

68%

32%

\*

\*

\* Quarter ended 9/30/07

Silver

Operations

Gold

Operations

Consistently Low  
Consistently Low  
Silver Cash Costs  
Silver Cash Costs  
Hecla  
Hecla  
Silver

Wheaton

\*

Coeur

\*

Pan

American

\*

Includes third-party production

Weighted

Average

Silver

Cash

Costs

Per

Ounce

2003

Qtr

3

2007

\$1

\$2

\$3

\$4

Lowest-Risk Silver  
Lowest-Risk Silver  
Reserves  
Reserves  
0%  
20%  
40%

60%

80%

100%

Location of Hecla's Silver

North

America

100%

Exploration  
Exploration  
2007E  
United States  
\$ 6.8  
Mexico  
7.7



Venezuela

3.7

Unallocated/Other\*

4.3

Total Exploration

\$ 22.5

(in millions)

\* Includes Vancouver Office and Corporate Development

Project Pipeline  
Project Pipeline  
IDAHO  
Silver Valley 3D compilation  
25-square-mile target area  
Lucky Friday Gap  
area and deep underground drilling

Lucky Friday mill upgrade

Lucky Friday 4 Shaft & Expansion

Prefeasibility

MEXICO

340-square-mile target area: multiple targets

Hugh Zone

Rio Grande

ALASKA

5250 Zone

West Gallagher Zone

Surface drilling for new deposit

VENEZUELA

Block B

El Dorado targets: awaiting permits

Catalysts for Growth  
Catalysts for Growth  
in Value  
in Value  
Additional value at Lucky Friday, San  
Sebastian and Greens Creek  
Prefeasibility

milestones for increased  
production at Lucky Friday  
Generating new targets in the Silver Valley  
Advance San Sebastian targets  
to  
discoveries  
Merger and/or acquisition activity

Poised for Growth  
Poised for Growth  
Opportunities  
Opportunities  
Potential \$100+ million cash flow from producing  
properties  
Approximately \$195 million cash and short-term

investments

\$30 million credit facility

Debt free

Shelf Registrations in place

Tax benefit from NOLs\*

\*Net Operating Losses

Well-Staffed, Loyal  
Well-Staffed, Loyal  
& Experienced Team  
& Experienced Team  
8 Executive Officers  
179 years mining industry  
experience



Technical Team

23 engineers

26 geologists

4 metallurgists

(As of September 2007)

Silver Price Shines  
Silver Price Shines  
Strong Demand  
Flat Supply  
Declining Inventories  
Rising Silver Price

GAAP Reconciliation to Cash Costs

GAAP Reconciliation to Cash Costs

Per Ounce

Per Ounce

HECLA MINING COMPANY

Reconciliation of Cash Costs per Ounce to Generally Accepted Accounting Principles (GAAP)(1)

(dollars and ounces in thousands, except per ounce)

unaudited)

Three Months Ended

Nine Months Ended

Sept. 30, 2007

Sept. 30, 2006

Sept. 30, 2007

Sept. 30, 2006

Total cash costs (1)

\$

(6,615)

\$

881

\$

(11,314)

\$

5,928

Divided by silver ounces produced

1,341

1,496

4,391

4,000

Total cash cost per ounce produced

\$

(4.91)

\$

0.59

\$

(2.58)

\$

1.48

Reconciliation to GAAP:

Total cash costs

\$

(6,615)

\$

881

\$

(11,314)

\$

5,928

Depreciation, depletion and amortization

3,318

3,117

9,463

8,331

Treatment & freight costs

(7,684)

(9,177)

(23,792)

(24,193)

By  
 -product credits (1)  
 30,772  
 21,520  
 82,298  
 54,234  
 Change  
 in product inventory (2)  
 (750)  
 506  
 (161)  
 718  
 Reclamation and other costs  
 50  
 49  
 145  
 146  
 Costs of sales and other direct production costs and  
 depreciation, depletion and amortization (GAAP)  
 \$  
 19,091  
 \$  
 16,896  
 \$  
 56,639  
 \$  
 45,164  
 Total cash costs (1)  
 \$  
 9,681  
 \$  
 14,073  
 \$  
 35,405  
 \$  
 39,844  
 Divided by gold ounces produced  
 18  
 37  
 68  
 111  
 Total cash cost per ounce produced  
 \$  
 538  
 \$  
 380  
 \$  
 521  
 \$  
 359

Reconciliation to GAAP:

Total cash costs

\$

9,681

\$

14,073

\$

35,405

\$

39,844

Depreciation, depletion and  
amortization

2,627

7,229

11,824

18,686

Treatment & freight costs

(630)

(445)

(2,130)

(4,127)

By

-product credits (1)

120

555

1,849

1,980

Change in product inventory

(2,363)

(2,492)

(899)

1,619

Reduction in labor cost (4)

--

--

1,280

--

Shutdown-related costs at Mina Isidora

(5)

--

--

2,708

--

Reclamation and other costs

(291)

226

(76)

173

Costs of sales and other direct production costs and  
depreciation, depletion and amortization (GAAP)

\$  
9,144

\$  
19,146

\$  
49,961

\$  
58,175

(Continued)

GOLD OPERATIONS (3)

SILVER OPERATIONS

GAAP Reconciliation to Cash Costs

GAAP Reconciliation to Cash Costs

Per Ounce

Per Ounce

HECLA MINING COMPANY

Reconciliation of Cash Costs per Ounce to Generally Accepted Accounting Principles (GAAP)(1)

(dollars and ounces in thousands, except per ounce)



unaudited)

Three Months Ended

Nine Months Ended

Sept. 30, 2007

Sept. 30, 2006

Sept. 30, 2007

Sept. 30, 2006

Total cash costs (1)

\$

(1,575)

\$

2,859

\$

(641)

\$

9,876

Divided by silver ounces produced

662

737

2,318

2,106

Total cash cost per ounce produced

\$

(2.38)

\$

3.88

\$

(0.28)

\$

4.69

Reconciliation to GAAP:

Total cash costs

\$

(1,575

)

\$

2,859

\$

(641)

\$

9,876

Depreciation, depletion and amortization

1,016

997

2,930

2,489

Treatment & freight costs

(3,251)

(3,942)

(10,581)

(10,220)  
 By-product credits (1)  
 13,776  
 8,678  
 37,743  
 20,049  
 Change in product inventory  
 (24)  
 (39)  
 (195)  
 (267)  
 Reclamation and other costs  
 6  
 3  
 18  
 14  
 Costs of sales and other direct production costs and  
 depreciation, depletion and amortization (GAAP)  
 \$  
 9,948  
 \$  
 8,556  
 \$  
 29,274  
 \$  
 21,941  
 Total cash costs (1)  
 \$  
 (5,040)  
 \$  
 (1,978)  
 \$  
 (10,673)  
 \$  
 (3,948)  
 Divided by silver ounces produced  
 679  
 759  
 2,073  
 1,894  
 Total cash cost per ounce produced  
 \$  
 (7.42)  
 \$  
 (2.61)  
 \$  
 (5.15)  
 \$  
 (2.08)  
 Reconciliation to GAAP:

Total cash costs

\$

(5,040)

\$

(1,978)

\$

(10,673)

\$

(3,948)

Depreciation,  
depletion and amortization

2,302

2,120

6,533

5,842

Treatment & freight costs

(4,433)

(5,235)

(13,211)

(13,973)

By-product credits (1)

16,996

12,842

44,555

34,185

Change in product inventory

(726)

545

34

78

Reclamation and other costs

44

46

127

132

Costs of sales and other direct production costs and  
depreciation, depletion and amortization (GAAP)

\$

9,143

\$

8,340

\$

27,365

\$

22,316

(Continued)

GREENS CREEK UNIT (Reflects Hecla's 29.73% share)

e)

LUCKY FRIDAY UNIT

GAAP Reconciliation to Cash Costs

GAAP Reconciliation to Cash Costs

Per Ounce

Per Ounce

HECLA MINING COMPANY

Reconciliation of Cash Costs per Ounce to Generally Accepted Accounting Principles (GAAP)(1)

(dollars and ounces in thousands, except per ounce)

unaudited)

Three Months Ended

Nine Months Ended

Sept. 30, 2007

Sept. 30, 2007

Sept. 30, 2006

Total cash costs (1)

\$

3,066

\$

14,954

\$

24,091

\$

45,772

Depreciation, depletion and amortization

5,945

10,346

21,287

27,017

Treatment & freight costs

(8,314)

(9,622)

(25,922)

(28,320)

By-product credits (1)

30,892

22,075

84,147

56,214

Change in product inventory (2)

(3,113)

(1,986)

(1,060)

2,337

Reduction in labor cost (4)

--

--

1,280

--

Shutdown-related costs at Mina Isidora

(5)

--

--

2,708

--

Reclamation and other costs

(241)

275

69

319

Costs of sales and other direct production costs and depreciation, depletion and amortization (GAAP)

\$  
28,235

\$  
36,042

\$  
106,600

\$  
103,339

(1)  
Includes all direct and indirect operating cash costs related directly to the physical activities of producing metals, including

mining, processing and other plant costs, third-party refining and marketing expense, on-site general and administrative costs, royalties and mining production taxes, net of by-product revenues earned from all metals other than the primary metal produced at each unit.

(2)  
The change in product inventory for the nine months ended September 30, 2006 includes approximately \$905,000 related to Sebastian cost of sales during the first quarter of 2006 for prior period doré shipments.

(3)  
Costs per ounce of gold are based on the gold produced by the La Camorra mine and our Block B concessions, including Mina Isidora, only. During the quarters and nine-month periods ended September 30, 2007 and 2006, a total of 181 and 934 ounces, and 2,882 and 3,366 ounces of gold, respectively, were produced from third-party mining operations located near the La Camorra mine and Block B concessions. The revenues from these gold ounces were treated as a by-product credit and included in the calculation of gold costs per ounce. Included in total cash costs for the three and nine months ending September 30, 2007 and 2006, were the costs to purchase the ore of approximately \$0.2 million and \$0.6 million, respectively, and \$1.9 million and \$2.0 million, respectively.

(4)  
Incentives have been offered at the La Camorra mine for voluntary reduction of the workforce. During the nine months ended September 30, 2007, these costs of sales and other direct production costs of \$1.3 million were not included in the determination of total cash costs for gold operations.

(5)  
Operations at the Mina Isidora mine in Venezuela were closed during a portion of the second quarter of 2007 when a small group of local residents blocked Hecla employees from accessing the mine. Costs of sales and other direct production costs and depreciation, depletion, and amortization totaling \$2.7 million were incurred during the second quarter of 2007, and were not included in the total cash costs for gold operations.

RECONCILIATION TO GAAP,

ALL OPERATIONS

Sept. 30, 2006



APPENDIX  
Industry Fundamentals



3  
4  
5  
6  
7  
8  
9

10

11

12

13

14

15

Jan-00

Jan-01

Jan-02

Jan-03

Jan-04

Jan-05

Jan-06

Jan-07

average

year-on-

intra-

year

year

2006

\$11.55

58.0%

42.7%

Jan-Oct 2007

\$13.16

17.1%

10.1%

Source: GFMS Ltd.

The Silver Price

The Silver Price

US\$/oz

US\$/oz

70  
80  
90  
100  
110  
120  
130

140

Jan-07

Apr-07

Jul-07

Oct-07

Silver, Gold and Base

Silver, Gold and Base

Metals Prices

Metals Prices

Nickel

Copper

Silver

Zinc

Tin

Gold

Source: GFMS Ltd.

150

World Silver Demand  
World Silver Demand  
2006 Actual  
2007 Forecast  
Source: GFMS Ltd.  
Industrial  
47%  
Photography

16%  
Jewelry &  
Silverware  
25%  
Coins  
4%  
Investment  
7%  
De-Hedging  
1%  
Industrial  
51%  
Photography  
15%  
Jewelry &  
Silverware  
25%  
Coins  
4%  
Investment  
5%

World Silver Supply  
World Silver Supply  
Mine  
Production  
70%  
Scrap  
21%

Government

Sales

9%

Mine

Production

74%

Scrap

20%

Hedging

2%

Government

Sales

4%

Source: GFMS Ltd.

Source: GFMS Ltd.

: GFMS Ltd.

2006 Actual

2007 Forecast



APPENDIX  
Supplemental Hecla Mining  
Information

2006	2005
Revenue	
\$217.4	
\$110.2	
Gross Profit	
\$ 73.4	
\$ 14.5	

Net Income (Loss)

\$ 69.1

\$ (25.4)

Per share

\$ 0.57

\$ (0.22)

Cash Flow Provided by

Operations

(before exploration and pre-development)

\$ 89.9

\$ 20.3

Exploration and pre-development

\$ 28.2

\$ 27.1

Cash Flow Provided by

(Used in) Operations

\$ 61.5

\$ (5.9)

(in millions except per share amounts)

2006 Financial Highlights

2006 Financial Highlights

Hollister Block Sold  
Hollister Block Sold  
Hollister sold to Great Basin Gold on  
April 19, 2007  
\$45 million cash and \$18.6 million in GBG  
stock  
Hecla's investment

\$30 million

Booked a gain in second quarter of

\$63 million

2006  
2007E  
Lucky Friday  
\$ 9  
\$ 28  
La Camorra  
10

8  
Greens Creek (29.73%) 8  
10  
Total  
\$ 27  
\$ 45  
Capital Expenditures  
Capital Expenditures  
(in millions)

14-year history in the heart of Mexico's silver district. Good presence, established team.

Underground expertise  
a strategic advantage in adding  
value to maintain low-cost profile

More \$ for silver exploration overall = more opportunities  
for Hecla



-Gold acquisition advantage: a smaller threshold increases opportunities

Opportunity for Hecla being value-added

Ability to be part of large district (75 mil. equivalent silver oz. potential)

Low-cost, high-margin operating future

Strengths

Criteria

Acquisitions:

Acquisitions:

Hecla has an Advantage

Hecla has an Advantage

La Camorra Unit  
La Camorra Unit  
Location:  
Bolivar State,  
Venezuela  
2007 Estimate:  
90,000-100,000

ounces gold

C

arac

as

P

uerto

Orda

Z

La Camorra

Venezuela Property  
Venezuela Property  
Position  
Position  
Carac  
as  
PuertoOrdaz  
MAP

AREA

