

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

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

Cautionary Note
Regarding
Forward
Looking
Statements

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

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

Cash Cost
Per
Ounce
Reconciliation
to
GAAP
On Hecla Mining Company's website at
www.hecla-mining.com
you
can
find
the
quantitative

reconciliation

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

A Registration
Statement

has

been

Filed

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

which

this

communication

relates.

Before

you

invest,

you

should

read

the

prospectus

in

that

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

www.sec.gov.

Alternatively,

copies

of

the

preliminary

prospectus

supplement

and

accompanying

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

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Cautionary Statements

Cautionary Statements

Offering Summary
Offering Summary
Security:
Mandatory Convertible Preferred
Shares
Size:
\$175 Million (+15% Over-Allotment)

Option)

Payment Rate:

6.25% +/- 0.25%

Conversion Premium:

20.0% +/- 2.0%

Maturity:

3 Years

Use of Proceeds:

General corporate purposes, including
acquisitions

Bookrunners:

Merrill Lynch, JPMorgan

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

Geo-politically stable locations

Long life, low cost silver operations

\$195 million cash, no debt, unhedged

High Potential

Exploration success and future potential upside

Acquisition focus

* Q3 2007 average total cash cost per ounce

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

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

Mining Silver & Gold
Mining Silver & Gold

(For 116 Years!)

2007 Estimates
Approx. 6 million ounces
of silver

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

Lucky Friday
Lucky Friday
Lucky
Friday
Location:
Mullan,
Idaho

2007 Estimate ■

3.2 million ounces
silver

18,000 tons lead

7,000 tons zinc

Longest operating
mine (nearly 60 years)

Lucky Friday
Lucky Friday
Expansion Potential
Expansion Potential

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

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

18.3/11.4/11.9

26.3/28.8/7.8

3.8/4.5/0.3

Lucky Friday:

Lucky Friday:

Going Deeper

Going Deeper

Drill Holes

Silver opt/Lead%/Zinc%

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

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

Silver Valley
Silver Valley
Expansion Potential
Expansion Potential

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

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

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

Mexican Silver Belt
Mexican Silver Belt
Santa Eulalia
Batopilas
Parral

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

San Sebastian
San Sebastian
Exploration Targets
Exploration Targets

Sacramento
Sacramento
vein
vein
Concepcion
Concepcion
vein

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

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

68%

32%

*

*

* Quarter ended 9/30/07

Silver

Operations

Gold

Operations

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

Wheaton

*

Coeur

*

Pan

American

*

Includes third-party production

Weighted

Average

Silver

Cash

Costs

Per

Ounce

2003

Qtr

3

2007

\$1

\$2

\$3

\$4

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

60%

80%

100%

Location of Hecla's Silver

North

America

100%

Exploration
Exploration
2007E
United States
\$ 6.8
Mexico
7.7

Venezuela

3.7

Unallocated/Other*

4.3

Total Exploration

\$ 22.5

(in millions)

* Includes Vancouver Office and Corporate Development

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

Lucky Friday mill upgrade

Lucky Friday 4 Shaft & Expansion

Prefeasibility

MEXICO

340-square-mile target area: multiple targets

Hugh Zone

Rio Grande

ALASKA

5250 Zone

West Gallagher Zone

Surface drilling for new deposit

VENEZUELA

Block B

El Dorado targets: awaiting permits

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

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

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

investments

\$30 million credit facility

Debt free

Shelf Registrations in place

Tax benefit from NOLs*

*Net Operating Losses

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

Technical Team

23 engineers

26 geologists

4 metallurgists

(As of September 2007)

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

GAAP Reconciliation to Cash Costs

GAAP Reconciliation to Cash Costs

Per Ounce

Per Ounce

HECLA MINING COMPANY

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

(dollars and ounces in thousands, except per ounce)

unaudited)

Three Months Ended

Nine Months Ended

Sept. 30, 2007

Sept. 30, 2006

Sept. 30, 2007

Sept. 30, 2006

Total cash costs (1)

\$

(6,615)

\$

881

\$

(11,314)

\$

5,928

Divided by silver ounces produced

1,341

1,496

4,391

4,000

Total cash cost per ounce produced

\$

(4.91)

\$

0.59

\$

(2.58)

\$

1.48

Reconciliation to GAAP:

Total cash costs

\$

(6,615)

\$

881

\$

(11,314)

\$

5,928

Depreciation, depletion and amortization

3,318

3,117

9,463

8,331

Treatment & freight costs

(7,684)

(9,177)

(23,792)

(24,193)

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

Reconciliation to GAAP:

Total cash costs

\$

9,681

\$

14,073

\$

35,405

\$

39,844

Depreciation, depletion and
amortization

2,627

7,229

11,824

18,686

Treatment & freight costs

(630)

(445)

(2,130)

(4,127)

By

-product credits (1)

120

555

1,849

1,980

Change in product inventory

(2,363)

(2,492)

(899)

1,619

Reduction in labor cost (4)

--

--

1,280

--

Shutdown-related costs at Mina Isidora

(5)

--

--

2,708

--

Reclamation and other costs

(291)

226

(76)

173

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

\$
9,144

\$
19,146

\$
49,961

\$
58,175

(Continued)

GOLD OPERATIONS (3)

SILVER OPERATIONS

GAAP Reconciliation to Cash Costs

GAAP Reconciliation to Cash Costs

Per Ounce

Per Ounce

HECLA MINING COMPANY

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

(dollars and ounces in thousands, except per ounce)

unaudited)

Three Months Ended

Nine Months Ended

Sept. 30, 2007

Sept. 30, 2006

Sept. 30, 2007

Sept. 30, 2006

Total cash costs (1)

\$

(1,575)

\$

2,859

\$

(641)

\$

9,876

Divided by silver ounces produced

662

737

2,318

2,106

Total cash cost per ounce produced

\$

(2.38)

\$

3.88

\$

(0.28)

\$

4.69

Reconciliation to GAAP:

Total cash costs

\$

(1,575

)

\$

2,859

\$

(641)

\$

9,876

Depreciation, depletion and amortization

1,016

997

2,930

2,489

Treatment & freight costs

(3,251)

(3,942)

(10,581)

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

Total cash costs
 \$
 (5,040)
 \$
 (1,978)
 \$
 (10,673)
 \$
 (3,948)
 Depreciation,
 depletion and amortization
 2,302
 2,120
 6,533
 5,842
 Treatment & freight costs
 (4,433)
 (5,235)
 (13,211)
 (13,973)
 By-product credits (1)
 16,996
 12,842
 44,555
 34,185
 Change in product inventory
 (726)
 545
 34
 78
 Reclamation and other costs
 44
 46
 127
 132
 Costs of sales and other direct production costs and
 depreciation, depletion and amortization (GAAP)
 \$
 9,143
 \$
 8,340
 \$
 27,365
 \$
 22,316
 (Continued)
 GREENS CREEK UNIT (Reflects Hecla's 29.73% share)
 LUCKY FRIDAY UNIT

GAAP Reconciliation to Cash Costs

GAAP Reconciliation to Cash Costs

Per Ounce

Per Ounce

HECLA MINING COMPANY

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

(dollars and ounces in thousands, except per ounce)

unaudited)

Three Months Ended

Nine Months Ended

Sept. 30, 2007

Sept. 30, 2007

Sept. 30, 2006

Total cash costs (1)

\$

3,066

\$

14,954

\$

24,091

\$

45,772

Depreciation, depletion and amortization

5,945

10,346

21,287

27,017

Treatment & freight costs

(8,314)

(9,622)

(25,922)

(28,320)

By-product credits (1)

30,892

22,075

84,147

56,214

Change in product inventory (2)

(3,113)

(1,986)

(1,060)

2,337

Reduction in labor cost (4)

--

--

1,280

--

Shutdown-related costs at Mina Isidora

(5)

--

--

2,708

--

Reclamation and other costs

(241)

275

69

319

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

\$
28,235

\$
36,042

\$
106,600

\$
103,339

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

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

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

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

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

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

RECONCILIATION TO GAAP,

ALL OPERATIONS

Sept. 30, 2006

APPENDIX
Industry Fundamentals

3
4
5
6
7
8
9

10
11
12
13
14
15

Jan-00

Jan-01

Jan-02

Jan-03

Jan-04

Jan-05

Jan-06

Jan-07

average

year-on-

intra-

year

year

2006

\$11.55

58.0%

42.7%

Jan-Oct 2007

\$13.16

17.1%

10.1%

Source: GFMS Ltd.

The Silver Price

The Silver Price

US\$/oz

US\$/oz

70
80
90
100
110
120
130

140

Jan-07

Apr-07

Jul-07

Oct-07

Silver, Gold and Base

Silver, Gold and Base

Metals Prices

Metals Prices

Nickel

Copper

Silver

Zinc

Tin

Gold

Source: GFMS Ltd.

150

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

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

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

Government

Sales

9%

Mine

Production

74%

Scrap

20%

Hedging

2%

Government

Sales

4%

Source: GFMS Ltd.

Source: GFMS Ltd.

: GFMS Ltd.

2006 Actual

2007 Forecast

APPENDIX
Supplemental Hecla Mining
Information

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

Net Income (Loss)

\$ 69.1

\$ (25.4)

Per share

\$ 0.57

\$ (0.22)

Cash Flow Provided by

Operations

(before exploration and pre-development)

\$ 89.9

\$ 20.3

Exploration and pre-development

\$ 28.2

\$ 27.1

Cash Flow Provided by

(Used in) Operations

\$ 61.5

\$ (5.9)

(in millions except per share amounts)

2006 Financial Highlights

2006 Financial Highlights

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

\$30 million

Booked a gain in second quarter of

\$63 million

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

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

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

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

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

-Gold acquisition advantage: a smaller threshold increases opportunities

Opportunity for Hecla being value-added

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

Low-cost, high-margin operating future

Strengths

Criteria

Acquisitions:

Acquisitions:

Hecla has an Advantage

Hecla has an Advantage

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

ounces gold

C

arac

as

P

uerto

Orda

Z

La Camorra

Venezuela Property
Venezuela Property
Position
Position
Carac
as
PuertoOrdaz
MAP

AREA

