

HECLA MINING CO/DE/  
Form DEF 14A  
April 02, 2008

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
- Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials

Hecla Mining Company

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(Name of Registrant as Specified In Its Charter)  
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(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1) Title of each class of securities to which transaction applies:

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2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or

schedule and the date of its filing.

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1) Amount previously paid:

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2) Form, Schedule or Registration Statement No.:

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3) Filing Party:

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4) Date Filed:

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March 31, 2008

Dear Shareholder:

Hecla Mining Company (we, our, us, Hecla, or the Company) invites you to attend our Annual Meeting of Shareholders (Annual Meeting), which will be held at the Four Seasons Hotel, located at 791 West Georgia Street, Vancouver, British Columbia, on Friday, May 16, 2008, at 10:30 a.m., Pacific Daylight Time. The Corporate Secretary's formal notice of the meeting and the Proxy Statement appear on the following pages and describe the matters to come before the meeting. During the meeting, time will be provided for a review of the activities of the past year and items of general interest about us.

In 2007, the Securities and Exchange Commission passed new rules enabling us to distribute our proxy materials primarily over the Internet (Notice and Access). We believe that this method of distribution will encourage more shareholders to vote their proxies and will substantially reduce our costs of distribution. We elected to include all proxy materials in this year's mailing. However, when we mail the proxy materials for the Annual Meeting of Shareholders in 2009, shareholders will only receive an Important Notice Regarding the Availability of Proxy Materials for the Shareholders Meeting, giving instructions on how to view the materials on the Internet, request copies by mail, and how to vote their shares.

In 2007, we also became eligible to participate in the Direct Registration System. The Direct Registration System provides registered shareholders with the option of holding their shares on the books and records of the transfer agent in book-entry form instead of having a physical stock certificate. See the Questions and Answers About the Annual Meeting and Voting section for more information on the Direct Registration System.

**Whether or not you plan to attend and regardless of the number of shares you own, it is important that your shares be represented at the meeting in order to ensure your representation and the presence of a quorum at the Annual Meeting.** You can simplify your voting and reduce our costs by voting your shares via telephone or the Internet. If you do not choose to vote by telephone or the Internet, please date, sign and return the proxy card in the postage-paid envelope provided.

Sincerely,

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

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

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**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
to be held on  
May 16, 2008**

TO OUR SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of Hecla Mining Company will be held in the Seasons Room at the Four Seasons Hotel, located at 791 West Georgia Street, Vancouver, British Columbia, on Friday, May 16, 2008, at 10:30 a.m., Pacific Daylight Time, for the following purposes:

- (1) To elect three members to the Board of Directors to serve for a three-year term or until their respective successors are elected and have qualified; and
- (2) To act upon all other business that may properly come before the Annual Meeting of Shareholders or any postponements or adjournments thereof.

The close of business on March 14, 2008, has been fixed as the record date for the determination of shareholders entitled to notice of, and to vote at, the Annual Meeting of Shareholders, and at any postponements or adjournments thereof.

By Order of the Board of Directors  
Philip C. Wolf  
Corporate Secretary

March 31, 2008

**PLEASE CONFIRM YOUR PREFERENCE FOR ELECTRONIC DELIVERY OF FUTURE ANNUAL MEETING MATERIALS. You can expedite delivery of your annual meeting materials and avoid costly mailings by confirming in advance electronic delivery as your preferred method of delivery. For further information on how to take advantage of this cost-saving service, please see page 1 of the [Questions and Answers About the Annual Meeting and Voting](#).**

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**QUESTIONS AND ANSWERS ABOUT  
THE ANNUAL MEETING AND VOTING**

Although we encourage you to read the Proxy Statement in its entirety, we have included these questions and answers to provide background information and brief answers to several questions that you may have about the Annual Meeting.

**Q. What is a "proxy"?**

It is your legal designation of another person to vote the shares you own. That other person is 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., and Philip C. Wolf as proxies for the Annual Meeting.

**Q. What is a Proxy Statement?**

It is a document that Securities and Exchange Commission regulations require us to give you when we ask you to sign a proxy card designating Phillips S. Baker, Jr., and Philip C. Wolf as proxies to vote on your behalf.

**Q. Why is the Annual Meeting being held in Vancouver, British Columbia?**

Although Hecla remains headquartered in Coeur d'Alene, Idaho, in 2007, we also opened an office in Vancouver, British Columbia. Vancouver is widely recognized as a major mining center with a number of enterprises engaged in exploration activity. We want to be a viable, visible partner for companies that have properties to be explored, developed and operated. Hecla is a producing company that has developed and operated many mines, both surface and underground, and it is ready to use that expertise in conjunction with others. By having our Annual Meeting this year in Vancouver, British Columbia, it gives us a chance to increase our visibility in this important area.

**Q. Can I access the Notice of Annual Meeting, Proxy Statement, and Annual Report on Form 10-K on the Internet?**

The Notice of Annual Meeting, Proxy Statement and our Annual Report on Form 10-K for the fiscal year ended December 31, 2007 (Annual Report), are available at <http://phx.corporate-ir.net/phoenix.zhtml?c=63202&p=proxy>. Instead of receiving future copies of our proxy materials by mail, shareholders of record and most street name holders can elect to receive an e-mail that will provide electronic links to these documents. Opting to receive your proxy materials online will save us the cost of producing and mailing documents to your home or business, and also will give you an electronic link to the proxy-voting site. To enroll for electronic delivery, please visit our website listed above and click the blue box in the left-hand bottom corner. You may also sign up for electronic delivery if you vote your shares over the Internet at <http://www.proxyvote.com>.

**Q. What is the record date and what does it mean?**

The record date for the Annual Meeting is March 14, 2008. As required by the Delaware General Corporation Law, the Board establishes the record date. Owners of record of our common stock at the close of business on the record date are entitled to:

- Receive notice of the meeting; and
- Vote at the meeting and any adjournments or postponements of the meeting.

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**Q. What is the difference between holding shares as a shareholder of record and as a 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 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 and are also invited to attend the Annual Meeting. However, because you are not the shareholder of record, you may not vote these shares in person at the Annual Meeting unless you obtain 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. The effect of broker non-votes is more specifically described below.

**Q. What are broker non-votes?**

Broker non-votes occur when nominees, such as financial institutions and brokers holding shares on behalf of beneficial owners, do not receive voting instructions from the beneficial holders at least ten days before the meeting. If that happens, the nominees may vote those shares only on matters deemed routine by the New York Stock Exchange, such as the election of directors. Nominees cannot vote on non-routine matters unless they receive voting instructions from beneficial holders, resulting in so-called broker non-votes.

**Q. What is householding?**

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 Annual Report and Proxy Statement are 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 in the past. Please contact the holder of record directly if you have questions, require additional copies of our Proxy Statement or our Annual Report to shareholders, or wish to revoke your decision to household and thereby receive multiple copies. You should also contact the holder 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 Annual Report to shareholders and/or a separate Proxy Statement for future annual meetings or have questions regarding the householding process, may contact our transfer agent, American Stock Transfer & Trust Company, by calling 1-800-937-5449, or by forwarding a written request addressed to American Stock Transfer & Trust Company, 59 Maiden Lane, New York, New York 10038. By contacting American Stock Transfer & Trust Company, shareholders of record sharing an address can also request delivery of multiple copies of annual reports or proxy statements in the future.

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**Q. Why is Hecla seeking shareholder approval for only three directors?**

Our Certificate of Incorporation and Bylaws provide for a board composed of not less than five nor more than nine persons. The directors are divided into three classes, as nearly equal in number as possible. The members of each class are elected in different years, so that only one-third of the board is elected in any single year. We feel that the three-year term allows directors to focus on building meaningful long-term value for shareholders rather than focusing only on short-term issues, which might occur if the term were for only one year. Staggered three-year terms also have the effect of delaying the ability of the holder(s) of a majority of the common stock from replacing a majority of the Board of Directors, which may discourage non-negotiated attempts to change control of the Company and, thus, may affect the market price of our common stock and the ability of our shareholders to receive a control premium.

**Q. What shares can I vote?**

All shares of our common stock owned by you as of the close of business on the record date, March 14, 2008, may be voted by you. These shares include: (i) shares held directly in your name as the shareholder of record; and

(ii) shares held for you as the beneficial owner through a broker, financial institution or other nominee. Each share of common stock owned by you entitles you to cast one vote on each matter to be voted upon.

**Q. What vote is required to approve the election of directors?**

In accordance with our Bylaws, shares equal to at least a majority of the voting power of the outstanding shares of our common stock as of the record date must be present at the meeting in order to hold the meeting and conduct business. This is called a quorum. With respect to the proposal to elect directors, directors are elected by a majority of the votes cast by the holders of the common stock, at a meeting at which a quorum is present. Consequently, 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.

**Q. What is a quorum?**

A quorum of shareholders is required in order to transact business at the Annual Meeting. The presence, in person or by proxy, of shareholders holding a majority of the voting power of the outstanding common stock of the Company shall constitute a quorum. Under Delaware law, an abstaining vote or a broker non-vote is counted as present and is, therefore, included for purposes of determining whether a quorum of shares is present at the meeting.

**Q. Who will count the votes and where can I find the voting results of the meeting?**

The inspectors of election appointed for the meeting will count the votes cast by proxy or in person at the Annual Meeting. We will announce the voting results at the meeting and publish final results in our Form 10-Q for the quarter ending June 30, 2008.

**Q. What if I do not specify how I want my shares voted?**

Shareholders should specify their choice for each matter on the enclosed proxy card. If no specific instructions are given, proxies that are signed and returned will be voted **FOR** the election of all director nominees.

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**Q. How do I vote?**

*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 available;
- Log on to the Internet and visit the website noted on your proxy card;
- 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;
- Follow the recorded instructions; and
- Do not mail your proxy card.

*To vote in person if you are a registered shareholder:*



- 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.

**Q. Can I change my vote after submitting my proxy or voting instructions?**

Yes. 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;
- By submitting a later-dated proxy to our Corporate Secretary; 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.

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**Q. How do I vote my 401(k) Plan shares?**

If you participate in the Hecla Mining Company Capital Accumulation Plan and hold shares of Hecla 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. If you hold Hecla shares outside of the plan, you will vote those shares separately. 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 13, 2008, 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. 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.

**Q. Who will bear the costs of this 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 Financial Solutions, Inc. to assist us in mailing these proxy materials. Broadridge's fee for this service is approximately \$35,000, plus out-of-pocket expenses. In addition to the solicitation of proxies, our directors, officers and employees, without additional compensation, may solicit proxies personally or by telephone or otherwise. If you choose to access the proxy materials over the Internet, however, you are responsible for any Internet access charges you may incur. We have hired Broadridge Financial Solutions, Inc., to assist us in the distribution of proxy materials. 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.

**Q. What is [Direct Registration]?**

The Direct Registration System ([DRS]) is a system that allows your shares in our company 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. American Stock Transfer & Trust Company is the transfer agent responsible for maintaining our books. 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 associated with physical certificates being processed, including turnaround delays, mail losses and risks associated with stolen, forged or counterfeit securities;
- You will receive a periodic or annual statement, either from your brokerage firm, or our transfer agent. Unlike a physical security, if you lose the statement it's 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's also no need to rent a safe-deposit box or other safe place to keep the certificates. And, you don't have to send them in the mail or insure them.

You can contact our transfer agent, American Stock Transfer & Trust Company at 1-800-937-5449 for more information on DRS.

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

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**PROXY STATEMENT**  
**Relating to**  
**ANNUAL MEETING OF SHAREHOLDERS**  
**OF HECLA MINING COMPANY**  
**to be held on May 16, 2008**

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**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be held on May 16, 2008**

This Proxy Statement and the accompanying Annual Report are available on the Internet. Please go to <http://phx.corporate-ir.net/phoenix.zhtml?c=63202&p=proxy> to view and obtain the proxy materials online.

**INTRODUCTION**

This Proxy Statement is being furnished by the Board of Directors (the "Board") of Hecla Mining Company, a Delaware corporation (we, our, us, Hecla, or the Company), to holders of shares of the Company's common stock with a par value of \$0.25 per share (Common Stock), in connection with the soliciting of proxies to be voted at our Annual Meeting of Shareholders to be held on Friday, May 16, 2008, and any postponements or adjournments thereof (Annual Meeting), for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders.

Our Board has fixed the close of business on March 14, 2008, as the record date (Record Date) for determination of the shareholders entitled to notice of, and to vote at, the Annual Meeting. As of the Record Date, 122,988,176 shares of Common Stock (which number does not include shares held by us as treasury shares) were outstanding and entitled to one vote each at the Annual Meeting.

A list of shareholders eligible to vote will be available at Hecla's Vancouver offices, located at Suite 440, 580 Hornby Street, Vancouver, British Columbia, Canada, beginning May 5, 2008. Shareholders may examine this list during normal business hours for any purpose relating to the Annual Meeting.

These proxy solicitation materials, together with our Annual Report on Form 10-K for fiscal year ended December 31, 2007 (Annual Report), were mailed on or about March 31, 2008, to shareholders entitled to vote at the Annual Meeting.

## PURPOSES OF ANNUAL MEETING

### Election of Directors

At the Annual Meeting, shareholders entitled to vote will be asked to consider and to take action on the election of three directors to our Board, each to serve for a three-year term. The nominees are: Messrs. Phillips S. Baker, Jr., David J. Christensen and Dr. Anthony P. Taylor. See "Election of Directors" on page 8 for more information on these nominees.

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## VOTING PROCEDURES

### Electronic Access to Proxy Materials and Annual Report; Internet Voting

The Notice of Annual Meeting, Proxy Statement, and the Annual Report are available at <http://phx.corporate-ir.net/phoenix.zhtml?c=63202&p=proxy>. If you are a shareholder of record and would like to view future proxy statements and annual reports over the Internet instead of receiving copies in the mail, follow the instructions provided when you vote over the Internet. If you hold your shares through a broker, financial institution or other nominee, check the information provided by that entity for instructions on how to elect to view future proxy statements and annual reports electronically in lieu of receiving copies and how to vote your shares over the Internet. Opting to access your proxy materials online saves us the cost of producing and mailing these materials to your home or office and gives you an automatic link to the proxy-voting site.

Most shareholders of record have a choice of voting over the Internet, by telephone, or by using a traditional proxy card. Please review your proxy card or the information forwarded by your broker, financial institution or other nominee of record to see which options are available to you.

### General Information About Voting

The enclosed proxy is for use if you are unable to attend the Annual Meeting in person or wish to have your shares voted by proxy even if you attend the Annual Meeting. You may vote your shares using this proxy by means of the mail, telephone, or Internet (each of which is valid under Delaware law), by following the instructions set forth on the proxy card. Proxies that are properly marked, dated, and signed, or submitted electronically via the Internet or by telephone by following the instructions on the proxy card, and not revoked, will be voted at the Annual Meeting in accordance with any indicated directions. If no direction is indicated, proxies will be voted: (i) **FOR** the election of the nominees for director set forth below; and (ii) in the discretion of the holders of the proxies with respect to any other business that properly comes before the Annual Meeting and all matters relating to the conduct of the Annual Meeting.

You may revoke your proxy at any time before it is voted by delivering to our Corporate Secretary a written revocation or a duly executed proxy bearing a later date than the date of the proxy being revoked (including a proxy voted over the Internet or by telephone). Any shareholder of record attending the Annual Meeting in person may revoke his or her proxy and vote his or her shares 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.

Directors will be elected by a majority of the votes cast by the holders of our Common Stock voting in person or by proxy at the Annual Meeting. Abstentions and broker non-votes will have no effect on the vote for election of directors.

The solicitation of proxies will be conducted over the Internet and by mail, and we will bear all costs. These costs will include the expense of preparing and mailing proxy solicitation materials for the Annual Meeting and reimbursements paid to brokerage firms and others for their expenses incurred in forwarding solicitation materials regarding the Annual Meeting to beneficial owners of our Common Stock. We have hired Broadridge Financial Solutions, Inc., to assist us in providing Internet access and in the distribution of notices and of proxy materials. We may conduct further solicitation personally, telephonically or by facsimile through our officers, directors and employees, none of whom will receive additional compensation for assisting with the solicitation.

We are not aware of any matters other than those described in this Proxy Statement that will be acted upon at the Annual Meeting. In the event that any other matters come before the Annual Meeting for a shareholder vote, your proxy gives authority to Phillips S. Baker, Jr., and Philip C. Wolf to vote on such matters at their discretion.

## ELECTION OF DIRECTORS

In accordance with our Certificate of Incorporation, the Board is divided into three classes. The terms of office of the directors in each class expire at different times. There are three directors whose terms will expire at the Annual Meeting, namely Messrs. Phillips S. Baker, Jr., David J. Christensen and Dr. Anthony P. Taylor.

At a meeting held by the Corporate Governance and Directors' Nominating Committee in February 2008, the Corporate Governance and Directors' Nominating Committee determined that the three current directors whose terms are expiring were qualified candidates and recommended to the Board that they stand for election at the Annual Meeting. The Board designated Messrs. Phillips S. Baker, Jr., David J. Christensen and Dr. Anthony P. Taylor as nominees for election as directors of the Company, each for a three-year term expiring in 2011. All nominees have served on our Board for many years and each are standing for re-election.

It is intended that the proxies solicited hereby for shareholders will be voted **FOR** the election of Messrs. Phillips S. Baker, Jr., David J. Christensen and Dr. Anthony P. Taylor, unless authority to do so has been withheld. The Board knows of no reason why any of the nominees will be unable or unwilling to accept election. However, if any nominee becomes unable 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 of the Board. If substitute nominees are selected, proxies will be voted in favor of such nominees, unless authority to do so has been withheld.

### Directors

Name	Age at	Year First	Term Expires
	May 16, 2008	Became Director	
Phillips S. Baker, Jr.	48	2001	2008
David J. Christensen	46	2003	2008
Dr. Anthony P. Taylor	66	2002	2008
George R. Nethercutt, Jr.	63	2005	2009
John H. Bowles	62	2006	2009
Ted Crumley	63	1995	2010
Charles B. Stanley	49	2007	2010
Terry V. Rogers	61	2007	2010

### Nominees for Election as Director

If elected, the nominees will each serve for a three-year term ending in 2011. The nominees are as follows:

**PHILLIPS S. BAKER, JR.** Chief Executive Officer of the Company since May 2003; President of the Company since November 2001; Chief Financial Officer of the Company from May 2001 to June 2003; Chief Operating Officer of the Company from November 2001 to May 2003; Vice President of the Company from May 2001 to November 2001; Director, Questar Corporation (a Western U.S. natural gas-focused exploration and production, interstate pipeline and local distribution company), since February 2004; Vice President and Chief Financial Officer of Battle Mountain Gold Company (a gold mining company) from March 1998 to January 2001; Vice President and Chief Financial Officer of Pegasus Gold Corporation (a gold mining company) from January 1994 to January 1998.

**DAVID J. CHRISTENSEN.** Vice President - Investments of ASA Limited (a closed-end investment company), since May 2007; Vice President - Corporate Development of Gabriel Resources Ltd. (a Canadian-based resource company) from October 2006 to March 2008; Research Analyst with Credit Suisse First Boston (an investment

banking firm) from October 2002 to August 2003; Global Coordinator and First Vice President of Merrill Lynch & Co. (an investment banking firm) from 1998 to 2001; Vice President and

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Precious Metals Equity Analyst with Merrill Lynch & Co. from 1994 to 1998; Portfolio Manager of Franklin Gold Fund and Valuemark Precious Metals Funds for Franklin Templeton Group (a global investment management organization) from 1990 to 1994. Mr. Christensen had previously served as a director of the Company from May 2002 to October 2002.

**DR. ANTHONY P. TAYLOR.** President, Chief Executive Officer and Director, Gold Summit Corporation (a public Canadian minerals exploration company), since October 2003; Director, Greencastle Resources Limited (an exploration company), since December 2003; President and Director, Caughlin Preschool Co. (a private Nevada corporation that operates preschools), since October 2001; President, Chief Executive Officer and Director, Millennium Mining Corporation (a private Nevada minerals exploration company) from January 2000 to October 2003; Vice President of Exploration, First Point US Minerals (a mineral exploration company) from May 1997 to December 1999; President and Director, Great Basin Exploration & Mining Co., Inc., (a gold mining company) from June 1990 to January 1996.

**The Board recommends that shareholders vote FOR the election of Phillips S. Baker, Jr., David J. Christensen and Dr. Anthony P. Taylor.**

#### **Remaining Directors**

The remaining directors whose present terms of office will continue after the meeting are as follows:

**GEORGE R. NETHERCUTT, JR.** Principal, Nethercutt Consulting LLC (a strategic planning and consulting firm), since January 2007; Of Counsel, Paine Hamblen LLP (a law firm), since August 2005; Board Member, Washington Policy Center (a public policy organization providing analysis on issues relating to the free market and government regulation), since January 2005; Board Member, ARCADIS Corporation (an international provider of knowledge-based consulting services in the areas of infrastructure, environment and buildings), since May 2005; Board Member, Juvenile Diabetes Research Foundation International (a charity and advocate of juvenile diabetes research worldwide), since June 2005; U.S. Chairman, Permanent Joint Board on Defense - U.S./Canada since April 2005; Principal, Lundquist, Nethercutt & Griles, LLC (a strategic planning and consulting firm) from February 2005 to January 2007; 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; Vice Chairman, Defense Subcommittee on Appropriations from 2000 to 2004; Member, Washington State Bar Association since 1972.

**JOHN H. BOWLES.** Retired; partner in the Audit and Assurance Group of PricewaterhouseCoopers LLP (an accounting firm) from April 1976 to June 2006; Director, HudBay Minerals Inc. (a zinc, copper, gold and silver mining company), since May 2006; Director, Boss Power Corp. (a mineral exploration company), since September 2007; Treasurer, Mining Suppliers, Contractors and Consultants Association of British Columbia (a provider of equipment, products and related services to the British Columbia mining industry), since May 1999; Director Emeritus, Ducks Unlimited Canada (a national, private, non-profit wetland conservation organization), since March 1996; former Director of Ducks Unlimited Canada from March 1988 to March 1996; former Trustee of The Leon and Thea Koerner Foundation (provides grants to nonprofit organizations) from November 2002 to November 2006; former President of the Canadian Diabetes Association (a charitable organization) from 1982 to 1984; appointed a fellow of the Institute of Chartered Accountants in December 1997; and appointed a fellow of the Canadian Institute of Mining and Petroleum in May 2003.

**TED CRUMLEY.** Retired; Executive Vice President and Chief Financial Officer of OfficeMax Incorporated (distributor of office products) from January 2005 to December 2005; Senior Vice President of OfficeMax Incorporated from November 2004 to January 2005; Senior Vice President and Chief Financial Officer of Boise Cascade Corporation (manufacturer of paper and forest products) from 1994 to 2004; Vice President and Controller of Boise Cascade Corporation from 1990 to 1994; other positions held at Boise Cascade Corporation from 1972 to 1990.

**CHARLES B. STANLEY.** Chief Operating Officer of Questar Corporation (a Western U.S. natural gas-focused exploration and production, interstate pipeline and local distribution company), since March 2008; Executive Vice President and Director of Questar Corporation, since 2002; 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), since 2002; former President and Chief Executive Officer of El Paso Oil and Gas Canada, Inc. (a natural gas services company) from 2000 to 2002; former President, Chief Executive Officer and Director, Coastal Gas International Co. (a natural gas services company) from 1995 to 2000.

**TERRY V. ROGERS.** Retired; Senior Vice President and Chief Operating Officer, Cameco Corporation (world's largest uranium producer) from February 2003 to June 2007; former President, Kumtor Operating Company (a gold producing company and a division of Cameco Corporation) from 1999 to 2003; former Managing Director - Technical, MIBRAG mbH (a brown coal producing company) from 1997 to 1999; former President, Jerooy Gold Company (a mining company and a division of MK Gold Company) from 1994 to 1997; and General Manager, American Girl Mining (a mining joint venture 50% owned by MK Gold Company) from 1989 to 1994.

### CERTAIN INFORMATION ABOUT THE BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD

#### Current Members of the Board of Directors

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

Director	Executive Committee	Audit Committee	Compensation Committee	Corporate Governance and Directors' Nominating Committee	Technical Committee
Phillips S. Baker, Jr.	**				
John H. Bowles		**			*
David J. Christensen	*	*		**	
Ted Crumley ***	*		**		
George R. Nethercutt, Jr.			*	*	
Terry V. Rogers		*			*
Charles B. Stanley		*			*
Dr. Anthony P. Taylor			*	*	**

\* Member

\*\* Committee Chairman

\*\*\* Chairman of the Board

#### Committees of the Board of Directors

The standing committees of the Board are the Executive; Audit; Compensation; Corporate Governance and Directors' Nominating; and Technical.

The Board adopted charters for the Audit, Compensation, and Corporate Governance and Directors' Nominating Committees. You may obtain copies of these charters in the "Corporate" section of <http://www.hecla-mining.com> under "Governance Documents" or by writing to us at Hecla Mining Company, 6500 N. Mineral Drive, Suite 200, Coeur d'Alene, Idaho 83815-9408, Attn.: Investor Relations.

**Executive Committee.** The members of the Executive Committee are: Phillips S. Baker, Jr. (Chairman), David J. Christensen and Ted Crumley. 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. The Executive Committee met twice in 2007.

**Audit Committee.** The members of the Audit Committee are: John H. Bowles (Chairman), David J. Christensen, Terry V. Rogers and Charles B. Stanley. The functions of the Audit Committee are described under the heading "Audit Committee Report." Each member of the Audit Committee satisfies the definition of "independent director" as established in the New York Stock Exchange listing standards and the Securities and Exchange Commission rules. In addition, each member of the Audit Committee is financially literate and the Board has determined that Messrs. Bowles, Christensen and Stanley each qualify as an audit committee "financial expert" as defined by the Securities and Exchange Commission rules. The Audit Committee met eight times in 2007. The Audit Committee's Report begins on page 19.

**Compensation Committee.** The members of the Compensation Committee are: Ted Crumley (Chairman), George R. Nethercutt, Jr. and Dr. Anthony P. Taylor. Each member of the Compensation Committee is independent within the meaning of the listing standards of the New York Stock Exchange. The Compensation Committee met four times in 2007. The Compensation 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 Compensation 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 part of each executive officer's potential compensation depend on our 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 Compensation Committee's processes and procedures for consideration of executive compensation are addressed in the "Compensation Discussion and Analysis" on page 24.

**Corporate Governance and Directors' Nominating Committee.** The members of the Corporate Governance and Directors' Nominating Committee are: David J. Christensen (Chairman), George R. Nethercutt, Jr. and Dr. Anthony P. Taylor. All members of the Corporate Governance and Directors' Nominating Committee are independent within the meaning of the listing standards of the New York Stock Exchange. The Corporate Governance and Directors' Nominating 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 New York Stock Exchange 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

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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. The Corporate Governance and Directors' Nominating Committee met four times in 2007.

Additional information on the Corporate Governance and Directors' Nominating Committee's purposes are discussed below in the section entitled "Corporate Governance."

**Technical Committee.** The members of the Technical Committee are: Dr. Anthony P. Taylor (Chairman), John H. Bowles, Terry V. Rogers and Charles B. Stanley. The principal function of the Technical Committee is to make recommendations to the Board concerning the advisability of proceeding with the exploration, development, acquisition or divestiture of mineral properties and/or operations. The Technical Committee met once in 2007.

## **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, 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 "Corporate" and then selecting "Governance Documents." These include: the Corporate Governance Guidelines; the charters of the Audit Committee, Compensation Committee, and the Corporate Governance and Directors' Nominating Committee of the Board of Directors; the Senior Financial Officers' Code of Ethics; and the Code of Business Conduct and Ethics for Directors, Officers and Employees. Printed copies of these documents will be furnished to any shareholder who requests them by writing to us at Hecla Mining Company, 6500 N. Mineral Drive, Suite 200, Coeur d'Alene, Idaho 83815-9408, Attn.: Investor Relations. The information on the Company's Internet site is not incorporated by reference into this Proxy Statement.

### **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 the 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 and 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, Controller and Assistant Controller are also bound by a Code of Ethics for the Chief Executive Officer and Senior Financial Officers.

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The Corporate Governance and Directors' Nominating Committee has adopted procedures to receive, retain, and treat complaints received regarding violations to the Code of Business Conduct and Ethics, and to allow for the confidential and anonymous submission by employees of concerns regarding questionable 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.

### **Whistleblower Policy**



The Audit Committee adopted a Whistleblower Policy, which encourages our employees to report to appropriate representatives of the Company, without fear of retaliation, certain accounting information relating to 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, among other things, state that the Board will have a majority of directors who meet the criteria for independence required by the New York Stock Exchange. In determining independence each year, the Corporate Governance and Directors' Nominating Committee affirmatively determines whether directors have no "material relationship" with the Company. When assessing the "materiality" of a director's relationship with the Company, the Corporate Governance and Directors' Nominating 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 Corporate Governance and Directors' Nominating Committee also reviews the frequency or regularity of the services, whether the services are being carried out at arm's length in the ordinary course of business and whether the services are being provided substantially on the same terms to the Company as those prevailing at the time from unrelated parties for comparable transactions. Material relationships can include commercial, banking, industrial, consulting, legal, accounting, charitable and familial relationships. In making these independence determinations, the Corporate Governance and Directors' Nominating Committee applies the following standards:

- A director who is, or has been within the last three years, an employee of the Company, or whose immediate family member<sup>1</sup> is, or has been within the last three years, an executive officer<sup>2</sup> of the Company may not be deemed independent. Employment as an interim Chairman or Chief Executive Officer or other executive officer shall not disqualify a director from being considered independent following the interim employment.
- A director who has received, or who has an immediate family member who has received, during any twelve-month period within the last three years, more than \$100,000 per year in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), may not be deemed independent. Compensation received by a director for former service as an interim Chairman or Chief Executive Officer and compensation received by an immediate family member for service as a non-executive employee of the Company will not be considered in determining independence under this test.

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<sup>1</sup> "Immediate family member" means 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) sharing a person's home, but excluding any person who is no longer an immediate family member as a result of legal separation, divorce, death or incapacitation.

<sup>2</sup> "Executive officer" means an "officer" within the meaning of Rule 16a-1(f) under the Securities Exchange Act of 1934.

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- (i) A director who is affiliated with or employed by, or whose immediate family member is, a current partner of a firm that is the Company's internal or external auditor; (ii) a director who is a current employee of such a firm; (iii) a director who has an immediate family member who is a current employee of such a firm and who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice; or (iv) a director who was or whose immediate family member was, within the last three years (but is no longer), a partner or employee of such a firm and personally worked on the Company's audit within that time, may not be deemed independent.
  - A director who is, or whose immediate family member is, or has been within the last three years, employed as an executive officer of another company, where any of the Company's present executive

officers at the time serve or served on that company's compensation committee, may not be deemed independent.

- A director who is a current executive officer or an employee, or whose immediate family member is a current executive officer, of an entity that has made payment to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of such other entity's consolidated gross revenues, may not be deemed independent.
- The Company made contributions to any charitable organization in which a director served as an executive officer and contributions in any single fiscal year exceeded the greater of \$1 million or 2% of such charitable organization's gross revenues.

Pursuant to our Corporate Governance Guidelines, the Corporate Governance and Directors' Nominating Committee undertook its annual review of director independence in February 2008. During this review, the Corporate Governance and Directors' Nominating Committee considered transactions and relationships between each director or any member of his immediate family and the Company and its subsidiaries and affiliates, including relationships, if any, reported under "Certain Relationships and Related Transactions." The Corporate Governance and Directors' Nominating 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.

As a result of this review by the Corporate Governance and Directors' Nominating Committee, the Board affirmatively determined that the following directors are independent of the Company and its management under the standards set forth by the New York Stock Exchange:

John H. Bowles	Terry V. Rogers
David J. Christensen	Charles B. Stanley
Ted Crumley	Dr. Anthony P. Taylor
George R. Nethercutt, Jr.	

Messrs. Charles B. Stanley and Phillips S. Baker, Jr. both serve as members of the board of directors of Questar Corporation. The Corporate Governance and Directors' Nominating Committee reviewed this relationship with the Board, and the Board made the affirmative decision that this relationship did not disqualify Mr. Charles B. Stanley from being independent.

Mr. Phillips S. Baker, Jr., is considered a non-independent inside director because of his employment as our President and Chief Executive Officer.

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## **Selection of Nominees for the Board of Directors**

Pursuant to our Corporate Governance Guidelines, the Board will have a majority of directors who meet the criteria for independence required by the New York Stock Exchange. The Corporate Governance and Directors' Nominating Committee is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics that the Board seeks in board members, as well as the composition of the Board as a whole, including an annual evaluation of whether members qualify as being independent under applicable standards. This evaluation includes the consideration of independence, diversity, age, skills, experience, and industry backgrounds in the context of the needs of the Board and the Company, as well as the ability of members (and candidates for membership) to devote sufficient time to perform their duties in an effective manner. Directors are expected to exemplify high standards of personal and professional integrity and to constructively challenge management through their active participation and questioning. Directors are expected to immediately inform the Board of any material changes in their circumstances or relationships that may impact their independence.

The Corporate Governance and Directors' Nominating 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 the case of incumbent directors whose terms of office are set to expire, the Corporate Governance and Directors' Nominating Committee reviews such directors' overall service to the Company during their terms, including the number of meetings attended, level of participation and quality of performance.

Consideration of new director nominee candidates typically involves a series of internal discussions, review of information concerning candidates and interviews with selected candidates. The Corporate Governance and Directors' Nominating Committee identifies potential new director candidates by recommendations from its members, other board members, corporate management and shareholders, and utilizing the services of a professional search firm.

The Corporate Governance and Directors' Nominating 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 in the section entitled, "Provisions of the Company's Bylaws with Respect to Shareholder Proposals and Nominations for Election as Directors." Shareholders who wish to submit a proposed nominee to the Corporate Governance and Directors' Nominating 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 below in the section entitled, "Provisions of the Company's Bylaws with Respect to Shareholder Proposals and Nominations for Election as Directors." 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 Securities Exchange Act of 1934, as amended (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 Corporate Governance and Directors' Nominating Committee will consider shareholder nominees on the same terms as nominees selected by the Corporate Governance and Directors' Nominating Committee.

Regardless of how a candidate is brought to the Corporate Governance and Directors' Nominating Committee, qualified candidates are asked to conduct one or more personal 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.

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### **Non-Management Director Sessions**

The non-management directors meet separately in regularly scheduled meetings, without the presence of management directors or executive officers of the Company, unless the non-management directors request their attendance. Each non-management director session is presided over by our Chairman, Ted Crumley. Mr. Crumley's duties include chairing non-management director sessions of the Board, conferring with other non-management members of the Board and Chief Executive Officer on other matters, facilitating the flow of information to the Board and any other duties assigned by the Board.

### **Board Meetings During 2007**

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 the shareholders. Our Board held four regularly scheduled meetings and one telephonic meeting during fiscal year 2007. Each of our directors attended all of the regularly scheduled and telephonic meetings of our Board, and all of the meetings of the committees of the Board upon which each served during 2007. All members of the Board attended last year's Annual Shareholders Meeting, which was held in May 2007.

**Director Communications**

Shareholders or other interested parties wishing to communicate with the Chairman or with the non-management 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 "Corporate" and then "Governance Documents" for any changes in this process.

**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 executive officer of the Company, and by all current directors and executive officers as a group, as of March 14, 2008. On that date, all of such persons together beneficially owned an aggregate of approximately 1.2% 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
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