

HECLA MINING CO/DE/
Form DEF 14A
April 10, 2012

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:

- Preliminary Proxy Statement Soliciting Material Under Rule 14a-12
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- Definitive Proxy Statement
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HECLA MINING COMPANY

(Name of Registrant as Specified In Its Charter)

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-

April 9, 2012

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 Thursday, May 24, 2012, at 10:00 a.m., Pacific Daylight Time, at Elk s Temple BPOE No. 331, located at 419 Cedar St., Wallace, Idaho. Driving directions to the Elk s Temple can be found on the back cover of this document.

At the meeting, shareholders will vote on the matters set forth in the formal notice of the meeting that follows on the next page. In addition, we will discuss Hecla s 2011 performance and the outlook for this year, and answer your questions.

Your vote is important. 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

To expedite your receipt of future proxy materials, while lowering the costs for printing and delivery, as well as reducing the environmental impact, we strongly encourage you to sign up for electronic delivery of future proxy materials. For more information, please see [Electronic Delivery of Proxy Materials, Annual Reports, News Releases and Documents Filed with the Securities and Exchange Commission](#) on page 8 of the Proxy Statement or the instructions included on your voting instructions or proxy card.

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

NOTICE OF 2012 ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the 2012 Annual Meeting of Shareholders of Hecla Mining Company will be held at the Elks Temple BPOE No. 331 located at 419 Cedar St., Wallace, Idaho, on Thursday, May 24, 2012, at 10:00 a.m., Pacific Daylight Time, for the following purposes:

1. Elect two 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. Approve an amendment to our Stock Plan for Nonemployee Directors;
4. To ratify the Audit Committee's appointment of BDO USA, LLP, as our independent registered public accounting firm for 2012; and
5. To transact such other business as may properly come before the meeting.

The Board of Directors has fixed the close of business on March 23, 2012, as the record date for the determination of shareholders entitled to notice of and to vote at the 2012 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 2012 Annual Meeting of Shareholders. A list of shareholders entitled 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 24, 2012, at Hecla's Wallace office, located at 611 Bank St., Wallace, Idaho.

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 2012 Annual Meeting of Shareholders. On or about April 9, 2012, 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 9, 2012

PROXY STATEMENT

**ANNUAL MEETING OF SHAREHOLDERS
May 24, 2012**

TABLE OF CONTENTS

| | Page |
|--|-------------|
| PROXY STATEMENT | 1 |
| INFORMATION ABOUT THE ANNUAL MEETING AND VOTING | 1 |
| Special Note to Beneficial Holders of Shares of Common Stock | 1 |
| Notice of Electronic Availability of Proxy Materials | 2 |
| Record Date, Shares Outstanding and Quorum | 2 |
| Voting Matters and Vote Recommendation | 3 |
| Shareholder of Record versus Beneficial Owner | 3 |
| Information about Voting | 3 |
| Inspectors of Election | 5 |
| Votes Required for the Proposals | 5 |
| Broker Non-Votes and Abstentions | 6 |
| Proxies | 6 |
| Revoking a Proxy | 7 |
| Costs of Solicitation | 7 |
| Annual Report | 8 |
| Hecla's Transfer Agent | 8 |
| Householding of Proxy Materials | 8 |
| Electronic Delivery of Proxy Materials, Annual Reports, News Releases and Documents Filed with the Securities and Exchange Commission | 8 |
| Direct Registration and Investor Services | 9 |
| PROVISIONS OF HECLA'S BYLAWS WITH RESPECT TO SHAREHOLDER PROPOSALS AND NOMINATIONS FOR ELECTION AS DIRECTORS | 10 |
| Shareholder proposals at the 2013 Annual Meeting of Shareholders | 10 |
| Shareholder proposals to be included in next year's Proxy Statement | 11 |
| Identifying and Evaluating Nominees for Directors | 11 |
| Shareholder Nominees | 12 |
| Director Qualifications, Evaluation, and Nomination | 12 |
| PROPOSAL 1 ELECTION OF DIRECTORS | 13 |
| Information about Board Nominees and Continuing Directors | 14 |
| Nominees for Election to the Board Term Ending at the 2012 Annual Meeting | 14 |
| Nominees for Election to the Board Term Ending at the 2013 Annual Meeting | 15 |
| Nominees for Election to the Board Term Ending at the 2014 Annual Meeting | 17 |
| PROPOSAL 2 APPROVAL OF NAMED EXECUTIVE OFFICER COMPENSATION | 18 |

| | Page |
|---|------|
| PROPOSAL 3 AMENDMENT TO THE STOCK PLAN FOR NONEMPLOYEE DIRECTORS | 18 |
| Introduction | 18 |
| Description of the Stock Plan for Nonemployee Directors | 19 |
| Federal Income Tax Consequences | 20 |
| PROPOSAL 4 RATIFICATION OF APPOINTMENT OF BDO USA, LLP, AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2012 | 20 |
| CORPORATE GOVERNANCE | 21 |
| Electronic Access to Corporate Governance Documents | 21 |
| Family Relationships | 21 |
| Corporate Governance Guidelines | 21 |
| Code of Business Conduct and Ethics | 21 |
| Diversity Policy | 22 |
| Whistleblower Policy | 22 |
| Director Independence | 22 |
| Director Communications | 23 |
| Board Leadership and Executive Sessions | 24 |
| Role of Board in Risk Oversight | 24 |
| Compensation Risk Assessment | 25 |
| Current Members of the Board | 25 |
| Board Meetings During 2011 | 25 |
| Committees of the Board | 26 |
| SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT | 27 |
| SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE | 29 |
| COMPENSATION OF NON-MANAGEMENT DIRECTORS | 29 |
| Cash Compensation | 29 |
| Equity Compensation | 30 |
| Non-Management Director Compensation for 2011 | 31 |
| Retirement Age | 31 |
| Director Compensation Review Practices | 32 |
| COMPENSATION DISCUSSION AND ANALYSIS | 32 |
| Executive Summary | 32 |
| Key Compensation Committee Actions Following Say-on-Pay Vote | 36 |
| Managing Executive Compensation in the Commodities Industry | 37 |
| Executive Compensation Objectives and Principles | 38 |
| Oversight and Determination of the Executive Compensation Program | 39 |
| Elements of Total Compensation | 42 |
| 2011 Compensation | 43 |
| Clawback Policy | 51 |
| Hedging Policy | 51 |
| Employment Agreements | 51 |
| Tax and Accounting Considerations | 52 |

| | Page |
|---|-------------|
| COMPENSATION COMMITTEE REPORT | 53 |
| COMPENSATION TABLES | 54 |
| Summary Compensation Table for 2011 | 54 |
| Grants of Plan-Based Awards for 2011 | 56 |
| Outstanding Equity Awards at Calendar Year-End for 2011 | 58 |
| Option Exercises and Stock Vested for 2011 | 59 |
| Nonqualified Deferred Compensation for 2011 | 59 |
| Employment Agreements, Change-in-Control and Termination | 60 |
| EQUITY COMPENSATION PLAN INFORMATION | 65 |
| OTHER BENEFITS | 65 |
| Retirement Plan | 65 |
| Pension Benefits | 66 |
| COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION | 67 |
| CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS | 68 |
| CHARITABLE CONTRIBUTIONS BY HECLA | 68 |
| AUDIT COMMITTEE REPORT | 68 |
| Membership and Role of the Audit Committee | 68 |
| Review of the Company's Audited Financial Statements for the Calendar Year Ended December 31, 2011 | 69 |
| Appointment of Auditors | 70 |
| AUDIT FEES | 71 |
| Audit and Non-Audit Fees | 71 |
| Policy on Audit Committee Pre-Approval of Audit and Non-Audit Services of Independent Auditors | 71 |
| OTHER INFORMATION | 72 |
| OTHER BUSINESS | 72 |
| APPENDIX A Hecla Mining Company Stock Plan for Nonemployee Directors | A-1 |

PROXY STATEMENT

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR
THE 2012 ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 24, 2012**

**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 Thursday, May 24, 2012, at 10:00 a.m., Pacific Daylight Time, and any adjournment or postponement thereof (Annual Meeting), for the purposes set forth in the accompanying Notice of 2012 Annual Meeting of Shareholders. The Annual Meeting will be held at the Elks Temple BPOE No. 331, located at 419 Cedar St., Wallace, Idaho.

This Proxy Statement contains important information regarding our Annual Meeting, the proposals on which you are being asked to vote, information you may find useful in determining how to vote, and voting procedures.

On or about April 9, 2012, we mailed to our shareholders of record as of the close of business on March 23, 2012 (the Record Date), either a Notice of Internet Availability of Proxy Materials (Notice) containing instructions on how to access this Proxy Statement and our 2011 Annual Report (Proxy Materials) online, or a printed copy of these Proxy Materials.

INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

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 or other nominee, 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 shareholder's 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). Beneficial shareholders should ensure that instructions for voting their shares of common stock with respect to the election of directors, approval of executive compensation, and approval of the amendment to the Stock Plan for Nonemployee Directors, are communicated to the appropriate person, as without specific instructions, brokers and/or nominees are prohibited from voting shares for their clients on such matters.

Applicable regulatory policy requires intermediaries/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 intermediary/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 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 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.

Notice of Electronic Availability of Proxy Materials

As permitted by Securities and Exchange Commission ("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

Shareholders of record of our common stock at the close of business on the Record Date are entitled to vote on all matters presented at the Annual Meeting or any adjournment or postponement of the meeting. As of the Record Date, 285,297,951 shares of common stock were outstanding and entitled to vote at the Annual Meeting. Each such share is entitled to one vote. Shares of our common stock that are held by us in our treasury are not counted as shares outstanding and will not be voted.

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.

Voting Matters and Vote Recommendation

Our Board recommends that you vote your shares as follows:

| Proposal No. | Matter | Board Vote Recommendation | Page Reference (for more detail) |
|--------------|--|---------------------------|----------------------------------|
| 1 | Election of Directors | FOR EACH NOMINEE | 13 |
| 2 | Approval of Named Executive Officer Compensation | FOR | 18 |
| 3 | Approve an Amendment to the Stock Plan for Nonemployee Directors | FOR | 18 |
| 4 | Ratify the Appointment of BDO USA, LLP as Auditors for 2012 | FOR | 20 |

Shareholder of Record versus Beneficial Owner

Most of our shareholders hold their shares through a broker, financial institution or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

Shareholder of Record. If 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 the shareholder of record, you have the right to grant your voting proxy directly to us or to vote in person at the Annual Meeting.

Beneficial Owner. If your shares are held in a stock brokerage account or by a financial institution or other nominee, you are considered the beneficial owner of shares held in street name, and these Proxy Materials are being forwarded to you by your broker, financial institution or other nominee, which is considered with respect to those shares, the shareholder of record. As the beneficial owner, you have the right to direct your broker as to how to vote your shares and are also invited to attend the Annual Meeting. However, because you are not the shareholder of record, you may not vote your shares in person at the Annual Meeting unless you obtain and present a signed proxy from the record holder giving you the right to vote the shares. If you do not vote your shares over the Internet or otherwise provide the shareholder of record with voting instructions, your shares may constitute broker non-votes on certain matters.

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:

- 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, financial institution or other nominee 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.

We will pass out written ballots to any eligible person who wants to vote at the Annual Meeting. If you hold your shares through a brokerage account, but do not have a physical share certificate, or the shares are registered in someone else's name, you must request and present a legal proxy from the registered owner to vote at the meeting.

If you do not specify how you want to vote your shares on your proxy card or voting instruction card, or by voting over the Internet or telephone, they will be voted **FOR** the nominees named for director, **FOR** the approval of the compensation of our named executive officers, **FOR** the approval of an amendment to our Stock Plan for Nonemployee Directors, and **FOR** ratification of the appointment of BDO USA, LLP.

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 21, 2012, 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). We will announce the voting results at the meeting and publish final results in a Form 8-K filed with the SEC within four business days of the Annual Meeting.

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), Proposal 2 (Approval of Executive Compensation), and Proposal 3 (Approval of Amendment to Stock Plan for Nonemployee Directors), are not routine matters, whereas Proposal 4 (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 Proposals 2 and 3, 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 13. 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 any of the 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 Name Executive Officer Compensation beginning on page 18. 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 Approval of Amendment to Stock Plan for Nonemployee Directors. For more information on the amendment to extend the termination date of the Stock Plan for Nonemployee Directors see *Proposal 3 Approval of Amendment to Stock Plan for Nonemployee Directors* beginning on page 18. This proposal requires an 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.

You may vote FOR, AGAINST or ABSTAIN on the proposal to amend the Stock Plan for Nonemployee Directors.

Proposal 4 - 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 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 2012 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 2012.

Discretionary voting by proxies on other matters. Aside from the election of two directors, the approval of executive compensation, approval of the amendment to our Stock Plan for Nonemployee Directors, 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.

Broker Non-Votes and Abstentions

Please note that brokers may no longer vote your shares on certain matters in the absence of your specific instructions as to how to vote. We encourage you to provide instructions to your broker regarding the voting of your shares.

Brokers, financial institutions or other nominees holding shares in street name for their customers are generally required to vote the shares in the manner directed by their customers. If you do not provide your broker or other nominee with instructions on how to vote your street name shares, your broker or nominee will not be permitted to vote them on non-routine matters (a broker non-vote) such as Proposals 1, 2 and 3. Shares subject to a broker non-vote will not be considered entitled to vote with respect to Proposals 1, 2 and 3, and will not affect the outcome of those Proposals.

Abstentions will have no effect on Proposal 1. Abstentions will be treated as being present and entitled to vote on Proposals 2, 3 and 4, if properly presented at the Annual Meeting, and therefore, will have the effect of votes against such proposals.

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 George R. Nethercutt, Jr. and John H. Bowles;
- (ii) **FOR** approval of our named executive officer's compensation;
- (iii) **FOR** the approval of an amendment to our Stock Plan for Nonemployee Directors; and
- (iv) **FOR** the ratification of the appointment of BDO USA, LLP, as our independent registered public accounting firm for 2012.

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:

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, financial institution or other nominee for information on how to revoke your voting instructions and provide new voting instructions.

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 will 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.

Annual Report

Our Annual Report to Shareholders, consisting of our Form 10-K for the year ended December 31, 2011, 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, 2011, 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 below, 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, bank or

other nominee 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 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.

Direct Registration 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, either from your brokerage firm or 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 their 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.

**PROVISIONS OF HECLA S BYLAWS WITH
RESPECT TO SHAREHOLDER PROPOSALS AND
NOMINATIONS FOR ELECTION AS DIRECTORS**

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

Shareholder proposals at the 2013 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 2013 Annual Meeting of Shareholders is January 24, 2013 (the 120th day preceding the anniversary of the 2012 Annual Meeting) to February 23, 2013 (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 2013 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 10, 2012. 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 are of 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, whom 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.

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 10. 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 10. 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 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 two directors whose terms will expire at the 2012 Annual Meeting: Messrs. George R. Nethercutt, Jr. and John H. Bowles.

At a meeting held by the Corporate Governance and Directors' Nominating Committee in February 2012, the committee determined that the two directors whose terms are expiring - Messrs. Nethercutt and Bowles - were qualified candidates and recommended to the Board that they stand for re-election at the Annual Meeting. Subsequently, the Board designated Messrs. Nethercutt and Bowles as nominees for election as directors of the Company, each for a three-year term expiring in 2015. 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 George R. Nethercutt, Jr. and John H. Bowles. 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.

**INFORMATION ABOUT BOARD NOMINEES AND
CONTINUING DIRECTORS**

The following information with respect to the business experience of nominees for election to the Board and the members of the Board who will continue to serve as our directors has been furnished by the nominee or director, or obtained from our records.

Nominees for Election to the Board Term Ending at the 2012 Annual Meeting

If elected, the nominees will each serve for a three-year term ending in 2015. The nominees are as follows:

GEORGE R. NETHERCUTT, JR., 67, 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 2005. 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 has been a member of the Washington State Bar Association since 1972 and 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, 66, 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 producing company), 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), since May 1999; 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.

The Board recommends that shareholders vote FOR the election of George R. Nethercutt, Jr. and John H. Bowles.

Our directors whose terms are not expiring this year are listed below. 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 2013 Annual Meeting

TED CRUMLEY, 67, 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, 53, 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; 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 (management and development, cost-of-service properties), 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 28 years experience in the international and domestic upstream and midstream oil and gas industry. He has 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.

TERRY V. ROGERS, C. Dir., 65, 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.

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

PHILLIPS S. BAKER, JR., 52, 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 nine years and our President and a director since 2001, Mr. Baker is very familiar with Hecla and all of its operations, and is unique among our directors in his institutional knowledge of the Company. His over 25 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, 70, a director since 2002, has been the Executive Chairman of Crown Gold Corporation (an exploration company), since August 2010, after serving as Chief Executive Officer and Director of Gold Summit Corporation (a public Canadian minerals exploration company) from October 2003 to August 2010. He was appointed President, CEO and Director of SELEX Resources Ltd. (a private Ontario, Canada exploration company) in October 2011. He was also President of Gold Summit Corporation from October 2003 to October 2009. He was the President, Chief Executive Officer and Director of Millennium Mining Corporation (a private Nevada minerals exploration company) from January 2000 to October 2003. He also served as a Director of Greencastle Resources Limited (an exploration company) from December 2003 to June 2008. Since October 2001, he has served as President and Director of Caughlin Preschool Co. (a private Nevada corporation that operates a preschool).

Key attributes, experience and skills: Dr. Taylor has over 47 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.

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. Consistent with this philosophy, a significant portion of the total incentive compensation for each of our executives is directly related to the Company's earnings and to other performance factors that measure our progress against the goals of our strategic and operating plans, as well as performance against our peers.

Shareholders are urged to read the Compensation Discussion and Analysis section of this Proxy Statement, starting on page 32, 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 2011 Annual Meeting, our shareholders approved the compensation of our named executive officers as disclosed in the 2011 Proxy Statement, with more than 88.16% of the total votes cast voting in favor.

We are asking shareholders to approve the following resolution at the 2012 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 AMENDMENT TO THE STOCK PLAN FOR NONEMPLOYEE DIRECTORS

We are seeking shareholder approval for the extension of the term of the Hecla Mining Company Stock Plan for Nonemployee Directors (Director's Stock Plan). By its terms, the plan is due to terminate as of July 17, 2012. We are asking our shareholders to approve an amendment to the plan extending its term by five (5) years so that it will remain in effect until July 17, 2017. There are no other proposed changes to the plan.

Introduction

The Director's Stock Plan became effective following shareholder approval on May 5, 1995. The Director's Stock Plan was amended July 18, 2002, February 25, 2004, May 6, 2005, and December 10, 2007. The plan is intended to attract and retain qualified persons to serve as directors of Hecla, to enhance the equity interest our directors have in Hecla and to solidify the common interests of our directors and shareholders

in enhancing the value of our common stock. We believe the Director's Stock Plan is an important tool in attracting and maintaining qualified persons to serve on our Board, and effectively aligns the interests of our Board members with our shareholders.

Description of the Stock Plan for Nonemployee Directors

The following is a summary of the principal features of the Director's Stock Plan, as amended. The summary, however, does not purport to be a complete description of all the provisions of the plan. A copy of the Hecla Mining Company Stock Plan for Nonemployee Directors is attached to this Proxy Statement as Appendix A.

The plan, as amended, provides that each nonemployee member of the Board will be credited annually on May 30 with shares of our common stock (the Stock Retainer) in addition to the current annual cash retainer paid to such directors. Currently, we have six nonemployee directors on the Board. Nonemployee directors are members of the Board who are not full-time employees of Hecla or any subsidiary. Under the amended plan, on May 30 of each year, each nonemployee director will be credited a number of shares of our common stock determined by dividing \$24,000 by the average closing price of our common stock on the NYSE for the prior calendar year. Nonemployee directors who join the Board after May 30 of any year will be credited with a pro rata grant of shares when they join the Board.

The maximum number of shares of common stock which may be granted pursuant to the plan is 1,000,000, subject to adjustment. In the event of any change in the common stock by reason of any stock dividend, split, combination of shares, exchange of shares, warrants or rights offering to purchase common stock at a price below its fair market value, reclassification, recapitalization, merger, consolidation or other change in capitalization, appropriate adjustment shall be made by the Plan Committee (as defined below) in the number and kind of shares subject to the plan and any other relevant provisions of the plan, whose determination shall be binding and conclusive on all persons.

Under the plan, the Stock Retainers will be delivered to a director on or beginning on the earlier to occur of: (i) death or disability; (ii) retirement from the Board; (iii) a cessation of the director's service for any other reason; (iv) a change-in-control of the Company (as defined in the plan); or (v) at the election of the director at any time, provided, however, that shares must be held in the trust for at least two years prior to delivery. Subject to certain restrictions, directors may elect delivery of the shares on such date or in annual installments thereafter over 5, 10 or 15 years. Upon delivery, a director will receive the Stock Retainers plus dividends or other distributions with respect to the Stock Retainers, plus interest at a rate equal to our cost or funds on all such distributions other than stock of Hecla.

All Stock Retainers are contributed to a trust, to be held together with any dividends and distributions with respect thereto, until they are delivered in accordance with the terms of the plan and the nonemployee directors' elections thereunder. The assets of the trust will remain subject to the claims of our creditors.

The plan is administered by a committee consisting of the Chief Executive Officer, the Treasurer, the Controller and the General Counsel of the Company (the Plan Committee), which have full authority to construe and interpret the plan, to establish, amend and rescind rules and regulations relating to the plan, and to take all such actions and make all such determinations in connection with the plan as the Plan Committee may deem necessary or desirable.

The Board may from time-to-time make such amendments to the plan as it may deem proper and in the best interest of the Company without further approval of our shareholders, provided that, to the extent required to qualify transactions under the plan for exemptions under Rule 16b-3, no amendment to the plan will be adopted without further approval of our shareholders in the manner prescribed in the plan. In addition, the plan may not be amended without shareholder approval to the extent such approval is otherwise required by law or agreement. In addition, the Board may terminate the plan at any time.

Federal Income Tax Consequences

The following discussion is intended only as a brief summary of the federal income tax rules relevant to the Stock Retainer. The laws governing the tax aspects of awards are highly technical, and such laws are subject to change.

A nonemployee director will not recognize taxable income upon the crediting of a Stock Retainer, but will recognize taxable compensation income upon the later of: (i) receipt of a Stock Retainer; and, (ii) if the nonemployee director is then subject to the six-month, short-swing profit recovery provisions of Section 16(b) of the Exchange Act, six months thereafter, unless such nonemployee director elects to be taxed upon receipt. Any such election (a Section 83(b) election) must be made and filed with the IRS within 30 days after grant in accordance with the regulations under Section 83(b) of the Internal Revenue Code. The amount of income will equal the fair market value of the common stock received, measured on the date the nonemployee director recognizes the compensation income. Dividends and other distributions that are made with respect to Stock Retainers prior to delivery will also be taxed as compensation income to the nonemployee directors when received by them, as will any interest paid thereon. The Company, in computing its federal income tax, will generally be entitled to compensation deductions at the same times and in the same amounts as the nonemployee directors recognize taxable compensation income.

For more information about the plan and payments made thereunder, please see Compensation of Non-Management Directors beginning on page 29.

The Board of Directors recommends that you vote FOR approval of the amendment to the Hecla Mining Company Stock Plan for Nonemployee Directors.

PROPOSAL 4 RATIFICATION OF APPOINTMENT OF BDO USA, LLP, AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2012

The Audit Committee has appointed BDO USA, LLP (BDO), to serve as our independent registered public accounting firm for 2012, 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 2012.

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 on our website at <http://www.hecla-mining.com> under the tab entitled Company and then select 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.

Family Relationships

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

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

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.

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.

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 good name, business interests, and our relationship with shareholders.

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 member¹ is, or has been within the last three years, our executive officer²;
- 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);

¹ 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.

² 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; and
- 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 2012. 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, if any, reported on page 68 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.

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.

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.

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. 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 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 2011, 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.

Role of Board in Risk Oversight

Our management is responsible for identifying and reviewing risks facing our 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.

Compensation Risk Assessment

The Compensation Committee does not believe our compensation policies and practices create risks that are reasonably likely to have a material adverse effect on the Company. In 2011, with the assistance of our independent compensation consultant, Mercer (US) Inc., the committee assessed the Company's compensation arrangements to determine if the programs' provisions and operations create undesired or unintentional risk of a material nature. The committee's determination is based on its assessment of the balance of potential risk to potential reward. Although the committee reviewed all compensation programs, it focused on the programs with variability of payout, and the ability of a participant to directly affect payout, as well as the controls on participant action and payout. Base salary and performance-based compensation are generally uniform in design and operation throughout the Company and with all levels of employees. The Company's compensation policies and practices are centrally designed and administered, and are substantially identical for each employee.

Based on the foregoing, we believe that our compensation policies and practices do not create inappropriate or unintended significant risk to the Company as a whole. We also believe that our incentive compensation arrangements provide incentives that: do not encourage risk-taking beyond the Company's ability to effectively identify and manage significant risks; are comparable with effective internal controls and risk management practices of the Company; and are supported by the oversight and administration of the Compensation Committee with regard to executive compensation programs.

Current Members of the Board

The members of the Board on the date of this Proxy Statement, and the committees of the Board on which they serve, are identified below. There are currently seven members on our Board.

| Director | Executive Committee | Audit Committee | Compensation Committee | Corporate Governance and Directors Nominating Committee | Health, Safety, Environmental and Technical Committee |
|---------------------------|---------------------|-----------------|------------------------|---|---|
| Phillips S. Baker, Jr. | Chair | | | | |
| John H. Bowles | X | Chair | | | X |
| Ted Crumley * | X | | X | | |
| George R. Nethercutt, Jr. | | | Chair | X | |
| Terry V. Rogers | | X | X | | Chair |
| Charles B. Stanley | | X | | X | X |
| Dr. Anthony P. Taylor | | | X | Chair | X |
| 2011 Meetings | 0 | 7 | 4 | 3 | 4 |

* Chairman of the Board

Board Meetings During 2011

It is our policy that all directors are expected, absent compelling circumstances, to prepare for, attend and participate in all Board and applicable committee meetings, and each annual meeting of shareholders. Our Board met six times in calendar year 2011, of which three were regularly scheduled meetings. Each member of the Board attended all Board meetings and Board committees of which he was a member in calendar year 2011. With the exception of Mr. Bowles, all other members attended last year's Annual Meeting of Shareholders, which was held in May 2011.

Committees of the Board

The Board of Directors has five standing committees: Executive; Audit; Compensation; Corporate Governance and Directors Nominating; and Health, Safety, Environmental & Technical. Information regarding these committees is provided below. The charters of the Audit, Compensation, Corporate Governance and Directors Nominating, and Health, Safety, Environmental and Technical Committees are available on the Company's website at <http://www.hecla-mining.com> under Company and then select Corporate Governance. You may also obtain copies of these charters by contacting the Company's Investor Relations Department.

Executive Committee. The Executive Committee is empowered with the same authority as the Board in the management of our business, except for certain matters enumerated in our Bylaws or Delaware law, which are specifically reserved to the full Board.

Audit Committee. The functions of the Audit Committee are described under the heading Audit Committee Report beginning on page 68. 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 of Messrs. Bowles, Rogers and Stanley qualify as an audit committee financial expert as defined by SEC rules.

Compensation Committee. Each member of the Compensation Committee is independent within the meaning of the listing standards of the NYSE. The committee's principal functions are to: (i) recommend compensation levels and programs for the Chief Executive Officer to the independent members of the Board; (ii) recommend compensation levels and programs for all other executive officers to the full Board; and (iii) administer our stock-based plans.

The committee's objective is to set executive compensation at levels which: (i) are fair and reasonable to the shareholders; (ii) link executive compensation to long-term and short-term interests of the shareholders; and (iii) are sufficient to attract, motivate, and retain outstanding individuals for executive positions. The executive officers' compensation is linked to the interests of the shareholders by making a significant part of each executive officer's potential compensation depend on the Company's performance and the officer's own performance. The retention of executive officers is encouraged by making a portion of the compensation package in the form of awards, which either increase in value, or only have value if the executive officer remains with the Company for specified periods of time.

Additional information on the committee's processes and procedures for consideration of executive compensation are addressed in the Compensation Discussion and Analysis beginning on page 32.

Corporate Governance and Directors Nominating Committee. All members of the Corporate Governance and Directors Nominating Committee are independent within the meaning of the listing standards of the NYSE. The committee's principal functions are to: (i) consider matters of corporate governance; (ii) periodically review our Corporate Governance Guidelines and corporate governance procedures to ensure compliance with the federal securities laws and NYSE regulations; (iii) review any director candidates, including those nominated or recommended by shareholders; (iv) identify individuals qualified to become directors consistent with criteria approved by the Board; (v) recommend to the Board the director nominees for the next annual meeting of shareholders, any special meeting of shareholders, or to fill any vacancy on the Board; (vi) review the appropriateness of the size of the Board relative to its various responsibilities; and (vii) recommend committee assignments and committee chairpersons for the standing committees for consideration by the Board.

Health, Safety, Environmental & Technical Committee. The principal functions of the Health, Safety, Environmental & Technical Committee are to review and monitor: (i) health, safety and environmental policies; (ii) the implementation and effectiveness of compliance systems; (iii) the effectiveness of health, safety and environmental policies, systems and monitoring processes; (iv) audit results and updates from management with respect to health, safety and environmental performance; and (v) emerging health, safety

and environmental trends in legislations and proposed regulations affecting the Company. The committee also makes recommendations to the Board concerning the advisability of proceeding with the exploration, development, acquisition or divestiture of mineral properties and/or operations.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table shows the number and percentage of the shares of common stock beneficially owned by each current director, director nominee and current executive officer of Hecla, and by all current directors and executive officers as a group, as of March 23, 2012. On that date, all of such persons together beneficially owned an aggregate of less than one percent of the outstanding shares of our common stock. Except as otherwise indicated, the directors, nominees and officers have sole voting and investment power with respect to the shares listed, including shares which the individual has the right to acquire by exercising stock options but has not done so.

| Name of Beneficial Owner | Shares Beneficially Owned | | | Percent of Class |
|--|---------------------------|----------------------|-----------------------------|------------------|
| | Title of Class | Number | Nature | |
| Phillips S. Baker, Jr. President and Chief Executive Officer | | 781,432 ⁴ | Direct ¹ | |
| | | 109,740 | RSU ² | |
| | | 605,833 | Vested Options ³ | |
| | Common | 1,497,005 | | * |
| Dr. Dean W.A. McDonald Vice President - Exploration | | 92,260 | Direct ¹ | |
| | | 37,038 | RSU ² | |
| | | 163,731 | Vested Options ³ | |
| | Common | 293,029 | | * |
| Don Poirier Vice President - Corporate Development | | 84,950 | Direct ¹ | |
| | | 23,320 | RSU ² | |
| | | 130,185 | Vested Options ³ | |
| | Common | 238,455 | | * |
| Lawrence P. Radford Vice President - Operations | | 78,000 ⁵ | RSU | |
| | Common | 78,000 | | * |
| James A. Sabala Senior Vice President and Chief Financial Officer | | 55,751 ⁶ | Direct ¹ | |
| | | 41,152 | RSU ² | |
| | | 46,624 | Vested Options ³ | |
| | Common | 143,527 | | * |
| David C. Sienko Vice President and General Counsel | | 19,791 | Direct ¹ | |
| | | 20,028 | RSU ² | |
| | | 45,581 | Vested Options ³ | |
| | Common | 85,400 | | * |
| John H. Bowles Director | | 13,016 | Direct ¹ | |
| | | 25,857 | Indirect ⁷ | |
| | Common | 38,873 | | * |
| Ted Crumley Director | | 12,016 | Direct ¹ | |
| | | 51,973 | Indirect ⁷ | |
| | Common | 63,989 | | * |

| Name of Beneficial Owner | Title of Class | Shares Beneficially Owned | | Percent of Class |
|---|----------------|---------------------------|-----------------------|------------------|
| | | Number | Nature | |
| George R. Nethercutt, Jr. Director | | 8,016 | Direct ¹ | |
| | | 27,272 | Indirect ⁷ | |
| | Common | 35,288 | | * |
| Terry V. Rogers Director | | 8,016 | Direct ¹ | |
| | | 21,020 | Indirect ⁷ | |
| | Common | 29,036 | | * |
| Charles B. Stanley Director | | 8,016 | Direct ¹ | |
| | | 21,020 | Indirect ⁷ | |
| | Common | 29,036 | | * |
| Dr. Anthony P. Taylor Director | | 1,292 | Direct ¹ | |
| | | 45,434 | Indirect ⁷ | |
| | Common | 46,726 | | * |
| All current directors, nominee directors and officers as a group (12 individuals) | Common | 2,578,364 | | * |

* Represents beneficial ownership of less than one percent, based upon 285,297,951 shares of our common stock issued and outstanding as of March 23, 2012.

1. Direct means shares held of record and any shares beneficially owned through a trust, broker, financial institution, or other nominee, and which the officer or director has sole or shared voting power.
2. RSU means restricted stock units held in the Key Employee Deferred Compensation Plan and 2010 Stock Incentive Plan. The RSUs represent the restricted stock units that vest on June 8, 2012, and restricted stock units that vest on March 14, 2014. See footnotes 1 and 2 of the Grants of Plan-Based Awards for 2011 table on page 56.
3. Vested Options mean options granted under the 1995 Stock Incentive Plan and 2010 Stock Incentive Plan, which are vested and exercisable within 60 days of March 23, 2012.
4. 557,790 shares are held directly by Mr. Baker, as to which he has sole voting and investment power, and 223,642 shares are held jointly with Mr. Baker's spouse, as to which Mr. Baker shares voting and investment power.